

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Clevo Co.

PWCR22000018

Introduction

We have reviewed the accompanying consolidated balance sheets of Clevo Co. and subsidiaries (the "Group") as at March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65. "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Notes 4(3) and 6(5), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for using equity method were not reviewed by independent auditors. Those statements reflect total assets of NT\$13,725,100 thousand and NT\$14,174,937 thousand, constituting 14% and 15% of the consolidated total assets, and total liabilities of NT\$1,976,514 thousand and NT\$1,945,299 thousand, both constituting 4% and 4% of the consolidated total liabilities as at March 31, 2022 and 2021, respectively, and total comprehensive income of NT\$102,449 thousand and NT\$100,315 thousand, constituting 4% and 15% of the consolidated total comprehensive income for the three-month periods then ended, respectively.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Wu, Han-Chi

Liang, Hua-Ling

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 11, 2022

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
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

| ASSETS | Notes | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | | |
|---------------------------|----------------------------------|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 2,743,919 | 3 | \$ 3,816,041 | 4 | \$ 3,426,658 | 4 |
| 1110 | Financial assets at fair value | 6(2) | | | | | | |
| | through profit or loss - current | | 3,060,992 | 3 | 2,530,073 | 3 | 2,005,785 | 2 |
| 1136 | Financial assets at amortised | 6(1) and 8 | | | | | | |
| | cost - current | | 4,071 | - | 3,912 | - | 621,208 | 1 |
| 1170 | Accounts receivable, net | 6(3) | 3,712,664 | 4 | 3,426,401 | 4 | 2,655,965 | 3 |
| 1220 | Current income tax assets | | 284 | - | 274 | - | 273 | - |
| 130X | Inventories | 6(4) | 5,215,840 | 5 | 4,693,977 | 5 | 5,026,937 | 5 |
| 1470 | Other current assets | 6(1), 7 and 8 | 1,670,895 | 2 | 1,383,409 | 1 | 1,028,873 | 1 |
| 11XX | Total current assets | | <u>16,408,665</u> | <u>17</u> | <u>15,854,087</u> | <u>17</u> | <u>14,765,699</u> | <u>16</u> |
| Non-current assets | | | | | | | | |
| 1535 | Financial assets at amortised | 6(1) and 8 | | | | | | |
| | cost - non-current | | 25,217 | - | 24,318 | - | 26,012 | - |
| 1550 | Investments accounted for | 6(5) | | | | | | |
| | using equity method, net | | 2,742,250 | 3 | 2,649,192 | 3 | 3,499,764 | 4 |
| 1600 | Property, plant and equipment | 6(6) and 8 | 2,623,466 | 3 | 2,533,892 | 3 | 4,224,367 | 4 |
| 1755 | Right-of-use assets | 6(7), 7 and 8 | 4,469,392 | 5 | 4,158,671 | 5 | 4,353,039 | 4 |
| 1760 | Investment property, net | 6(9) and 8 | 64,717,108 | 68 | 62,408,602 | 68 | 64,070,966 | 68 |
| 1780 | Intangible assets | 6(10) | 16,831 | - | 18,423 | - | 25,206 | - |
| 1840 | Deferred income tax assets | 6(28) | 385,193 | - | 387,328 | - | 624,963 | 1 |
| 1990 | Other non-current assets | 6(1)(11) and 8 | 3,512,656 | 4 | 3,259,614 | 4 | 3,139,561 | 3 |
| 15XX | Total non-current assets | | <u>78,492,113</u> | <u>83</u> | <u>75,440,040</u> | <u>83</u> | <u>79,963,878</u> | <u>84</u> |
| 1XXX | Total assets | | <u>\$ 94,900,778</u> | <u>100</u> | <u>\$ 91,294,127</u> | <u>100</u> | <u>\$ 94,729,577</u> | <u>100</u> |

(Continued)

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2022, DECEMBER 31, 2021 AND MARCH 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(The balance sheets as of March 31, 2022 and 2021 are reviewed, not audited)

| LIABILITIES AND EQUITY | Notes | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | | |
|--|--|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | | | |
| 2100 | Short-term borrowings | 6(12) | \$ 5,173,531 | 5 | \$ 4,746,423 | 5 | \$ 8,458,005 | 9 |
| 2130 | Contract liabilities, current | 6(21) | 78,469 | - | 88,153 | - | 391,704 | 1 |
| 2150 | Notes payable | | 4,807 | - | 10,124 | - | 7,330 | - |
| 2170 | Accounts payable | | 2,344,111 | 3 | 2,393,963 | 3 | 2,120,242 | 2 |
| 2180 | Accounts payable - related parties | 7 | 380,149 | - | 347,988 | - | 328,544 | - |
| 2200 | Other payables | | 2,559,563 | 3 | 1,364,019 | 2 | 1,610,866 | 2 |
| 2230 | Current income tax liabilities | | 440,905 | - | 378,031 | - | 132,190 | - |
| 2250 | Provisions for liabilities - current | 6(16) | 58,523 | - | 58,523 | - | 53,523 | - |
| 2280 | Lease liabilities | 6(7) and 7 | 121,540 | - | 62,634 | - | 16,274 | - |
| 2320 | Long-term liabilities, current portion | 6(14) | 4,436,144 | 5 | 3,798,480 | 4 | 4,720,379 | 5 |
| 2399 | Other current liabilities | | 443,172 | 1 | 512,461 | 1 | 444,189 | 1 |
| 21XX | Total current liabilities | | <u>16,040,914</u> | <u>17</u> | <u>13,760,799</u> | <u>15</u> | <u>18,283,246</u> | <u>20</u> |
| Non-current liabilities | | | | | | | | |
| 2530 | Corporate bonds payable | 6(13) | 5,000,000 | 5 | 5,000,000 | 6 | 5,000,000 | 5 |
| 2540 | Long-term borrowings | 6(14) | 17,341,576 | 18 | 17,871,867 | 20 | 17,676,285 | 19 |
| 2570 | Deferred tax liabilities | 6(28) | 12,487,412 | 13 | 12,002,907 | 13 | 12,365,202 | 13 |
| 2580 | Lease liabilities - non-current | 6(7) and 7 | 330,101 | 1 | 221,390 | - | 92,814 | - |
| 2670 | Other non-current liabilities | 7 | 1,146,884 | 1 | 1,126,740 | 1 | 1,139,737 | 1 |
| 25XX | Total non-current liabilities | | <u>36,305,973</u> | <u>38</u> | <u>36,222,904</u> | <u>40</u> | <u>36,274,038</u> | <u>38</u> |
| 2XXX | Total liabilities | | <u>52,346,887</u> | <u>55</u> | <u>49,983,703</u> | <u>55</u> | <u>54,557,284</u> | <u>58</u> |
| Equity attributable to owners of parent | | | | | | | | |
| Share capital | | | | | | | | |
| 3110 | Ordinary share | 6(17) | 6,422,630 | 7 | 6,497,630 | 7 | 6,697,630 | 7 |
| Capital surplus | | | | | | | | |
| 3200 | Capital surplus | 6(18) | 57,480 | - | 73,478 | - | 95,864 | - |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(19) | 1,908,529 | 2 | 1,908,529 | 2 | 1,831,206 | 2 |
| 3320 | Special reserve | | 35,684,459 | 38 | 35,684,459 | 39 | 36,717,272 | 39 |
| 3350 | Unappropriated retained earnings | | 2,323,972 | 2 | 3,149,950 | 3 | 1,065,554 | 1 |
| Other equity interest | | | | | | | | |
| 3400 | Other equity interest | 6(20) | (2,693,911) | (3) | (4,628,787) | (5) | (4,581,542) | (5) |
| 3500 | Treasury shares | 6(17) | (1,149,268) | (1) | (1,374,835) | (1) | (1,653,691) | (2) |
| 31XX | Total equity attributable to owners of parent | | <u>42,553,891</u> | <u>45</u> | <u>41,310,424</u> | <u>45</u> | <u>40,172,293</u> | <u>42</u> |
| 3XXX | Total equity | | <u>42,553,891</u> | <u>45</u> | <u>41,310,424</u> | <u>45</u> | <u>40,172,293</u> | <u>42</u> |
| Significant contingent liabilities and unrecognised contract commitments | | | | | | | | |
| Significant events after the balance sheet date | | | | | | | | |
| 3X2X | TOTAL LIABILITIES AND EQUITY | | <u>\$ 94,900,778</u> | <u>100</u> | <u>\$ 91,294,127</u> | <u>100</u> | <u>\$ 94,729,577</u> | <u>100</u> |

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

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)
(REVIEWED, NOT AUDITED)

| | | Three months ended March 31 | | | | |
|-------|--|-----------------------------|---------------------|-----------|-------------------|-------------|
| | | 2022 | | 2021 | | |
| Items | Notes | AMOUNT | % | AMOUNT | % | |
| 4000 | Sales revenue | 6(21) and 7 | \$ 6,404,009 | 100 | \$ 5,603,929 | 100 |
| 5000 | Operating costs | 6(4)(26)(27) and 7 | (5,055,641) | (79) | (4,336,108) | (77) |
| 5900 | Net operating margin | | <u>1,348,368</u> | <u>21</u> | <u>1,267,821</u> | <u>23</u> |
| | Operating expenses | 6(26)(27) | | | | |
| 6100 | Selling expenses | | (279,625) | (4) | (284,728) | (5) |
| 6200 | General and administrative expenses | | (300,324) | (5) | (319,529) | (6) |
| 6300 | Research and development expenses | | (154,076) | (3) | (136,759) | (2) |
| 6450 | Impairment loss determined in accordance with IFRS 9 | 12(2) | (12,086) | - | (247) | - |
| 6000 | Total operating expenses | | (746,111) | (12) | (741,263) | (13) |
| 6900 | Operating profit | | <u>602,257</u> | <u>9</u> | <u>526,558</u> | <u>10</u> |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(22) | 2,148 | - | 8,960 | - |
| 7010 | Other income | 6(23) | 55,669 | 1 | 32,730 | - |
| 7020 | Other gains and losses | 6(24) | 239,811 | 4 | (4,168) | - |
| 7050 | Finance costs | 6(25) and 7 | (152,122) | (2) | (162,977) | (3) |
| 7060 | Share of profit of associates and joint ventures accounted for using equity method | 6(5) | <u>31,291</u> | <u>-</u> | <u>34,216</u> | <u>1</u> |
| 7000 | Total non-operating income and expenses | | <u>176,797</u> | <u>3</u> | <u>(91,239)</u> | <u>(2)</u> |
| 7900 | Profit (loss) before income tax | | <u>779,054</u> | <u>12</u> | <u>435,319</u> | <u>8</u> |
| 7950 | Income tax expense | 6(28) | (185,591) | (3) | (115,275) | (2) |
| 8200 | Profit (loss) for the period | | <u>\$ 593,463</u> | <u>9</u> | <u>\$ 320,044</u> | <u>6</u> |
| | Other comprehensive income | | | | | |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Financial statements translation differences of foreign operations | 6(20) | \$ 1,882,859 | 29 | \$ 330,558 | 6 |
| 8370 | Share of other comprehensive income of associates and joint ventures accounted for under equity method | 6(20) | 65,021 | 1 | 19,889 | - |
| 8399 | Income tax relating to the components of other comprehensive income | 6(20)(28) | (13,004) | - | (3,978) | - |
| 8360 | Other comprehensive income that will be reclassified to profit or loss | | <u>1,934,876</u> | <u>30</u> | <u>346,469</u> | <u>6</u> |
| 8300 | Total other comprehensive income for the period | | <u>\$ 1,934,876</u> | <u>30</u> | <u>\$ 346,469</u> | <u>6</u> |
| 8500 | Total comprehensive income for the period | | <u>\$ 2,528,339</u> | <u>39</u> | <u>\$ 666,513</u> | <u>12</u> |
| | Profit attributable to: | | | | | |
| 8610 | Owners of the parent | | <u>\$ 593,463</u> | <u>9</u> | <u>\$ 320,044</u> | <u>6</u> |
| | Comprehensive income attributable to: | | | | | |
| 8710 | Owners of the parent | | <u>\$ 2,528,339</u> | <u>39</u> | <u>\$ 666,513</u> | <u>12</u> |
| | Earnings per share (in dollars) | 6(29) | | | | |
| 9750 | Basic earnings per share | | <u>\$ 1.01</u> | | <u>\$ 0.54</u> | |
| 9850 | Diluted earnings per share | | <u>\$ 1.00</u> | | <u>\$ 0.53</u> | |

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

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

| | Notes | Equity attributable to owners of the parent | | | | | | | | | | |
|---|-------|---|---|--|--|---------------|-----------------|----------------------------------|---|-----------------------------|-----------------|---------------|
| | | Capital Reserves | | | Retained Earnings | | | Other Equity Interest | | | | |
| | | 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>Three months ended March 31, 2021</u> | | | | | | | | | | | | |
| 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 period | | - | - | - | - | - | - | 320,044 | - | - | - | 320,044 |
| Other comprehensive income for the period | 6(20) | - | - | - | - | - | - | - | 346,469 | - | - | 346,469 |
| Total comprehensive income | | - | - | - | - | - | - | 320,044 | 346,469 | - | - | 666,513 |
| <u>Appropriation of 2020 earnings</u> | | | | | | | | | | | | |
| Cash dividends | 6(19) | - | - | - | - | - | - | (373,358) | - | - | - | (373,358) |
| Balance at March 31, 2021 | | \$ 6,697,630 | \$ 57,998 | \$ 37,866 | \$ - | \$ 1,831,206 | \$ 36,717,272 | \$ 1,065,554 | (\$ 4,602,464) | \$ 20,922 | (\$ 1,653,691) | \$ 40,172,293 |
| <u>Three months ended March 31, 2022</u> | | | | | | | | | | | | |
| Balance at January 1, 2022 | | \$ 6,497,630 | \$ 56,267 | \$ 16,228 | \$ 983 | \$ 1,908,529 | \$ 35,684,459 | \$ 3,149,950 | (\$ 4,628,787) | \$ - | (\$ 1,374,835) | \$ 41,310,424 |
| Profit for the period | | - | - | - | - | - | - | 593,463 | - | - | - | 593,463 |
| Other comprehensive income for the period | 6(20) | - | - | - | - | - | - | - | 1,934,876 | - | - | 1,934,876 |
| Total comprehensive income | | - | - | - | - | - | - | 593,463 | 1,934,876 | - | - | 2,528,339 |
| <u>Appropriation of 2021 earnings</u> | | | | | | | | | | | | |
| Cash dividends | 6(19) | - | - | - | - | - | - | (1,285,752) | - | - | - | (1,285,752) |
| Treasury stock retired | 6(17) | (75,000) | (650) | (16,228) | - | - | - | (133,689) | - | - | 225,567 | - |
| Past due dividends not received by shareholders | | - | - | - | 880 | - | - | - | - | - | - | 880 |
| Balance at March 31, 2022 | | \$ 6,422,630 | \$ 55,617 | \$ - | \$ 1,863 | \$ 1,908,529 | \$ 35,684,459 | \$ 2,323,972 | (\$ 2,693,911) | \$ - | (\$ 1,149,268) | \$ 42,553,891 |

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

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

| | Notes | Three months ended March 31 | |
|---|-------------|-----------------------------|-------------|
| | | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | \$ 779,054 | \$ 435,319 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(6)(7)(26) | 61,249 | 63,328 |
| Amortisation | 6(10)(26) | 2,062 | 2,757 |
| Expected credit loss | 12(2) | 12,086 | 247 |
| Net loss (gain) on financial assets (liabilities) mandatorily measured at fair value through profit or loss | 6(2)(24) | 3,273 | (88,054) |
| Interest expense | 6(25) | 152,122 | 162,977 |
| Interest income | 6(22) | (2,148) | (8,960) |
| Dividend income | 6(23) | (1,442) | - |
| Share of profit of associates and joint ventures accounted for using the equity method | 6(5) | (31,291) | (34,216) |
| Loss on disposal of property, plant and equipment | 6(24) | 1,114 | 90 |
| Loss on disposal of intangible assets | 6(24) | - | 2,882 |
| Loss on disposal of investments | 6(24) | 25,508 | 4,850 |
| Loss on adjustment of investment properties at fair value | 6(9)(24) | 13,866 | - |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets measured at fair value through profit or loss | | (548,981) | (321,746) |
| Accounts receivable, net | | (299,731) | (407,337) |
| Inventories | | (548,068) | (656,258) |
| Capitalisation of interest (inventories) | 6(4) | (8,595) | (5,397) |
| Other current assets | | (253,307) | (28,580) |
| Changes in operating liabilities | | | |
| Contract liabilities | | 9,465 | 240,778 |
| Notes payable | | (5,317) | (4,764) |
| Accounts payable | | (49,852) | 264,787 |
| Accounts payable - related parties | | 32,161 | 86,370 |
| Other payables | | (68,588) | 15,507 |
| Other current liabilities | | (69,289) | (31,967) |
| Other non-current liabilities | | 3,076 | (1,662) |
| Cash outflow generated from operations | | (791,573) | (309,049) |
| Interest received | | 1,999 | 9,872 |
| Dividends received | | 770 | - |
| Interest paid | | (138,291) | (157,625) |
| Income taxes paid | | (78,753) | (111,326) |
| Net cash flows used in operating activities | | (1,005,848) | (568,128) |

(Continued)

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

| | Notes | Three months ended March 31 | |
|---|-------|-----------------------------|----------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of property, plant and equipment | 6(30) | (\$ 65,648) | (\$ 34,953) |
| Proceeds from disposal of property, plant and equipment | | 1,492 | 660 |
| Decrease in refundable deposits | | 359 | 67 |
| Acquisition of investment properties | 6(30) | (34,506) | (85,147) |
| Interest paid (capitalisation of interest) | 6(9) | (27,031) | (38,982) |
| (Increase) decrease in financial assets at amortised cost - current | | (159) | 136,392 |
| Increase in financial assets at amortised cost - non-current | | (899) | (176) |
| Increase in other non-current assets | | (137,033) | (99,470) |
| Increase in restricted bank deposits - current | | (33,359) | (3,051) |
| Decrease (increase) in restricted bank deposits - non-current | | 1,877 | (1,662) |
| Net cash flows used in investing activities | | (294,907) | (126,322) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Proceeds from short-term borrowings | | 12,076,131 | 15,019,653 |
| Repayments of short-term borrowings | | (11,687,384) | (13,462,045) |
| Proceeds from long-term borrowings | | 9,057,100 | 7,483,215 |
| Repayments of long-term borrowings | | (9,320,930) | (9,859,238) |
| Decrease in guarantee deposit | | (19,788) | (39,178) |
| Payments of lease liabilities | 6(31) | (14,023) | (3,968) |
| Net cash flows from (used in) financing activities | | 91,106 | (861,561) |
| Changes in exchange rates | | 137,527 | 64,618 |
| Net decrease in cash and cash equivalents | | (1,072,122) | (1,491,393) |
| Cash and cash equivalents at beginning of period | | 3,816,041 | 4,918,051 |
| Cash and cash equivalents at end of period | | \$ 2,743,919 | \$ 3,426,658 |

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

CLEVO CO. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2022 AND 2021

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

(Reviewed, not audited)

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 May 11, 2022.

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”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC 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 cycle | 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

None.

(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:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by International Accounting Standards Board</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 |
| IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendments to IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendments 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, 2023 |
| 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.

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” and the International Accounting Standard 34, ‘Interim financial reporting’ as endorsed by the FSC.

(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 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 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 |
|--|--|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| The Company | CLEVO COMPUTER SINGAPORE PTE LTD. | Management and advisory of computers | 100 | 100 | 100 | (Note 1) |
| The Company | CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | Investment | 100 | 100 | 100 | |
| The Company | KAPOK COMPUTER (SAMOA) CORPORATION | Investment | 100 | 100 | 100 | |
| The Company | Kapok Computer Co., Ltd. | Design and sale of computers and computer peripherals | 100 | 100 | 100 | (Note 1) |
| The Company | Clevo Investment Co., Ltd. | Investment | 100 | 100 | 100 | (Note 1) |
| The Company | BUYNOW ON-LINE HOLDING CORPORATION | Investment | 100 | 100 | 100 | (Note 1) |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW GLOBAL CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (HANGZHOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (ZHENGZHOU) CORPORATION | Investment | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|-------------------------------------|--------------------------|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW GROUP (CHANGSHA) CORPORATION | Investment | 100 | 100 | 110 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (NANCHANG) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (GUANGZHOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | FLYING WOLF INVESTMENT LIMITED | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (XIAMEN) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW GROUP (XIAN) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (CHANGCHUN) CORPORATION | Investment | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|---|--------------------------|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW GROUP (QINGDAO) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (WUXI) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (HARBIN) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | FLYING INTERNATIONAL INVESTMENT LIMITED | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (CHONGQING) LIMITED | Investment | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|-------------------------------------|--------------------------|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (DAQING) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (ZIBO) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (BEIJING) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (YANCHENG) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | SKILL DEVELOP INTERNATIONAL LIMITED | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (YINGKOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (ANSHAN) CORPORATION | Investment | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|--------------------------------------|--------------------------|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (HUIZHOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (GUIYANG) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (TAIZHOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (DEZHOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (LUOYANG) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | SMARTER CAPITAL LIMITED | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (FUJIAN QUANZHOU) CORPORATION | Investment | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|---------------------------------------|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (JINZHOU) CORPORATION | Investment | 100 | 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 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (SHANTOU) CORPORATION | Investment | 100 | 100 | 100 | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | CLEVO (HK) INVESTMENT HOLDING LIMITED | Investment | - | - | 100 | (Note 5) |
| BUYNOW ON-LINE HOLDING CORPORATION | BUYNOW ON-LINE LIMITED | Investment | 100 | 100 | 100 | (Note 1) |
| SKILL DEVELOPMENTAL LIMITED | WELL ASIA INVESTMENT LIMITED | Investment | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|-----------------------------------|--|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| CLEVO COMPUTER SINGAPORE PTE LTD. | BUYNOW (CHENGDU) CORPORATION | Investment | 100 | 100 | 100 | |
| 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 | 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 | 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 | 8.82 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|------------------------------------|--|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 20.59 | (Note 2) |
| 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 | 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 | 21.21 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---------------------------|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|-------------------------------------|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 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 | 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--------------------------------|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 100 | (Note 4) |
| 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 | 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 | 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 | 95.24 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--------------------------------|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 4.76 | (Note 2) |
| 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 | 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 | 28.57 | (Note 2) |
| 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 | 71.43 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|----------------------------|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 100 | 100 | 100 | (Note 1) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|------------------------------|---|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 65 | (Note 2) |
| 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|-------------------------------|--|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 76 | (Note 2) |
| 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 | 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 | 40 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|------------------------------|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|------------------------------|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 100 | |
| SMARTER CAPITAL LIMITED | BUYNOW SZ. CORPORATION | Investment | 100 | 100 | 100 | |
| BUYNOW SZ. CORPORATION | Suzhou Jinzuo Industry Co., Ltd. | Business affairs and property management business | 100 | 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 | 100 | (Note 3) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--------------------------------------|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|------------------------------------|-------------------------------------|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 100 | |
| BUYNOW (SHANTOU) CORPORATION | Shantou Buynow Mall Co., Ltd. | Investment in companies primarily engaged in research and development and advisory service | 100 | 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 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 100 | |
| Shanghai Buynow Electronic Products Market Management Co., Ltd. | Shanghai Huihei Advertisement Co., Ltd. | Advertising design and marketing | 100 | 100 | 100 | |
| Shanghai Buynow Electronic Products Market Management Co., Ltd. | Shanghai Huizhuan Restaurant Management Co., Ltd. | Catering business management | 80 | 80 | 80 | (Note 2) |
| Quality Trust Property Management Co., Ltd. | Wuxi Quntai Property Management Co., Ltd. | Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service | 100 | 100 | 100 | |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 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 | 12.5 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 35 | (Note 2) |
| 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 | 60 | (Note 2) |
| Clevo (China) Investment Co., Ltd. | Shanghai Huizhuan Restaurant Management Co., Ltd. | Catering business management | 20 | 20 | 20 | (Note 2) |
| Clevo (China) Investment Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Rental of the display venues of computer and related electronic products; information consultation; maintenance services; property management | 78.79 | 78.79 | 78.79 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 70.59 | (Note 2) |
| 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 | 12.5 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 12.5 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---------------------------------------|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 12.5 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--------------------------------------|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 25 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 12.5 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|---|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 12.5 | (Note 2) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|--|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 | 12.39 | (Note 2) |
| 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 | 11.61 | (Note 2) |
| 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 3) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|---|--|--|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 3) |
| 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 3) |
| 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 3) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|--------------------------------------|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 4) |
| 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 4) |
| 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 4) |

| Investor | Name of subsidiaries | Main business activities | Ownership (%) | | | Description |
|--|--------------------------------------|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 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 4) |
| 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 4) |
| 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 4) |

Note 1: The financial statements of the entity as of and for the three months ended March 31, 2022 and 2021 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 2: 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 3: 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 4: 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 5: The registration of Clevo (HK) Investment Holding Limited was cancelled on July 30, 2021.

C. Subsidiaries not included in the consolidated financial statements:

| Name of investor | Name of subsidiary | Main business activities | Ownership (%) | | | Description |
|------------------|--------------------|---|----------------|-------------------|----------------|-------------|
| | | | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| The Company | Clevo France Sarl | Design and sale of computers and computer peripherals | 100 | 100 | 100 | (Note) |

Note: As CLEVO FRANCE SARL has ceased operations, there was no outstanding balance in its balance sheet as of March 31, 2022, December 31, 2021 and March 31, 2021 and income statement accounts and for the three months ended March 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.

(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 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) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

- A. Inventories, including construction in progress, buildings and land held for sale, are measured at acquired cost and capitalise borrowing costs incurred during the period of construction.
- B. The lands use rights of house construction and the superficies rights of acquiring specific lands the Group acquired for construction development and leasing are in accordance with paragraph 6 and 8 of IAS 2, therefore, the acquired costs of land use rights are recognised as inventories.
- C. The cost of the computers and peripheral products is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and relating production overheads (allocated based on normal operating capacity). It excludes borrowing costs.
- D. Inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) 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.

(15) 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.

(16) 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 | |

(17) 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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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’.

(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 realize the asset and settle the liability simultaneously.

(26) 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.

(27) 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.

(28) 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.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

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.

(29) 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.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(30) 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.

(31) 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.

(32) 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.

(33) 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.

(34) 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 March 31, 2022, the carrying amount of inventories was \$5,215,840.

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 March 31, 2022, the carrying amount of investment property was \$64,717,108.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Cash on hand and revolving funds | \$ 1,543 | \$ 3,089 | \$ 1,659 |
| Checking accounts and demand deposits | 2,569,977 | 3,713,115 | 2,740,572 |
| Time deposits | 172,399 | 99,837 | 684,427 |
| | <u>\$ 2,743,919</u> | <u>\$ 3,816,041</u> | <u>\$ 3,426,658</u> |

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Time deposits pledged to others as collateral for borrowings and those with maturity over three months totaling \$29,288, \$28,230 and \$647,220 were classified as ‘financial assets at amortized cost’ as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- C. Demand deposits pledged to others as collateral for borrowings amounting to \$98,756, \$65,397 and \$62,346 were classified as ‘other current assets’ as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- D. Demand deposits pledged to others as collateral for bonds payable amounting to \$1,016,672, \$1,018,549 and \$1,016,887 were classified as ‘other non-current assets’ as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

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

| <u>Assets items</u> | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|-----------------------|--------------------------|-----------------------|
| Current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Listed stocks | \$ 1,033,853 | \$ 913,241 | \$ 484,918 |
| Beneficiary certificates | 1,385,663 | 982,801 | 936,208 |
| Derivative instruments | 8,664 | 2,727 | 16,279 |
| Valuation adjustment | 632,812 | 631,304 | 568,380 |
| | <u>\$ 3,060,992</u> | <u>\$ 2,530,073</u> | <u>\$ 2,005,785</u> |

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

| | <u>Three-month period ended</u> | |
|--|---------------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| Financial assets mandatorily measured at fair value through profit or loss | | |
| Equity instruments | \$ 11,183 | \$ 103,371 |
| Beneficiary certificates | (45,901) | (42,876) |
| Derivative instruments | 5,937 | 22,709 |
| | <u>(\$ 28,781)</u> | <u>\$ 83,204</u> |

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

| | <u>March 31, 2022</u> | |
|---|---|------------------------|
| | <u>Contract amount (notional principal)</u> | <u>Contract period</u> |
| <u>Derivative financial liabilities</u> | | |
| Current items: | | |
| Forward foreign exchange contracts | <u>USD \$ 6,000</u> | 2021/09/10~2022/09/14 |
| | | |
| | <u>December 31, 2021</u> | |
| | <u>Contract amount (notional principal)</u> | <u>Contract period</u> |
| <u>Derivative financial liabilities</u> | | |
| Current items: | | |
| Forward foreign exchange contracts | <u>USD \$ 9,000</u> | 2021/09/10~2022/09/14 |
| | | |
| | <u>March 31, 2021</u> | |
| | <u>Contract amount (notional principal)</u> | <u>Contract period</u> |
| <u>Derivative financial assets</u> | | |
| Current items: | | |
| Foreign exchange swap | <u>USD \$ 9,000</u> | 2020/06/08~2021/06/10 |
| | | |
| Forward foreign exchange contracts | <u>USD \$ 57,000</u> | 2020/06/08~2021/06/30 |

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

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|-----------------------|--------------------------|-----------------------|
| Accounts receivable | \$ 3,770,020 | \$ 3,470,290 | \$ 2,695,515 |
| Less: Allowance for uncollectible accounts | (57,356) | (43,889) | (39,550) |
| | <u>\$ 3,712,664</u> | <u>\$ 3,426,401</u> | <u>\$ 2,655,965</u> |

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

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|----------------|-----------------------|--------------------------|-----------------------|
| Not past due | \$ 2,527,057 | \$ 2,232,041 | \$ 2,274,194 |
| Up to 30 days | 905,114 | 1,071,075 | 301,481 |
| 31 to 90 days | 208,980 | 68,487 | 40,150 |
| 91 to 180 days | 35,317 | 35,704 | 19,173 |
| Over 180 days | 93,552 | 62,983 | 60,517 |
| | <u>\$ 3,770,020</u> | <u>\$ 3,470,290</u> | <u>\$ 2,695,515</u> |

The above ageing analysis was based on past due date.

B. As of March 31, 2022, December 31, 2021, March 31, 2021 and January 1, 2021, the balances of receivables from contracts with customers amounted to \$3,770,020, \$3,470,290, \$2,695,515 and \$2,288,178, respectively.

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

D. As at March 31, 2022, December 31, 2021 and March 31, 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 \$3,712,664, \$3,246,401 and \$2,655,965, 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

| | March 31, 2022 | | |
|----------------------------------|---------------------|---------------------------------|---------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 3,033,485 | \$ (78,553) | \$ 2,954,932 |
| Semi-finished goods | 110,990 | (6,392) | 104,598 |
| Work in progress | 115,827 | - | 115,827 |
| Finished goods | 64,500 | (171) | 64,329 |
| Merchandise inventory | 37,453 | (3,694) | 33,759 |
| | <u>3,362,255</u> | <u>(88,810)</u> | <u>3,273,445</u> |
| Buildings and land held for sale | 2,225,698 | (283,303) | 1,942,395 |
| | <u>\$ 5,587,953</u> | <u>(\$ 372,113)</u> | <u>\$ 5,215,840</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 | 33,334 | (4,621) | 28,713 |
| | <u>2,862,294</u> | <u>(80,243)</u> | <u>2,782,051</u> |
| Buildings and land held for sale | 1,413,828 | (271,625) | 1,142,203 |
| Construction in progress | 769,723 | - | 769,723 |
| | <u>\$ 5,045,845</u> | <u>(\$ 351,868)</u> | <u>\$ 4,693,977</u> |

| | March 31, 2021 | | |
|----------------------------------|---------------------|---------------------------------|---------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 2,511,229 | (\$ 62,842) | \$ 2,448,387 |
| Semi-finished goods | 83,722 | (5,977) | 77,745 |
| Work in progress | 93,371 | - | 93,371 |
| Finished goods | 5,906 | (35) | 5,871 |
| Merchandise inventory | 31,746 | - | 31,746 |
| | <u>2,725,974</u> | <u>(68,854)</u> | <u>2,657,120</u> |
| Buildings and land held for sale | 1,829,404 | (144,367) | 1,685,037 |
| Construction in progress | 684,779 | - | 684,779 |
| | <u>\$ 5,240,157</u> | <u>(\$ 213,221)</u> | <u>\$ 5,026,936</u> |

A. The cost of inventories recognised as expense for the three-month periods ended March 31, 2022 and 2021 was \$5,055,641 and \$4,336,108, respectively, including the amount of \$13,366 and \$10,665, respectively, that the Group wrote down inventories from cost to net realizable value accounted for as cost of goods sold.

B. The capitalised borrowing costs for the three-month periods ended March 31, 2022 and 2021 were

\$8,595 and \$5,397, respectively, and the capitalised rates were 0%~5.00% and 3.00%~5.34%, respectively.

C. The Group has no inventory pledged to others.

(5) Investments accounted for using equity method

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|------------------------------------|-----------------------|--------------------------|-----------------------|
| Associates: | | | |
| Chicony Square (Wuhan) Inc. | \$ 1,578,878 | \$ 1,500,494 | \$ 2,405,382 |
| Chicony Square (Cayman) Inc. | 138,618 | 121,505 | 59,083 |
| Chicony Chengdu International Inc. | 63,901 | 59,897 | 51,769 |
| Joint ventures: | | | |
| TAIPEI TWIN CORPORATION | 960,853 | 967,296 | 983,530 |
| | <u>\$ 2,742,250</u> | <u>\$ 2,649,192</u> | <u>\$ 3,499,764</u> |

A. Associates:

(a) The basic information of the associates that are material to the Group is as follows:

| Company name | Principal place of business | Shareholding ratio | | | Nature of relationship | Method of measurement |
|------------------------------------|-----------------------------|--------------------|-------------------|----------------|---------------------------------|-----------------------|
| | | March 31, 2022 | December 31, 2021 | March 31, 2021 | | |
| Chicony Square (Wuhan) Inc. | China (Note 2) | 30% | 30% | 30% | Significant influence associate | Equity method |
| Chicony Square (Cayman) Inc. | China (Note 3) | 30% | 30% | 30% | Significant influence associate | Equity method |
| Chicony Chengdu International Inc. | China (Note 2) | 3.75% (Note 1) | 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>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
| Current assets | \$ 2,036,031 | \$ 1,996,774 | \$ 404,213 |
| Non-current assets | 4,881,124 | 4,631,864 | 7,622,589 |
| Current liabilities | (1,654,228) | (1,626,991) | (8,861) |
| Total net assets | <u>\$ 5,262,927</u> | <u>\$ 5,001,647</u> | <u>\$ 8,017,941</u> |
| Carrying amount of the associate | <u>\$ 1,578,878</u> | <u>\$ 1,500,494</u> | <u>\$ 2,405,382</u> |

| | <u>Chicony Square (Cayman) Inc.</u> | | |
|----------------------------------|-------------------------------------|--------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
| Current assets | \$ 1,949 | \$ 1,888 | \$ 2,101 |
| Non-current assets | 2,834,041 | 2,698,329 | 2,546,928 |
| Current liabilities | (230,804) | (219,574) | (215,411) |
| Non-current liabilities | (2,143,125) | (2,075,625) | (2,136,675) |
| Total net assets | <u>\$ 462,061</u> | <u>\$ 405,018</u> | <u>\$ 196,943</u> |
| Carrying amount of the associate | <u>\$ 138,618</u> | <u>\$ 121,505</u> | <u>\$ 59,083</u> |

| | <u>Chicony Chengdu International Inc.</u> | | |
|----------------------------------|---|--------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
| Current assets | \$ 31 | \$ 30 | \$ 30 |
| Non-current assets | 1,703,987 | 1,597,232 | 1,380,478 |
| Total net assets | <u>\$ 1,704,018</u> | <u>\$ 1,597,262</u> | <u>\$ 1,380,508</u> |
| Carrying amount of the associate | <u>\$ 63,901</u> | <u>\$ 59,897</u> | <u>\$ 51,769</u> |

Statement of comprehensive income

| | <u>Chicony Square (Wuhan) Inc.</u> | |
|--|------------------------------------|-----------------------|
| | <u>Three-month period ended</u> | |
| | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| Profit for the period from continuing operations | \$ 90,432 | \$ 90,334 |
| Other comprehensive income, net of tax | 170,848 | 57,100 |
| Total comprehensive income | <u>\$ 261,280</u> | <u>\$ 147,434</u> |

| | Chicony Square (Cayman) Inc. | |
|--|------------------------------|------------------|
| | Three-month period ended | |
| | March 31, 2022 | March 31, 2021 |
| Profit for the period from continuing operations | \$ 18,779 | \$ 21,626 |
| Other comprehensive income, net of tax | 38,263 | 8,047 |
| Total comprehensive income | <u>\$ 57,042</u> | <u>\$ 29,673</u> |

| | Chicony Chengdu International Inc. | |
|--|------------------------------------|------------------|
| | Three-month period ended | |
| | March 31, 2022 | March 31, 2021 |
| Profit for the period from continuing operations | \$ 45,756 | \$ 44,969 |
| Other comprehensive income, net of tax | 61,000 | 9,201 |
| Total comprehensive income | <u>\$ 106,756</u> | <u>\$ 54,170</u> |

B. Joint ventures

(a) The basic information of the joint venture that is material to the Group is as follows:

| Company name | Principal place of business | Shareholding ratio | | | Nature of relationship | Method of measurement |
|-------------------------|-----------------------------|--------------------|-------------------|----------------|------------------------|-----------------------|
| | | March 31, 2022 | December 31, 2021 | March 31, 2021 | | |
| TAIPEI TWIN CORPORATION | New Taipei City | 50% | 50% | 50% | 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 | | |
|--------------------------------------|-------------------------|---------------------|---------------------|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| Cash and cash equivalents | \$ 883,291 | \$ 1,155,430 | \$ 1,419,569 |
| Other current assets | 168,742 | 4,793 | 3,074 |
| Current assets | <u>\$ 1,052,033</u> | <u>\$ 1,160,223</u> | <u>\$ 1,422,643</u> |
| Non-current assets | 1,057,608 | 954,743 | 565,464 |
| Total assets | <u>\$ 2,109,641</u> | <u>\$ 2,114,966</u> | <u>\$ 1,988,107</u> |
| Current liabilities | (\$ 187,934) | (\$ 180,375) | (\$ 21,047) |
| Total liabilities | <u>(187,934)</u> | <u>(180,375)</u> | <u>(21,047)</u> |
| Total net assets | <u>\$ 1,921,707</u> | <u>\$ 1,934,591</u> | <u>\$ 1,967,060</u> |
| Share in joint venture's net assets | <u>\$ 960,853</u> | <u>\$ 967,296</u> | <u>\$ 983,530</u> |
| Carrying amount of the joint venture | <u>\$ 960,853</u> | <u>\$ 967,296</u> | <u>\$ 983,530</u> |

Statement of comprehensive income

| | TAIPEI TWIN CORPORATION | |
|---------------------------------------|-----------------------------------|------------|
| | Three-month period ended March 31 | |
| | 2022 | 2021 |
| Other operating expenses | (\$ 13,685) | (\$ 7,890) |
| Depreciation and amortisation | (74) | (104) |
| Interest income | 875 | 278 |
| Other gains and losses | - | 503 |
| Loss before income tax | (12,884) | (7,213) |
| Income tax expense | - | - |
| Loss, net of tax | (\$ 12,884) | (\$ 7,213) |
| Total comprehensive loss | (\$ 12,884) | (\$ 7,213) |
| Dividends received from joint venture | \$ - | \$ - |

The Company and EPOQUE CORPORATION participated in the land development project of Taipei City Western District Gateway Project-Taipei Main Station Special Zone C1/D1 (Eastern Part) to jointly establish TAIPEI TWIN CORPORATION. The investments amounting to \$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 amounts of the associates accounted for under the equity method recognised by the Group were based on the financial statements of each associate that were not reviewed by the independent auditors for the corresponding periods. For the three-month periods ended March 31, 2022 and 2021, the Group recognised share of profit and other comprehensive income of associates amounting to \$83,308 and \$50,127, respectively. On March 31, 2022 and 2021, the investments accounted for under the equity method amounted to \$2,742,250 and \$3,499,764, respectively. On December 31, 2021, the amounts of associates accounted for under the equity method recognised by the Group were based on the financial statements of each associate that were audited by the independent auditors for the corresponding period. The related investments accounted for under the equity method amounted to \$2,649,192.

(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 | 1,738 | 2,868 | - | 1,248 | - | 77 | 6,025 | 499 | - | 12,455 |
| Reclassifications | 21,004 | 5,743 | - | (11) | - | 506 | (118) | 783 | - | 27,907 |
| Disposals | - | (358) | - | (52) | (286) | (1,370) | (120) | (420) | - | (2,606) |
| Depreciation charge | (25,112) | (11,551) | (786) | (1,391) | (340) | (456) | (1,209) | (698) | - | (41,543) |
| Net exchange differences | <u>49,408</u> | <u>14,365</u> | <u>322</u> | <u>511</u> | <u>188</u> | <u>545</u> | <u>832</u> | <u>245</u> | <u>26,945</u> | <u>93,361</u> |
| Closing net book amount as at March 31 | <u>\$ 1,382,683</u> | <u>\$ 404,406</u> | <u>\$ 8,261</u> | <u>\$ 17,709</u> | <u>\$ 5,195</u> | <u>\$ 14,042</u> | <u>\$ 27,955</u> | <u>\$ 7,841</u> | <u>\$ 755,374</u> | <u>\$2,623,466</u> |
| <u>At March 31</u> | | | | | | | | | | |
| Cost | \$ 2,167,254 | \$ 562,091 | \$ 15,729 | \$ 71,650 | \$ 24,150 | \$ 98,297 | \$ 77,058 | \$ 18,131 | \$ 755,374 | \$3,789,734 |
| Accumulated depreciation and impairment | (784,571) | (157,685) | (7,468) | (53,941) | (18,955) | (84,255) | (49,103) | (10,290) | - | (1,166,268) |
| | <u>\$ 1,382,683</u> | <u>\$ 404,406</u> | <u>\$ 8,261</u> | <u>\$ 17,709</u> | <u>\$ 5,195</u> | <u>\$ 14,042</u> | <u>\$ 27,955</u> | <u>\$ 7,841</u> | <u>\$ 755,374</u> | <u>\$2,623,466</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 | \$ 56,912 | \$ 33,400 | \$ 1,589,055 | \$ 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>\$ 22,721</u> | <u>\$ 14,986</u> | <u>\$ 1,589,055</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 | \$ 22,721 | \$ 14,986 | \$ 1,589,055 | \$ 4,711,606 |
| Additions | - | - | 1,344 | - | 959 | - | 123 | 1,180 | 525 | 4,873 | 9,004 |
| Reclassifications | - | (353,664) | (98,184) | - | - | - | (19,871) | 77 | - | 6,684 | (464,958) |
| Disposals | - | - | (12) | - | (105) | - | (26) | (607) | (14,028) | - | (14,778) |
| Depreciation charge | - | (29,858) | (11,238) | (550) | (1,197) | (399) | (1,234) | (970) | (926) | - | (46,372) |
| Net exchange differences | - | 14,838 | 3,555 | 16 | 67 | 32 | 270 | 94 | 141 | 10,852 | 29,865 |
| Closing net book amount as at March 31 | <u>\$186,563</u> | <u>\$ 1,941,808</u> | <u>\$ 421,802</u> | <u>\$ 1,618</u> | <u>\$ 14,286</u> | <u>\$ 4,436</u> | <u>\$ 19,197</u> | <u>\$ 22,495</u> | <u>\$ 698</u> | <u>\$ 1,611,464</u> | <u>\$ 4,224,367</u> |
| <u>At March 31</u> | | | | | | | | | | | |
| Cost | \$186,563 | \$ 2,632,180 | \$ 534,406 | \$ 10,978 | \$ 67,967 | \$ 24,310 | \$ 105,912 | \$ 57,247 | \$ 13,416 | \$ 1,611,464 | \$ 5,244,443 |
| Accumulated depreciation and impairment | - | (690,372) | (112,604) | (9,360) | (53,681) | (19,874) | (86,715) | (34,752) | (12,718) | - | (1,020,076) |
| | <u>\$186,563</u> | <u>\$ 1,941,808</u> | <u>\$ 421,802</u> | <u>\$ 1,618</u> | <u>\$ 14,286</u> | <u>\$ 4,436</u> | <u>\$ 19,197</u> | <u>\$ 22,495</u> | <u>\$ 698</u> | <u>\$ 1,611,464</u> | <u>\$ 4,224,367</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 three-month periods ended March 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.

(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. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--------|------------------------|--------------------------|------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Land | \$ 4,157,805 | \$ 4,018,889 | \$ 4,248,401 |
| Office | 311,587 | 139,782 | 104,638 |
| | <u>\$ 4,469,392</u> | <u>\$ 4,158,671</u> | <u>\$ 4,353,039</u> |

| | <u>Three-month period ended</u> | |
|--------|---------------------------------|----------------------------|
| | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land | \$ 12,048 | \$ 12,428 |
| Office | 7,658 | 4,528 |
| | <u>\$ 19,706</u> | <u>\$ 16,956</u> |

C. For the three-month periods ended March 31, 2022 and 2021, the additions to right-of-use assets were \$175,634 and \$0, respectively. Information on the additions to right-of-use assets is provided in Note 7(2)F.

D. The information on profit and loss accounts related to lease contracts is as follows:

| | <u>Three-month period ended</u> | |
|---------------------------------------|---------------------------------|-----------------------|
| <u>Items affecting profit or loss</u> | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| Interest expense on lease liabilities | \$ 2,025 | \$ 1,399 |
| Expense on short-term lease contracts | <u>\$ 3,600</u> | <u>\$ 3,184</u> |

E. For the three-month periods ended March 31, 2022 and 2021, the Group's total cash outflow for leases were \$19,648 and \$8,551, respectively.

F. 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 the aforementioned certain levels of floors 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.

G. Buynow (Xian), Guiyang Buynow, Yinkou Buynow, Anshan Buynow, Dezhou Buynow, Luoyang 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 March 31, 2022, the amount was \$20,377), others are for shopping mall land use.

H. 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 March 31, 2022. As of March 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. For the three-month periods ended March 31, 2022 and 2021, the Group recognised rent income on investment property in the amount of \$637,904 and \$664,066, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|----------------|-----------------------|--------------------------|-----------------------|
| 2021 | \$ - | \$ - | \$ 402,258 |
| 2022 | 247,425 | 349,816 | 437,398 |
| 2023 | 366,469 | 353,397 | 390,044 |
| 2024 | 372,327 | 359,046 | 369,249 |
| 2025 | 381,813 | 368,193 | 376,855 |
| 2026 | 377,560 | 364,092 | 366,625 |
| 2027 | 363,798 | 350,821 | 347,014 |
| 2028 and after | <u>1,068,392</u> | <u>1,030,282</u> | <u>1,029,014</u> |
| | <u>\$ 3,177,784</u> | <u>\$ 3,175,647</u> | <u>\$ 3,718,457</u> |

(9) Investment property

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| At January 1 | \$ 62,408,602 | \$ 63,638,847 |
| Additions from subsequent expenditures | 13,947 | 10,646 |
| Net losses from fair value adjustment | (13,866) | - |
| Net exchange differences | 2,308,425 | 421,473 |
| At March 31 | <u>\$ 64,717,108</u> | <u>\$ 64,070,966</u> |

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

| | Three-month period ended | |
|--|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Rental income from investment property | \$ 637,904 | \$ 664,066 |
| Direct operating expenses arising from the investment property that generated rental income during the period | \$ 228,190 | \$ 237,390 |
| Direct operating expenses arising from the investment property that did not generate rental income during the period | \$ 17,192 | \$ 18,469 |

B. Measurement of investment property at fair value

The fair value of the investment property held by the Group as at March 31, 2022, December 31, 2021 and March 31, 2021 was \$64,717,108, \$62,408,602 and \$64,070,966, 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 19 years (from 2007 to 2026) for Buynow (Changsha); 15 years (from 2007 to 2022) for Buynow (Nanchang); 20 years (from 2008 to 2028) for Beijing Clevo Investment; 18 years (from 2016 to 2034) 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 related 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. The financial statements as of March 31, 2022 and 2021 continued to use certain investment properties appraisal reports as of January 1, 2022 and 2021, the reasonableness of which has been reasonably assessed by Charlie Yang, a real estate appraiser of Cushman & Wakefield, and Jia-Hui Chen, a real estate appraiser of Cushman & Wakefield Limited (HK), who jointly issued a review opinion report.

Summary of fair value disclosure on investment property:

| Three-month period ended <u>March 31, 2022</u> | <u>Buynow plaza</u> |
|--|---------------------|
| Comparative information between local rent and similar objective property rent (dollar/square or square meter/month) | \$84~\$4,964 |
| Movements of earnings in the prior year | \$5,720~\$257,850 |
| Average occupancy rates | 90% |

| Three-month period ended March 31, 2021 | Computer segment | Buynow plaza | |
|--|------------------|-------------------|----------------|
| Comparative information between local rent and similar objective property rent (dollar/square or square meter/month) | \$642~\$898 | \$91~\$4,676 | |
| Movements of earnings in the prior year | \$70,608 | \$3,977~\$275,567 | |
| Average occupancy rates | 100% | 89% | |
| Discount rate | March 31, 2022 | December 31, 2021 | March 31, 2021 |
| -Computer segment | - | - | 3.10% |
| -Buynow plaza | 4.75%~6.75% | 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:

| | Three-month period ended | |
|--|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Amount capitalised | \$27,031 | \$38,982 |
| Range of the interest rates for capitalisation | 3.70%~5.30% | 3.00%~5.34% |

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 |
| Amortisation charge | (2,062) | - | (2,062) |
| Net exchange differences | 87 | 383 | 470 |
| At March 31 | \$ 6,113 | \$ 10,718 | \$ 16,831 |
| <u>At March 31</u> | | | |
| Cost | \$ 6,113 | \$ 10,718 | \$ 16,831 |

| | 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 |
| Disposals | (2,882) | - | (2,882) |
| Amortisation charge | (2,757) | - | (2,757) |
| Net exchange differences | 70 | 70 | 140 |
| At March 31 | \$ 14,883 | \$ 10,323 | \$ 25,206 |
| <u>At March 31</u> | | | |
| Cost | \$ 14,883 | \$ 10,323 | \$ 25,206 |

Goodwill arose from Buynow segment of the Group.

Details of amortization on intangible assets are as follows:

| | Three-month period ended | |
|-----------------------------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Administrative expenses | \$ 1,297 | \$ 1,203 |
| Research and development expenses | 765 | 1,554 |
| | \$ 2,062 | \$ 2,757 |

(11) Other non-current assets

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|------------------------------|----------------|-------------------|----------------|
| Prepayments for construction | \$ 2,096,570 | \$ 1,961,414 | \$ 1,730,129 |
| Restricted bank deposits | 1,016,672 | 1,018,549 | 1,016,887 |
| Guarantee deposits paid | 43,753 | 43,161 | 45,415 |
| Others | 355,661 | 236,490 | 347,130 |
| | \$ 3,512,656 | \$ 3,259,614 | \$ 3,139,561 |

Information on the amount of borrowing costs capitalised as part of prepayments for construction and the range of the interest rates for such capitalisation is provided in Note 6(9)D.

(12) Short-term borrowings

| Type of borrowings | March 31, 2022 | Interest rate range | Collateral |
|---------------------|----------------|---------------------|---------------------|
| Bank borrowings | | | |
| Secured borrowings | \$ 202,107 | 4.00%~4.12% | Investment property |
| Unsecured borrowing | 4,971,424 | 0.75%~1.35% | Promissory note |
| | \$ 5,173,531 | | |

| <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 | 4,616,636 | 0.57%~1.00% | Promissory note |
| | <u>\$ 4,746,423</u> | | |

| <u>Type of borrowings</u> | <u>March 31, 2021</u> | <u>Interest rate range</u> | <u>Collateral</u> |
|---------------------------|-----------------------|----------------------------|-----------------------|
| Bank borrowings | | | |
| Secured borrowings | \$ 172,071 | 4.25%~4.40% | Investment property |
| Secured borrowing | 777,750 | 0.59%~0.80 | Time deposits pledged |
| Unsecured borrowings | 7,508,184 | 0.68%~1.00% | Promissory note |
| | <u>\$ 8,458,005</u> | | |

(13) Bonds payable

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

(14) Long-term borrowings

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Collateral | March 31, 2022 |
|--|---|---------------------|---|----------------|
| 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%~1.12% | Promissory note | \$ 5,710,000 |
| Unsecured borrowings | Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments | 1.20%~1.80% | Promissory note | 4,800,000 |
| Unsecured borrowings | Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable quarterly, principal is payable at maturity date | 0.64%~1.27% | Promissory note | 603,203 |
| | | | | <hr/> |
| | | | | 11,113,203 |
| Secured borrowings | Borrowing period is from August 18, 2018 to August 17, 2028; interest is payable quarterly, principal is payable in installments | 5.10% | Property, plant and equipment and investment property | 1,372,889 |
| Secured borrowings | Borrowing period is from June 8, 2015 to June 4, 2026; interest is payable monthly, principal is payable in installments | 4.68%~5.03% | Investment property | 3,719,949 |
| Secured borrowings | Borrowing period is from October 31, 2019 to December 6, 2026; interest is payable quarterly, principal is payable in installments | 4.65%~5.25% | Investment property | 4,194,870 |
| Secured borrowings | Borrowing period is from December 28, 2021 to March 29, 2027; interest is payable quarterly, principal is payable at maturity date | 0.64%~1.92% | Investment property | 1,088,309 |
| Secured borrowings | Borrowing period is from December 28, 2021 to December 28, 2023; interest is payable quarterly, principal is payable at maturity date | 0.64% | Right-of-use assets and property, plant and equipment | 288,500 |
| | | | | <hr/> |
| | | | | 10,664,517 |
| | | | | 21,777,720 |
| Less: Current portion of long-term loans | | | | (4,436,144) |
| | | | | <hr/> <hr/> |
| | | | | \$ 17,341,576 |

| 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%~1.797% | 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 |
| | | | | 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 |
| | | | | 9,722,335 |
| | | | | 21,670,347 |
| Less: Current portion of long-term loans | | | | (3,798,480) |
| | | | | \$ 17,871,867 |

| Type of borrowings | Borrowing period and repayment term | Interest rate range | Collateral | March 31, 2021 |
|--|--|---------------------|---|----------------|
| Unsecured borrowings | Borrowing period is from December 30, 2020 to August 24, 2021; interest is payable monthly, principal is payable in installments | 0.52%~1.06% | Promissory note | \$ 4,242,343 |
| Unsecured borrowings | Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments | 1.03%~1.797% | Promissory note | 5,957,143 |
| Unsecured borrowings | Borrowing period is from April 17, 2020 to April 16, 2022; interest is payable quarterly, principal is payable at maturity date | 0.74%~0.91% | Promissory note | 285,976 |
| | | | | 10,485,462 |
| Secured borrowings | Borrowing period is from March 20, 2018 to March 20, 2023; interest is payable monthly, principal is payable at maturity date | 1.05% | Property, plant and equipment and investment property | 1,250,000 |
| Secured borrowings | Borrowing period is from June 22, 2020 to August 19, 2021; interest is payable monthly, principal is payable at maturity date | 5.22% | Investment property | 13,874 |
| Secured borrowings | Borrowing period is from August 18, 2018 to August 17, 2028; interest is payable quarterly, principal is payable at maturity date | 5.30% | Property, plant and equipment and investment property | 1,408,995 |
| Secured borrowings | Borrowing period is from June 8, 2015 to May 20, 2025; interest is payable monthly, principal is payable in installments | 4.77%~5.25% | Investment property | 4,541,713 |
| Secured borrowings | Borrowing period is from February 4, 2017 to December 6, 2026; interest is payable quarterly, principal is payable in installments | 4.80%~5.45% | Investment property | 3,831,404 |
| Secured borrowings | Borrowing period is from April 17, 2020 to April 16, 2022; interest is payable quarterly, principal is payable at maturity date | 0.74%~0.89% | Investment property | 689,213 |
| Secured borrowings | Borrowing period is from April 17, 2020 to April 16, 2022; interest is payable quarterly, principal is payable at maturity date | 0.74%~0.91% | Right-of-use assets and property, plant and equipment | 176,003 |
| | | | | 11,911,202 |
| | | | | 22,396,664 |
| Less: Current portion of long-term loans | | | | (4,720,379) |
| | | | | \$ 17,676,285 |

(15) 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) For the aforementioned pension plan, the Group recognised pension costs of \$2,336 and \$0 for the three-month periods ended March 31, 2022 and 2021, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$9,485.

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 three-month periods ended March 31, 2022 and 2021 were \$8,898 and \$8,946, respectively.

(16) Provisions

| | Warranty | |
|------------------------|------------------|------------------|
| | 2022 | 2021 |
| At January 1 | \$ 58,523 | \$ 53,523 |
| Additional provisions | 16,188 | 17,572 |
| Used during the period | (16,188) | (17,572) |
| At March 31 | <u>\$ 58,523</u> | <u>\$ 53,523</u> |

Analysis of total provisions:

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|---------|------------------|-------------------|------------------|
| Current | <u>\$ 58,523</u> | <u>\$ 58,523</u> | <u>\$ 53,523</u> |

The Group provides warranties on computer products sold. Provision for warranty is estimated based on historical warranty data of computer products.

(17) Share capital

A. As of March 31, 2022, the Company's authorised capital was \$9,000,000 and the paid-in capital was \$6,422,630, consisting of 642,263 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:

| | 2022 | 2021 |
|----------------|----------------|----------------|
| At January 1 | 585,216 | 595,216 |
| Shares retired | - | - |
| At March 31 | <u>585,216</u> | <u>595,216</u> |

B. Treasury shares

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

| Name of company holding the shares | Reason for reacquisition | March 31, 2022 | |
|------------------------------------|-----------------------------|------------------|-----------------|
| | | Number of shares | Carrying amount |
| The Company | To be reissued to employees | 30,000 thousand | \$ 945,780 |
| Subsidiary-Kapok Computer | Long-term investment | 16,966 thousand | 95,306 |
| Subsidiary-Clevo Investment | Long-term investment | 10,081 thousand | 108,182 |

| | | December 31, 2021 | |
|---------------------------------------|-----------------------------|-------------------|-----------------|
| Name of company holding the shares | Reason for reacquisition | 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 |

| | | March 31, 2021 | |
|---------------------------------------|-----------------------------|------------------|-----------------|
| Name of company holding the shares | Reason for reacquisition | Number of shares | Carrying amount |
| The Company | To be reissued to employees | 47,500 thousand | \$ 1,450,203 |
| Subsidiary-Kapok Computer | Long-term investment | 16,966 thousand | 95,306 |
| Subsidiary-Clevo Investment | Long-term investment | 10,081 thousand | 108,182 |

- (b) 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.
- (c) 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.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three 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.

(18) 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.

(19) 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. 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 resolved 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 and 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. 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 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 March 28, 2022 and August 26, 2021 are as follows:

| | 2021 | | 2020 | |
|---|---------------------|-------------------------------------|-------------------|-------------------------------------|
| | Amount | Dividends per share (in dollars) | Amount | Dividends per share (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> | |

The above appropriations of 2020 earnings are the same with those approved by the Board of Directors on March 26, 2021.

(20) Other equity items

| | 2022 | |
|-----------------------------------|-------------------------|-----------------------|
| | Currency translation | Total |
| At January 1 | (\$ 4,628,787) | (\$ 4,628,787) |
| Transferred to retained earnings | | |
| Currency translation differences: | | |
| –Group | 1,882,859 | 1,882,859 |
| –Associates | 65,021 | 65,021 |
| –Tax on associates | (13,004) | (13,004) |
| At March 31 | <u>(\$ 2,693,911)</u> | <u>(\$ 2,693,911)</u> |

| | 2021 | | |
|-----------------------------------|-------------------------|------------------|-----------------------|
| | Currency translation | Revaluation | Total |
| At January 1 | (\$ 4,948,933) | \$ 20,922 | (\$ 4,928,011) |
| Currency translation differences: | | | |
| –Group | 330,558 | - | 330,558 |
| –Associates | 19,889 | - | 19,889 |
| –Tax on associates | (3,978) | - | (3,978) |
| At March 31 | <u>(\$ 4,602,464)</u> | <u>\$ 20,922</u> | <u>(\$ 4,581,542)</u> |

(21) Operating revenue

| | Three-month period ended | |
|--|--------------------------|---------------------|
| | March 31, 2022 | March 31, 2021 |
| Revenue from contracts with customers | | |
| -Sales revenue of computer products | \$ 5,439,202 | \$ 4,706,487 |
| -Sales revenue of computer peripherals | 197,484 | 47,607 |
| -Land development and resale | 20,982 | 62,441 |
| -Hotel revenue | - | 2,858 |
| -Other revenue | 108,437 | 136,121 |
| Others-rental revenue | 637,904 | 648,415 |
| | <u>\$ 6,404,009</u> | <u>\$ 5,603,929</u> |

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods over time and at a point in time in the following major product lines and geographical regions:

| | Computer Segment | | Buynow Plaza | | |
|--|---------------------|-----------------------------|----------------------|-------------------|---------------------|
| | Computer products | Land development and resale | Computer peripherals | Others | Total |
| Three-month period ended March 31, 2022 | | | | | |
| Total segment revenue | \$ 9,273,888 | \$ 20,982 | \$ 197,484 | \$ 108,437 | \$ 9,600,791 |
| Inter-segment revenue | (3,834,686) | - | - | - | (3,834,686) |
| Revenue from external customer contracts | <u>\$ 5,439,202</u> | <u>\$ 20,982</u> | <u>\$ 197,484</u> | <u>\$ 108,437</u> | <u>\$ 5,766,105</u> |
| Timing of revenue recognition | | | | | |
| At a point in time | <u>\$ 5,439,202</u> | <u>\$ 20,982</u> | <u>\$ 197,484</u> | <u>\$ 108,437</u> | <u>\$ 5,766,105</u> |

| | Computer Segment | Buynow Plaza | | | | |
|--|---------------------|-----------------------------|------------------------------|----------------------|-------------------|---------------------|
| | Computer products | Land development and resale | Hotel accommodations revenue | Computer peripherals | Others | Total |
| Three-month period ended March 31, 2021 | | | | | | |
| Total segment revenue | \$ 7,985,708 | \$ 62,441 | \$ 2,858 | \$ 47,607 | \$ 136,121 | \$ 8,234,735 |
| Inter-segment revenue | (3,279,221) | - | - | - | - | (3,279,221) |
| Revenue from external customer contracts | <u>\$ 4,706,487</u> | <u>\$ 62,441</u> | <u>\$ 2,858</u> | <u>\$ 47,607</u> | <u>\$ 136,121</u> | <u>\$ 4,955,514</u> |
| Timing of revenue recognition | | | | | | |
| At a point in time | \$ 4,706,487 | \$ 62,441 | \$ - | \$ 47,607 | \$ 136,121 | \$ 4,952,656 |
| Over time | - | - | 2,858 | - | - | 2,858 |
| | <u>\$ 4,706,487</u> | <u>\$ 62,441</u> | <u>\$ 2,858</u> | <u>\$ 47,607</u> | <u>\$ 136,121</u> | <u>\$ 4,955,514</u> |

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>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> | <u>January 1, 2021</u> |
|------------------------|-----------------------|--------------------------|-----------------------|------------------------|
| Contract liabilities: | | | | |
| Contract liabilities – | | | | |
| Advance | | | | |
| sales receipts | \$ 52,782 | \$ 45,890 | \$ 238,560 | \$ 67,608 |
| Contract liabilities – | | | | |
| Advance | | | | |
| real estate receipts | <u>25,687</u> | <u>42,263</u> | <u>153,144</u> | <u>112,028</u> |
| | <u>\$ 78,469</u> | <u>\$ 88,153</u> | <u>\$ 391,704</u> | <u>\$ 179,636</u> |

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

| | <u>Three-month period ended</u> | |
|---|---------------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| Revenue recognised that was included in the contract liability balance at the beginning of the period | | |
| Advance sales receipts | \$ 12,020 | \$ 62,219 |
| Advance real estate receipts | <u>19,149</u> | <u>28,710</u> |
| | <u>\$ 31,169</u> | <u>\$ 90,929</u> |

(22) Interest income

| | <u>Three-month period ended</u> | |
|------------------------------------|---------------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| Interest income from bank deposits | <u>\$ 2,148</u> | <u>\$ 8,960</u> |

(23) Other income

| | <u>Three-month period ended</u> | |
|-----------------|---------------------------------|-----------------------|
| | <u>March 31, 2022</u> | <u>March 31, 2021</u> |
| Dividend income | \$ 1,442 | \$ - |
| Rent income | 990 | 15,651 |
| Other income | <u>53,237</u> | <u>17,079</u> |
| | <u>\$ 55,669</u> | <u>\$ 32,730</u> |

(24) Other gains and losses

| | Three-month period ended | |
|---|--------------------------|-------------------|
| | March 31, 2022 | March 31, 2021 |
| Foreign exchange gains (losses) | \$ 288,670 | (\$ 77,137) |
| Losses on disposals of intangible assets | - | (2,882) |
| Fee expense arising from financial liabilities not at fair value through profit or loss | (875) | (4,129) |
| Losses on disposals of property, plant and equipment | (1,114) | (90) |
| (Losses) gains on financial assets (liabilities) at fair value through profit or loss | (3,273) | 88,054 |
| Fee expense arising from trust and fiduciary services | (3,383) | - |
| Losses on fair value adjustment, investment property | (13,866) | - |
| Losses on disposals of investments | (25,508) | (4,850) |
| Other losses | (840) | (3,134) |
| | <u>\$ 239,811</u> | <u>(\$ 4,168)</u> |

(25) Finance costs

| | Three-month period ended | |
|---|--------------------------|-------------------|
| | March 31, 2022 | March 31, 2021 |
| Bank borrowings | \$ 185,723 | \$ 205,957 |
| Less: Capitalisation of qualifying assets | (35,626) | (44,379) |
| | <u>\$ 150,097</u> | <u>\$ 161,578</u> |
| Interest expense on lease liabilities | 2,025 | 1,399 |
| Interest expense | <u>\$ 152,122</u> | <u>\$ 162,977</u> |

(26) Expenses by nature

| | Three-month period ended | |
|---|--------------------------|-------------------|
| | March 31, 2022 | March 31, 2021 |
| Employee benefit expense | \$ 556,396 | \$ 544,325 |
| Depreciation charges on property, plant and equipment | 41,543 | 46,372 |
| Depreciation charges on right-of-use assets | 19,706 | 16,956 |
| Amortisation charges on intangible assets | 2,062 | 2,757 |
| Operating costs and expenses | <u>\$ 619,707</u> | <u>\$ 610,410</u> |

(27) Employee benefit expense

| | Three-month period ended | |
|----------------------------------|--------------------------|-------------------|
| | March 31, 2022 | March 31, 2021 |
| Wages and salaries | \$ 465,222 | \$ 456,084 |
| Labour and health insurance fees | 14,648 | 14,536 |
| Pension costs | 11,234 | 8,946 |
| Other personnel expenses | 65,292 | 64,759 |
| | <u>\$ 556,396</u> | <u>\$ 544,325</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 three-month period ended March 31, 2022 and 2021, employees' compensation were accrued \$60,000 and \$56,500, respectively; while directors' and supervisors' remuneration were accrued \$4,500 and \$3,500, respectively. The aforementioned amounts were recognised in salary expenses.

For the three-month period ended March 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.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

| | Three-month period ended | |
|---|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Current tax: | | |
| Current tax on profits for the period | \$ 122,726 | \$ 50,835 |
| Total current tax | 122,726 | 50,835 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 62,865 | 64,440 |
| Total deferred tax | 62,865 | 64,440 |
| Income tax expense | \$ 185,591 | \$ 115,275 |

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

| | Three-month period ended | |
|----------------------------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Currency translation differences | (\$ 13,004) | (\$ 3,978) |

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

(29) Earnings per share

| | Three-month period ended March 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 | \$ 593,463 | 585,216 | \$ 1.01 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 593,463 | 585,216 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' bonus | - | 7,460 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 593,463 | 592,676 | \$ 1.00 |

| | Three-month period ended March 31, 2021 | | |
|--|---|---|---------------------------------------|
| | 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 | \$ 320,044 | 595,216 | \$ 0.54 |
| <u>Diluted earnings per share</u> | | | |
| Profit attributable to ordinary shareholders of the parent | \$ 320,044 | 595,216 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' bonus | - | 4,950 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | \$ 320,044 | 600,166 | \$ 0.53 |

(30) Supplemental cash flow information

A. Investing activities with partial cash payments

| | Three-month period ended | |
|---|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Purchase of property, plant and equipment | \$ 12,455 | \$ 9,004 |
| Add: Opening balance of payable | 263,725 | 386,727 |
| Ending balance of prepayment | 57,494 | 6,267 |
| Less: Ending balance of payable | (264,130) | (353,554) |
| Opening balance of prepayment | (3,896) | (3,139) |
| Capitalisation of interest | - | (10,352) |
| Cash paid during the period | \$ 65,648 | \$ 34,953 |
| Purchase of investment property | \$ 13,947 | \$ 10,646 |
| Add: Opening balance of payable | 31,257 | 88,173 |
| Less: Ending balance of payable | (10,698) | (13,672) |
| Cash paid during the period | \$ 34,506 | \$ 85,147 |

B. Financing activities with no cash flow effects

| | Three-month period ended | |
|----------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Cash dividends | \$ 1,285,752 | \$ 373,358 |

(31) Changes in liabilities from financing activities

| | 2022 | | | | |
|--|-----------------------|----------------------|--------------------|-------------------|---|
| | Short-term borrowings | Long-term borrowings | Bonds payable | Lease liabilities | Liabilities from financing activities-gross |
| At January 1 | \$4,746,423 | \$21,670,347 | \$5,000,000 | \$ 284,024 | \$ 31,700,794 |
| Changes in cash flow from financing activities | 388,747 | (263,830) | - | (14,023) | 110,894 |
| Impact of changes in foreign exchange rate | 38,361 | 371,203 | - | 3,981 | 413,545 |
| Changes in other non-cash items | - | - | - | 177,659 | 177,659 |
| At March 31 | <u>\$5,173,531</u> | <u>\$21,777,720</u> | <u>\$5,000,000</u> | <u>\$ 451,641</u> | <u>\$ 32,402,892</u> |
| | 2021 | | | | |
| | Short-term borrowings | Long-term borrowings | Bonds payable | Lease liabilities | Liabilities from financing activities-gross |
| At January 1 | \$ 6,856,140 | \$24,690,915 | \$5,000,000 | \$ 112,268 | \$ 36,659,323 |
| Changes in cash flow from financing activities | 1,557,608 | (2,376,023) | - | (3,968) | (822,383) |
| Impact of changes in foreign exchange rate | 44,257 | 81,772 | - | (611) | 125,418 |
| Changes in other non-cash items | - | - | - | 1,399 | 1,399 |
| At March 31 | <u>\$ 8,458,005</u> | <u>\$22,396,664</u> | <u>\$5,000,000</u> | <u>\$ 109,088</u> | <u>\$ 35,963,757</u> |

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| Names of related parties | Relationship with the Company |
|---|--|
| Kent Hsu | Chairman |
| Chicony Electronics (Suzhou) Co., Ltd. | Other related party |
| Chicony Power Technology Co., Ltd. | Other related party |
| Honghui Real Estate Company | Other related party |
| Chicony Dalu Enterprise (Chengdu) Co., Ltd. | Associate |
| Chicony Square (Wuhan) Inc. | Associate |
| Chicony Industry (Wuhan) Co., Ltd. | Associate |
| Chicony Square (Wuhan) Inc. | Associate |
| Chicony Square (Cayman) Inc. | Associate |
| Epoque Corporation | Same chairman |
| Hon Hui Si Yuan Co., Ltd. | Same chairman |
| Taipei Twin Corporation | Entity with joint control over this entity |

(2) Significant related party transactions

A. Operating revenue

| | Three-month period ended | |
|---|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sales of goods: | | |
| -Entity with joint control over this entity | \$ 501 | \$ 466 |
| Sales of services: | | |
| -Other related parties | - | 2,466 |
| | \$ 501 | \$ 2,932 |

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

B. Purchases

| | Three-month period ended | |
|------------------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Sales of goods: | | |
| -Other related parties | \$ 308,016 | \$ 273,318 |

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>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| Accounts payable: | | | |
| Chicony Electronics (Suzhou) Co., Ltd. | \$ 234,887 | \$ 237,004 | \$ 212,604 |
| Chicony Power Technology Co., Ltd. | <u>145,262</u> | <u>110,984</u> | <u>115,940</u> |
| | <u>\$ 380,149</u> | <u>\$ 347,988</u> | <u>\$ 328,544</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>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|--|-----------------------|--------------------------|-----------------------|
| Other receivables - dividends: | | | |
| – CHICONY SQUARE (WUHAN) INC. | \$ 493,946 | \$ 478,389 | \$ - |
| Other receivables - property transactions: | | | |
| Chicony Industry (Wuhan) Co., Ltd. | - | - | 216,769 |
| Chicony Dalu Enterprise (Chengdu) Co., Ltd. | <u>-</u> | <u>-</u> | <u>14,610</u> |
| | <u>\$ 493,946</u> | <u>\$ 478,389</u> | <u>\$ 231,379</u> |

The receivables from related parties arise mainly from dividends received from investments accounted for using the equity method and sales of property, plant and equipment and right-of-use assets. The receivables are unsecured in nature and bear no interest

E. Loans from related parties

Loans from related parties

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| Shown as other non-current liabilities - others: | | | |
| CHICONY SQUARE (CAYMAN) INC. | \$ 402,908 | \$ 390,218 | \$ 401,695 |

The loans from associates are payable at maturity within 1~5 years after the loan is made and carry interest at 0% and 0%~4.35% per annum for the three-month periods ended March 31, 2022 and 2021, respectively. The amount of interest payable (recognised as other payables) as of March 31, 2022, December 31, 2021 and March 31, 2021 was \$0. Additionally, interest expense recognised for the three-month periods ended March 31, 2022 and 2021 were \$0 and \$1,936, 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. 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:

| | Three-month period ended | |
|---------------------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Hon Hui Si Yuan Co., Ltd. | \$ 175,634 | \$ - |

(c) Lease liabilities

(i) Outstanding balance:

| | March 31, 2022 | December 31, 2021 | March 31, 2021 |
|-----------------------------|-------------------|-------------------|------------------|
| Hon Hui Si Yuan Co., Ltd. | \$ 175,634 | \$ - | \$ - |
| Honghui Real Estate Company | 38,985 | 41,517 | 52,930 |
| | <u>\$ 214,619</u> | <u>\$ 41,517</u> | <u>\$ 52,930</u> |

(ii) Interest expense

| | Three-month period ended | |
|-----------------------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Honghui Real Estate Company | \$ 518 | \$ 694 |

H. Others

(a) The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu for the three-month periods ended March 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).

(3) Key management compensation

| | Three-month period ended | |
|---|--------------------------|------------------|
| | March 31, 2022 | March 31, 2021 |
| Salaries and other short-term employee benefits | \$ 23,218 | \$ 18,025 |
| Post-employment benefits | 312 | 311 |
| | <u>\$ 23,530</u> | <u>\$ 18,336</u> |

8. PLEDGED ASSETS

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

| Pledged asset | Book value | | | Purpose |
|---|----------------------|----------------------|----------------------|--|
| | March 31, 2022 | December 31, 2021 | March 31, 2021 | |
| Financial assets at amortised cost (current and non-current) | \$ 29,288 | \$ 28,230 | \$ 647,220 | STANDBY L/C, long-term and short-term borrowings |
| Restricted bank deposits- current | 98,756 | 65,397 | 62,346 | Short-term borrowings |
| Restricted bank deposits - non-current | 1,016,672 | 1,018,549 | 1,016,887 | Corporate bonds payable and long term borrowings |
| Property, plant and equipment (non-depreciated balance) | 1,212,785 | 1,195,560 | 2,723,413 | Long-term borrowings |
| Investment property and right-of-use asset | 52,323,693 | 52,344,330 | 56,565,026 | Long-term and short-term borrowings |
| | <u>\$ 54,681,194</u> | <u>\$ 54,652,066</u> | <u>\$ 61,014,892</u> | |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of March 31, 2022, December 31, 2021 and March 31, 2021, the Company issued guarantee notes amounting to \$22,803,225, \$22,710,525 and \$25,044,367, 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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group's total contract prices for signed construction contracts amounted to \$8,799,901, \$8,491,448 and \$8,190,135, of which \$7,951,635, \$7,667,993 and \$7,447,312 were paid and \$848,266, \$823,455 and \$742,823 remain unpaid, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

To cooperate with local government's prevention measures, the operations of the Group's subsidiaries in Kunshan have been affected since April 8, 2022 due to the Covid-19 outbreak, and those subsidiaries in Kunshan have adopted appropriate countermeasures. However, the overall impact to the Group is depending on the subsequent control over the epidemic, and no reasonable estimation was made currently.

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 three-month period ended March 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 March 31, 2022, December 31, 2021 and March 31, 2021 were as follows:

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---------------------------------|-----------------------|--------------------------|-----------------------|
| Total borrowings | \$ 31,951,251 | \$ 31,416,770 | \$ 35,854,669 |
| Less: Cash and cash equivalents | (2,743,919) | (3,816,041) | (3,426,658) |
| Net debt | 29,207,332 | 27,600,729 | 32,428,011 |
| Total equity | <u>42,553,891</u> | <u>41,310,424</u> | <u>40,172,293</u> |
| Total capital | <u>\$ 71,761,223</u> | <u>\$ 68,911,153</u> | <u>\$ 72,600,304</u> |
| Gearing ratio | 41% | 40% | 45% |

(2) Financial instruments

A. Financial instruments by category

| | <u>March 31, 2022</u> | <u>December 31, 2021</u> | <u>March 31, 2021</u> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Financial assets</u> | | | |
| Financial assets at fair value through profit or loss | \$ 3,060,992 | \$ 2,530,073 | \$ 2,005,785 |
| Financial assets at amortised cost | <u>8,530,063</u> | <u>8,925,923</u> | <u>8,276,436</u> |
| | <u>\$ 11,591,055</u> | <u>\$ 11,455,996</u> | <u>\$ 10,282,221</u> |
| <u>Financial liabilities</u> | | | |
| Financial liabilities at amortised cost | <u>\$ 38,300,543</u> | <u>\$ 36,576,456</u> | <u>\$ 40,968,338</u> |
| Lease liability | <u>\$ 451,641</u> | <u>\$ 284,024</u> | <u>\$ 109,088</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:

| March 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 | \$ 307,920 | 28.58 | \$ 8,800,354 |
| USD:RMB | 2,590 | 6.35 | 74,009 |
| RMB:NTD | 3,654 | 4.50 | 16,443 |
| <u>Investments accounted for using the equity method</u> | | | |
| USD:NTD | 62,330 | 28.58 | 1,781,397 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 13,641 | 28.58 | 389,860 |
| USD:RMB | 229,582 | 6.35 | 6,560,306 |

| 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 |

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 | \$ 210,539 | 28.49 | \$ 5,998,256 |
| USD:RMB | 2,723 | 6.57 | 77,643 |
| RMB:NTD | 5,878 | 4.34 | 25,511 |
| <u>Investments accounted for using the equity method</u> | | | |
| USD:NTD | 88,320 | 28.49 | 2,516,234 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 97,220 | 28.49 | 2,769,798 |
| USD:RMB | 244,980 | 6.57 | 6,985,311 |

- v. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three-month periods ended March 31, 2022 and 2021 amounted to \$288,670 and (\$77,137), respectively.
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| Three-month period ended March 31, 2022 | | | |
|---|---------------------|--------------------------|--------------------------------------|
| Sensitivity analysis | | | |
| | Degree of variation | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | \$ 70,403 | \$ - |
| USD:RMB | 1% | 592 | - |
| RMB:NTD | 1% | 132 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | 3,119 | - |
| USD:RMB | 1% | 52,482 | - |

| Three-month period ended March 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% | \$ 47,986 | \$ - |
| USD:RMB | 1% | 621 | - |
| RMB:NTD | 1% | 204 | - |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 1% | 22,158 | - |
| USD:RMB | 1% | 55,882 | - |

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 three-month periods ended March 31, 2022 and 2021 would have increased/decreased by \$29,736 and \$19,184, 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 three-month periods ended March 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 three-month periods ended March 31, 2022 and 2021 would have decreased/increased by \$209,753 and \$240,492, 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 30 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 Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- 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 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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group had no written-off financial assets that are still under recourse procedures.

- x. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On March 31, 2022, December 31, 2021 and March 31, 2021, the provision matrix is as follows:

| March 31, 2022 | Not past due | 1~90 days past due | 91~180 days past due |
|--------------------|--------------------------|-----------------------|-------------------------|
| Expected loss rate | 0.04%~6.83% | 0.06%~38.67% | 7.40%~57.81% |
| Total book value | \$ 2,527,057 | \$ 1,114,094 | \$ 35,317 |
| Loss allowance | 805 | 2,892 | 1,817 |
| | 181~270 days past due | Over 270 days | Total |
| Expected loss rate | 65.39%~100% | 100% | |
| Total book value | \$ 47,664 | \$ 45,888 | \$ 3,770,020 |
| Loss allowance | 5,954 | 45,888 | 57,356 |
| 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 |
| March 31, 2021 | Not past due | 1~90 days past due | 91~180 days past due |
| Expected loss rate | 0.04%~7.61% | 0.06%~32.60% | 8.03%~54.01% |
| Total book value | \$ 2,274,194 | \$ 341,631 | \$ 19,173 |
| Loss allowance | 735 | 190 | 1,107 |
| | 181~270 days past due | Over 270 days | Total |
| Expected loss rate | 77.13%~100% | 100% | |
| Total book value | \$ 25,865 | \$ 34,652 | \$ 2,695,515 |
| Loss allowance | 2,866 | 34,652 | 39,550 |

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

| | 2022 | 2021 |
|----------------------------|----------------------------|----------------------------|
| | <u>Accounts receivable</u> | <u>Accounts receivable</u> |
| At January 1 | \$ 43,889 | \$ 39,268 |
| Provision for impairment | 12,086 | 247 |
| Effect of foreign exchange | 1,381 | 35 |
| At March 31 | <u>\$ 57,356</u> | <u>\$ 39,550</u> |

(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.

| <u>March 31, 2022</u> | <u>Less than 1 year</u> | <u>Between 1 and 2 years</u> | <u>Between 2 and 5 years</u> | <u>Over 5 years</u> |
|---|-----------------------------|----------------------------------|----------------------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | |
| Lease liability | \$ 130,678 | \$ 131,443 | \$ 160,728 | \$ 76,162 |
| Bonds payable | 40,000 | 40,000 | 5,016,000 | - |
| Long-term borrowings (including current portion) | 4,557,777 | 9,245,589 | 7,399,194 | 1,172,277 |
| Guarantee deposits received | - | 657,754 | - | - |
| Long-term accounts payable to related parties | - | - | 402,908 | - |

| <u>March 31, 2021</u> | <u>Less than 1 year</u> | <u>Between 1 and 2 years</u> | <u>Between 2 and 5 years</u> | <u>Over 5 years</u> |
|---|-----------------------------|----------------------------------|----------------------------------|---------------------|
| <u>Non-derivative financial liabilities</u> | | | | |
| Lease liability | \$ 69,969 | \$ 70,390 | \$ 116,958 | \$ 74,465 |
| Bonds payable | 40,000 | 40,000 | 5,025,973 | - |
| Long-term borrowings (including current portion) | 3,889,462 | 9,473,343 | 7,984,000 | 903,020 |
| Guarantee deposits received | - | 653,375 | - | - |
| Long-term accounts payable to related parties | - | 348,705 | 41,513 | - |

| March 31, 2021 | 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 | \$ 21,378 | \$ 21,424 | \$ 33,790 | \$ 77,427 |
| Bonds payable | 40,000 | 40,000 | 5,056,222 | - |
| Long-term borrowings (including current portion) | 4,858,260 | 7,634,009 | 8,762,635 | 1,795,957 |
| Guarantee deposits received | - | 644,991 | - | - |
| Long-term accounts payable to related parties | - | 358,961 | - | 42,734 |

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 March 31, 2022, December 31, 2021 and March 31, 2021 is as follows:

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

| <u>March 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 | \$ 1,262,180 | \$ - | \$ - | \$ 1,262,180 |
| Forward foreign exchange contracts | - | 8,664 | - | 8,664 |
| Beneficiary certificates | 162,788 | 1,627,360 | - | 1,790,148 |
| Investment property (Note) | - | - | 64,717,108 | 64,717,108 |
| | <u>\$1,424,968</u> | <u>\$ 1,636,024</u> | <u>\$64,717,108</u> | <u>\$ 67,778,100</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> |
| | | | | |
| <u>March 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 | \$ 781,014 | \$ - | \$ - | \$ 781,014 |
| Forward foreign exchange contracts | - | 16,279 | - | 16,279 |
| Beneficiary certificates | 108,422 | 1,100,070 | - | 1,208,492 |
| Investment property (Note) | - | - | 64,070,966 | 64,070,966 |
| | <u>\$ 889,436</u> | <u>\$ 1,116,349</u> | <u>\$ 64,070,966</u> | <u>\$ 66,076,751</u> |

Note: 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:

| | Listed shares | Open-end fund |
|---|---------------|-----------------|
| Market quoted price | Closing price | Net asset value |
| <p>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).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>D. For the three-month periods ended March 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.</p> <p>E. The movement of Level 3 of investment property for the three-month periods ended March 31, 2022 and 2021 is provided in Note 6(9).</p> <p>F. For the three-month periods ended March 31, 2022 and 2021, there was no transfer into or out</p> | | |

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 March 31, 2022 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|------------------------|---------------------------------------|--|---|--------------------------------|---|
| Investment property | \$ 64,717,108 | 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 |
| | Fair value at March 31, 2021 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
| Investment property | \$ 64,070,966 | 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: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please 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: Please refer to table 4.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

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

I. Trading in derivative instruments undertaken during the reporting periods: As of March 31, 2022, the Group's open interest derivative instruments amounted to \$8,664. The Group recognised net profit amounting to \$11,999 on derivative instruments for the three-month periods ended March 31, 2022.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Ceiling on investments in Mainland China: Please refer to table 9.

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:

Significant sales (purchases), property transactions, accounts receivable (payable), provision of endorsements and guarantees from notes or provides collaterals and accommodation of funds for the three-month periods ended March 31, 2022, either directly or indirectly through a third area, with investee companies in the Mainland Area are provided in Notes 13(1) A, B, E, G, H, J.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision maker-Board of Directors that are used to make strategic decisions.

The Group's main operating businesses are manufacturing and trading of computer and computer peripherals; research and development, production, and sales of computer software and hardware; after-sales services for aforementioned products and property management. The product features and manufacturing procedures are different so that its marketing and selling ways are different. The chief operating decision-maker operates various businesses from the perspective of different products. Currently, businesses are mainly divided into computer segment, Buynow Plaza and other segments, of which computer segment and Buynow Plaza are the reportable segments.

(2) Segment information

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

| <u>Three months ended March 31, 2022</u> | Computer | | | <u>Total</u> |
|--|---------------------|---------------------|-------------------|---------------------|
| | <u>Segment</u> | <u>Buynow Plaza</u> | <u>Others</u> | |
| Revenue from external customers | \$ 5,439,203 | \$ 964,806 | \$ - | \$ 6,404,009 |
| Inter-segment revenue | 3,834,686 | - | - | 3,834,686 |
| Total segment revenue | <u>\$ 9,273,889</u> | <u>\$ 964,806</u> | <u>\$ -</u> | <u>\$10,238,695</u> |
| External-segment income (before tax) | <u>\$ 553,258</u> | <u>\$ 228,252</u> | <u>(\$ 2,456)</u> | <u>\$ 779,054</u> |
| Segment income (loss) (after tax) | <u>\$ 473,155</u> | <u>\$ 122,764</u> | <u>(\$ 2,456)</u> | <u>\$ 593,463</u> |

| <u>Three months ended March 31, 2021</u> | Computer | | | <u>Total</u> |
|--|---------------------|---------------------|-----------------|---------------------|
| | <u>Segment</u> | <u>Buynow Plaza</u> | <u>Others</u> | |
| Revenue from external customers | \$ 4,706,487 | \$ 897,442 | \$ - | \$ 5,603,929 |
| Inter-segment revenue | 3,279,221 | - | - | 3,279,221 |
| Total segment revenue | <u>\$ 7,985,708</u> | <u>\$ 897,442</u> | <u>\$ -</u> | <u>\$ 8,883,150</u> |
| External-segment income (before tax) | <u>\$ 237,121</u> | <u>\$ 195,202</u> | <u>\$ 2,997</u> | <u>\$ 435,320</u> |
| Segment income (after tax) | <u>\$ 229,512</u> | <u>\$ 87,535</u> | <u>\$ 2,997</u> | <u>\$ 320,044</u> |

(3) 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 three-month periods ended March 31, 2022 and 2021 is provided as follows:

| Income/(Loss) | Three-month period ended | |
|-------------------------------------|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Reportable segments revenue | \$ 10,238,695 | \$ 8,883,150 |
| Other segments revenue | - | - |
| Elimination of intersegment revenue | (3,834,686) | (3,279,221) |
| Total revenue | \$ 6,404,009 | \$ 5,603,929 |

| Income/(Loss) | Three-month period ended | |
|---|--------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| Reportable segments income (after tax) | \$ 595,919 | \$ 317,052 |
| Other segments (loss) income (after tax) | (2,456) | 2,992 |
| Elimination of intersegment transactions | - | - |
| Income after tax from continuing operations | \$ 593,463 | \$ 320,044 |

CLEVO CO. and Subsidiaries
Loans to others
Three months ended March 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 three months ended March 31, 2022 (Note 3) | Balance at March 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 | \$ 107,355 | \$ 107,355 | \$ 107,355 | 5.00% | 2 | \$ - | Additional operating capital | \$ - | - | \$ - | \$ 17,021,556 | \$ 42,553,891 | Note 8 |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 264,360 | 264,360 | 264,360 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 36,010 | 36,010 | 36,010 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 47,714 | 47,714 | 47,714 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 184,327 | 184,327 | 184,327 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 143,141 | 143,141 | 143,141 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 15,754 | 15,754 | 15,754 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Buynow (Hangzhou) Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 36,010 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 419,969 | 419,969 | 419,969 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Other receivables - related parties - current | Yes | 18,005 | 18,005 | 18,005 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 115,458 | 115,458 | 115,458 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | Other receivables - related parties - current | Yes | 135,398 | 135,398 | 135,398 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Guangdong Buynow Real Estate Management Co., Ltd. | Other receivables - related parties - current | Yes | 28,358 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Clevo (China) Investment Co., Ltd. | Other receivables - related parties - current | Yes | 126,036 | 126,036 | 126,036 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 331,519 | 331,519 | 331,519 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Quanzhou Buynow Industry Co., Ltd. | Other receivables - related parties - current | Yes | 47,263 | 42,762 | 42,762 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 36,010 | 36,010 | 36,010 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 393,187 | 393,187 | 393,187 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 168,573 | 168,573 | 168,573 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 31,959 | 31,959 | 31,959 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 35,110 | 35,110 | 35,110 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Nanchang) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 332,869 | 197,831 | 197,831 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |

| No. (Note 1) | Creditor | Borrower | General ledger account (Note 2) | Is a related party | Maximum outstanding balance during the three months ended March 31, 2022 (Note 3) | Balance at March 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 | | | |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Guangzhou) Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | \$ 176,900 | \$ 176,900 | \$ 176,900 | 4.50% | 2 | \$ - | Additional operating capital | \$ - | - | \$ - | \$ 17,021,556 | \$ 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 176,990 | 176,990 | 176,990 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 668,755 | 668,755 | 668,755 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Daqing Buynow Electronic Information Corporation | Other receivables - related parties - current | Yes | 100,829 | 100,829 | 100,829 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 91,826 | 91,826 | 91,826 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Shantou Buynow Mall Co., Ltd. | Other receivables - related parties - current | Yes | 513,686 | 500,182 | 500,182 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Clevo (China) Investment Co., Ltd. | Other receivables - related parties - current | Yes | 180,051 | 180,051 | 180,051 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Yingkou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 85,524 | 85,524 | 85,524 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 447,877 | 447,877 | 447,877 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 200,757 | 200,757 | 200,757 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Dezhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 570,312 | 570,312 | 570,312 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Kunshan Kaishuo Trading Co., Ltd. | Other receivables - related parties - current | Yes | 180,051 | 180,051 | 180,051 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 270,077 | 270,077 | 270,077 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow (Hangzhou) Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 160,696 | 61,667 | 61,667 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow (Guangzhou) Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 65,944 | 65,944 | 65,944 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Other receivables - related parties - current | Yes | 33,760 | 33,760 | 33,760 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 205,393 | 187,388 | 187,388 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 64,458 | 64,458 | 64,458 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 76,972 | 76,972 | 76,972 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 96,867 | 60,857 | 60,857 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Changsha Hungyu Business Management Co., Ltd. | Other receivables - related parties - current | Yes | 93,492 | 88,990 | 88,990 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 83,904 | 54,646 | 54,646 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Clevo (China) Investment Co., Ltd. | Other receivables - related parties - current | Yes | 72,020 | 72,020 | 72,020 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 104,070 | 104,070 | 104,070 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Dezhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 49,514 | 4,501 | 4,501 | 1.65% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 108,031 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Quanzhou Buynow Industry Co., Ltd. | Other receivables - related parties - current | Yes | 10,083 | 10,083 | 10,083 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |

| No. (Note 1) | Creditor | Borrower | General ledger account (Note 2) | Is a related party | Maximum outstanding balance during the three months ended March 31, 2022 (Note 3) | Balance at March 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 | | | |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Changsha Hungyu Business Management Co., Ltd. | Other receivables - related parties - current | Yes | \$ 127,161 | \$ 127,161 | \$ 127,161 | 3.70% | 2 | \$ - | Additional operating capital | \$ - | - | \$ - | \$ 17,021,556 | \$ 42,553,891 | Note 8 |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 176,900 | 172,399 | 172,399 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Yingkou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 119,689 | 119,689 | 119,689 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 37,136 | 37,136 | 37,136 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Buynow(Guangzhou) Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 70,940 | 70,940 | 70,940 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 202,783 | 202,783 | 202,783 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Daqing Buynow Electronic Information Corporation | Other receivables - related parties - current | Yes | 129,592 | 120,589 | 120,589 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 9 | Buynow (Changchun) Industry Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 200,307 | 200,307 | 200,307 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 9 | Buynow (Changchun) Industry Co., Ltd. | Buynow (Chongqing) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 4,501 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 9 | Buynow (Changchun) Industry Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 38,261 | 38,261 | 38,261 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 9 | Buynow (Changchun) Industry Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 22,506 | 22,506 | 22,506 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 10 | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 79,583 | 79,583 | 79,583 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 10 | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 190,179 | 190,179 | 190,179 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 11 | Quality Trust Property Management Co., Ltd. | Daqing Buynow Electronic Information Corporation | Other receivables - related parties - current | Yes | 226,639 | 217,637 | 217,637 | 3.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 11 | Quality Trust Property Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 5,402 | - | - | 3.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 228,215 | 228,215 | 228,215 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 239,693 | 239,693 | 239,693 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Guangdong Buynow Real Estate Management Co., Ltd. | Other receivables - related parties - current | Yes | 67,519 | 49,514 | 49,514 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 24,757 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 135,074 | 135,074 | 135,074 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 26,107 | 26,107 | 26,107 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 13 | Wuxi Quntai Property Management Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 27,458 | 27,458 | 27,458 | 3.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 14 | Buynow (Chongqing) Industry Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 75,171 | 57,166 | 57,166 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 15 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 84,624 | 84,624 | 84,624 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |

| No. (Note 1) | Creditor | Borrower | General ledger account (Note 2) | Is a related party | Maximum outstanding balance during the three months ended March 31, 2022 (Note 3) | Balance at March 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 | | | |
| 15 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | Other receivables - related parties - current | Yes | \$ 290,737 | \$ 290,737 | \$ 290,737 | 5.00% | 2 | \$ - | Additional operating capital | \$ - | - | \$ - | \$ 17,021,556 | \$ 42,553,891 | Note 8 |
| 15 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 203,998 | 185,993 | 185,993 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 15 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 329,944 | 329,944 | 329,944 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 15 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 213,451 | 213,451 | 213,451 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 15 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Shanghai Huizhuan Restaurant Management Co., Ltd. | Other receivables - related parties - current | Yes | 32,409 | - | - | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 16 | Tianjin Buynow Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 162,496 | 162,496 | 162,496 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 16 | Tianjin Buynow Electronic Information Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 63,918 | 63,918 | 63,918 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 16 | Tianjin Buynow Electronic Information Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | Other receivables - related parties - current | Yes | 266,746 | 266,746 | 266,746 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 16 | Tianjin Buynow Electronic Information Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 133,886 | 122,633 | 122,633 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 16 | Tianjin Buynow Electronic Information Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 4,501 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 16 | Tianjin Buynow Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 98,983 | - | - | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 17 | Buynow (Yancheng) Electronic Information Technology Development Co., Ltd. | Beijing Kaiye Electronic Technology Co., Ltd. | Other receivables - related parties - current | Yes | 22,506 | 22,506 | 22,506 | 0.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 17 | Buynow (Yancheng) Electronic Information Technology Development Co., Ltd. | Daqing Buynow Electronic Information Corporation | Other receivables - related parties - current | Yes | 31,509 | 31,509 | 31,509 | 0.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 17 | Buynow (Yancheng) Electronic Information Technology Development Co., Ltd. | Shantou Buynow Mall Co., Ltd. | Other receivables - related parties - current | Yes | 276,153 | 276,153 | 276,153 | 0.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 17 | Buynow (Yancheng) Electronic Information Technology Development Co., Ltd. | Dezhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 355,601 | 355,601 | 355,601 | 0.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 17 | Buynow (Yancheng) Electronic Information Technology Development Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 25,432 | 25,432 | 25,432 | 0.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 18 | Beijing Clevo Investment Management Consultant Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | Other receivables - related parties - current | Yes | 299,335 | 290,332 | 290,332 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 18 | Beijing Clevo Investment Management Consultant Co., Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | Other receivables - related parties - current | Yes | 286,731 | 286,731 | 286,731 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 363,658 | 363,658 | 363,658 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Buynow(Guangzhou) Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 75,576 | 66,574 | 66,574 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | Other receivables - related parties - current | Yes | 74,091 | 29,078 | 29,078 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | Other receivables - related parties - current | Yes | 19,761 | 19,761 | 19,761 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Clevo (China) Investment Co., Ltd. | Other receivables - related parties - current | Yes | 27,008 | 27,008 | 27,008 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 249,371 | 249,371 | 249,371 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Dezhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 45,013 | 45,013 | 45,013 | 1.65% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |

| No. (Note 1) | Creditor | Borrower | General ledger account (Note 2) | Is a related party | Maximum outstanding balance during the three months ended March 31, 2022 (Note 3) | Balance at March 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 | | | |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | \$ 252,747 | \$ 220,563 | \$ 220,563 | 3.70% | 2 | \$ - | Additional operating capital | \$ - | - | \$ - | \$ 17,021,556 | \$ 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Quanzhou Buynow Industry Co., Ltd. | Other receivables - related parties - current | Yes | 84,174 | 84,174 | 84,174 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 19 | Guangdong Buynow Real Estate Management Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | Other receivables - related parties - current | Yes | 248,470 | 248,470 | 248,470 | 3.70% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Other receivables - related parties - current | Yes | 36,010 | 36,010 | 36,010 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | Other receivables - related parties - current | Yes | 76,522 | 76,522 | 76,522 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Guangdong Buynow Real Estate Management Co., Ltd. | Other receivables - related parties - current | Yes | 103,079 | 98,578 | 98,578 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Clevo (China) Investment Co., Ltd. | Other receivables - related parties - current | Yes | 84,174 | 84,174 | 84,174 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 500,362 | 500,362 | 500,362 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Suzhou Jinzuo Industry Co., Ltd. | Other receivables - related parties - current | Yes | 308,563 | 268,051 | 268,051 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 20 | Shantou Buynow Mall Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 105,330 | 105,330 | 105,330 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 21 | Clevo (China) Investment Co., Ltd. | Shanghai Buynow Online Information Technology Co., Ltd. | Other receivables - related parties - current | Yes | 11,703 | 11,703 | 11,703 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 21 | Clevo (China) Investment Co., Ltd. | Shanghai Huizhuan Restaurant Management Co., Ltd. | Other receivables - related parties - current | Yes | 1,125 | - | - | 0.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 22 | Dezhou Buynow Electronic Information Co., Ltd. | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Other receivables - related parties - current | Yes | 63,018 | 63,018 | 63,018 | 5.00% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | Note 8 |
| 23 | Kunshan Kaishuo Trading Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | Other receivables - related parties - current | Yes | 114,693 | 114,693 | 114,693 | 4.50% | 2 | - | Additional operating capital | - | - | - | 17,021,556 | 42,553,891 | 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 three months ended March 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
Three months ended March 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 March 31, 2022 (Note 4) | Outstanding endorsement/ guarantee amount at March 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 | \$ 42,553,891 | \$ 794,029 | \$ 794,029 | \$ 699,502 | \$ 794,029 | 1.87 | \$ 42,553,891 | N | N | Y | - |
| 2 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | 42,553,891 | 180,052 | 180,052 | 153,044 | - | 0.42 | 42,553,891 | N | N | Y | - |
| 2 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Buynow (Chongqing) Industry Co., Ltd. | 3 | 42,553,891 | 355,603 | 355,603 | 324,094 | - | 0.84 | 42,553,891 | N | N | Y | - |
| 2 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Guangdong Buynow Real Estate Management Co., Ltd. | 3 | 42,553,891 | 135,039 | - | - | - | 0.32 | 42,553,891 | N | N | Y | - |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | 42,553,891 | 1,125,325 | 855,247 | 129,335 | 855,247 | 2.64 | 42,553,891 | N | N | Y | - |
| 3 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Dezhou Buynow Electronic Information Co., Ltd. | 3 | 42,553,891 | 1,620,468 | 1,620,468 | 1,372,897 | 1,620,468 | 3.81 | 42,553,891 | N | N | Y | - |
| 3 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | 42,553,891 | 794,029 | 794,029 | 699,502 | - | 1.87 | 42,553,891 | N | N | Y | - |
| 4 | Buynow Electronic Information (Shenyang) Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | 42,553,891 | 1,125,325 | 1,125,325 | 956,526 | - | 2.64 | 42,553,891 | N | N | Y | - |
| 5 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Quanzhou Buynow Industry Co., Ltd. | 3 | 42,553,891 | 270,078 | 270,078 | 234,068 | - | 0.63 | 42,553,891 | N | N | Y | - |
| 6 | Zibo Buynow Electronic Information Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | 42,553,891 | 207,060 | 207,060 | 207,060 | 207,060 | 0.49 | 42,553,891 | N | N | Y | - |
| 6 | Zibo Buynow Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | 42,553,891 | 139,540 | 139,540 | 139,540 | 139,540 | 0.33 | 42,553,891 | N | N | Y | - |
| 7 | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Guangdong Buynow Real Estate Management Co., Ltd. | 3 | 42,553,891 | 450,130 | 450,130 | 67,520 | 450,130 | 1.06 | 42,553,891 | N | N | Y | - |
| 7 | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | 3 | 42,553,891 | 432,125 | 432,125 | 432,125 | 432,125 | 1.02 | 42,553,891 | N | N | Y | - |
| 8 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Kapok Computer (Kunshan) Co., Ltd. | 3 | 42,553,891 | 875,566 | 875,566 | 801,231 | 875,566 | 2.06 | 42,553,891 | N | N | Y | - |
| 9 | Buynow (Chongqing) Industry Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | 42,553,891 | 180,052 | 180,052 | 153,044 | 180,052 | 0.42 | 42,553,891 | N | N | Y | - |
| 10 | Buynow (Changchun) Industry Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | 3 | 42,553,891 | 315,091 | 315,091 | 232,717 | 315,091 | 0.74 | 42,553,891 | N | N | Y | - |
| 10 | Buynow (Changchun) Industry Co., Ltd. | Buynow (Fujian) Electronic Technology Development Co., | 3 | 42,553,891 | 162,047 | 162,047 | 153,044 | 162,047 | 0.38 | 42,553,891 | N | N | Y | - |
| 11 | Guangdong Buynow Real Estate Management Co., Ltd. | Kapok Computer (Kunshan) Co., Ltd. | 3 | 42,553,891 | 2,143,125 | 2,143,125 | 285,750 | 2,143,125 | 5.04 | 42,553,891 | N | N | Y | - |
| 12 | Buynow (Harbin) Industry Co., Ltd. | Suzhou Jinzuo Industry Co., Ltd. | 3 | 42,553,891 | 405,117 | 405,117 | 236,318 | 405,117 | 0.95 | 42,553,891 | 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)

Three months ended March 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. | BOE TECHNOLOGY GROUP CO., | - | Financial assets at fair value through profit or loss - current | 200,000 | \$ 3,880 | 0.00% | \$ 3,880 | - |
| Clevo Co. | ASIA POLYMER CORPORATION | - | Financial assets at fair value through profit or loss - current | 213,000 | 8,030 | 0.04% | 8,030 | - |
| Clevo Co. | ECLAT TEXTILE CO., LTD. | - | Financial assets at fair value through profit or loss - current | 3,000 | 1,433 | 0.00% | 1,433 | - |
| Clevo Co. | KINIK COMPANY | - | Financial assets at fair value through profit or loss - current | 45,000 | 5,715 | 0.03% | 5,715 | - |
| Clevo Co. | LOTUS PHARMACEUTICAL CO., | - | Financial assets at fair value through profit or loss - current | 15,000 | 2,033 | 0.01% | 2,033 | - |
| Clevo Co. | CHUNG HUNG STEEL | - | Financial assets at fair value through profit or loss - current | 137,000 | 6,323 | 0.01% | 6,323 | - |
| Clevo Co. | Hsin Kuang Steel Company Limited | - | Financial assets at fair value through profit or loss - current | 90,000 | 6,102 | 0.03% | 6,102 | - |
| Clevo Co. | TURVO INTERNATIONAL CO., LTD. | - | Financial assets at fair value through profit or loss - current | 119,000 | 12,674 | 0.20% | 12,674 | - |
| Clevo Co. | UNITED MICROELECTRONICS | - | Financial assets at fair value through profit or loss - current | 295,000 | 15,930 | 0.00% | 15,930 | - |
| Clevo Co. | COMPEQ MANUFACTURING | - | Financial assets at fair value through profit or loss - current | 310,000 | 14,973 | 0.03% | 14,973 | - |
| Clevo Co. | Taiwan Semiconductor Manufacturing | - | Financial assets at fair value through profit or loss - current | 140,000 | 83,580 | 0.00% | 83,580 | - |
| Clevo Co. | MACRONIX INTERNATIONAL CO., | - | Financial assets at fair value through profit or loss - current | 367,000 | 14,717 | 0.02% | 14,717 | - |
| Clevo Co. | Winbond Electronics Corporation | - | Financial assets at fair value through profit or loss - current | 105,000 | 3,276 | 0.00% | 3,276 | - |
| Clevo Co. | GOLD CIRCUIT ELECTRONICS LTD. | - | Financial assets at fair value through profit or loss - current | 71,000 | 6,035 | 0.01% | 6,035 | - |
| Clevo Co. | CHICONY ELECTRONICS CO., LTD. | Same chairman as the Company | Financial assets at fair value through profit or loss - current | 4,697,000 | 421,791 | 0.63% | 421,791 | - |
| Clevo Co. | NANYA TECHNOLOGY | - | Financial assets at fair value through profit or loss - current | 217,000 | 15,016 | 0.01% | 15,016 | - |
| Clevo Co. | AU Optronics Corp. | - | Financial assets at fair value through profit or loss - current | 1,092,989 | 21,696 | 0.01% | 21,696 | - |
| Clevo Co. | Merry Electronics Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 10,000 | 855 | 0.00% | 855 | - |
| Clevo Co. | MediaTek Inc. | - | Financial assets at fair value through profit or loss - current | 17,000 | 15,385 | 0.00% | 15,385 | - |
| Clevo Co. | Visual Photonics Epitaxy Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 71,000 | 8,059 | 0.04% | 8,059 | - |
| Clevo Co. | EVERGREEN MARINE | - | Financial assets at fair value through profit or loss - current | 101,000 | 13,635 | 0.00% | 13,635 | - |
| Clevo Co. | YANG MING MARINE TRANSPORT | - | Financial assets at fair value through profit or loss - current | 40,000 | 4,980 | 0.00% | 4,980 | - |
| Clevo Co. | WAN HAI LINES LTD. | - | Financial assets at fair value through profit or loss - current | 15,000 | 2,378 | 0.00% | 2,378 | - |
| Clevo Co. | EVA AIRWAYS CORPORATION | - | Financial assets at fair value through profit or loss - current | 117,000 | 3,773 | 0.00% | 3,773 | - |
| Clevo Co. | TAIWAN BUSINESS BANK, LTD. | - | Financial assets at fair value through profit or loss - current | 8,226,325 | 105,708 | 0.11% | 105,708 | - |
| Clevo Co. | Cathay Financial Holding Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 89,000 | 5,741 | 0.00% | 5,741 | - |
| Clevo Co. | CTBC Financial Holding Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 2,000,000 | 58,800 | 0.01% | 58,800 | - |
| Clevo Co. | Elite Semiconductor Microelectronics | - | Financial assets at fair value through profit or loss - current | 45,000 | 7,245 | 0.02% | 7,245 | - |
| Clevo Co. | Largan Precision Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 4,000 | 7,540 | 0.00% | 7,540 | - |
| Clevo Co. | Asia Vital Components Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 37,000 | 4,311 | 0.01% | 4,311 | - |
| Clevo Co. | FARADAY TECHNOLOGY | - | Financial assets at fair value through profit or loss - current | 39,000 | 11,915 | 0.02% | 11,915 | - |
| Clevo Co. | WT Microelectronics Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 29,000 | 2,300 | 0.00% | 2,300 | - |
| Clevo Co. | Unimicron Technology Corp. | - | Financial assets at fair value through profit or loss - current | 57,000 | 14,193 | 0.00% | 14,193 | - |
| Clevo Co. | TRIPOD TECHNOLOGY CORPORATION | - | Financial assets at fair value through profit or loss - current | 120,000 | 16,080 | 0.02% | 16,080 | - |
| Clevo Co. | Zinwell Corporation | - | Financial assets at fair value through profit or loss - current | 12,000 | 2,580 | 0.02% | 2,580 | - |
| Clevo Co. | SHENMAO TECHNOLOGY INC. | - | Financial assets at fair value through profit or loss - current | 37,000 | 2,808 | 0.03% | 2,808 | - |
| Clevo Co. | AURAS Technology Co.,Ltd. | - | Financial assets at fair value through profit or loss - current | 42,000 | 8,610 | 0.05% | 8,610 | - |
| Clevo Co. | Global Unichip Corporation | - | Financial assets at fair value through profit or loss - current | 32,000 | 16,160 | 0.02% | 16,160 | - |

| Securities held by | Marketable securities (Note 1) | Relationship with the securities issuer (Note 2) | General ledger account | Ending Balance | | | | Footnote (Note 4) |
|--------------------------|---|--|--|----------------|---------------------|-------|------------|-------------------|
| | | | | No. of shares | Book value (Note 3) | (%) | Fair Value | |
| Clevo Co. | INNOLUX CORPORATION | - | Financial assets at fair value through profit or loss - current | 51,219 | \$ 860 | 0.00% | \$ 860 | - |
| Clevo Co. | eMemory Technology Inc. | - | Financial assets at fair value through profit or loss - current | 4,000 | 7,400 | 0.01% | 7,400 | - |
| Clevo Co. | FORMOSA SUMCO TECHNOLOGY CORPORATION | - | Financial assets at fair value through profit or loss - current | 27,000 | 7,817 | 0.01% | 7,817 | - |
| Clevo Co. | United Renewable Energy Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 140,000 | 3,220 | 0.01% | 3,220 | - |
| Clevo Co. | ALCHIP TECHNOLOGIES, INC. | - | Financial assets at fair value through profit or loss - current | 4,000 | 4,400 | 0.01% | 4,400 | - |
| Clevo Co. | ERIS TECHNOLOGY CORP. | - | Financial assets at fair value through profit or loss - current | 29,000 | 8,874 | 0.07% | 8,874 | - |
| Clevo Co. | EPISIL TECHNOLOGIES INC. | - | Financial assets at fair value through profit or loss - current | 104,000 | 13,832 | 0.03% | 13,832 | - |
| Clevo Co. | PEGATRON CORPORATION | - | Financial assets at fair value through profit or loss - current | 126,000 | 9,122 | 0.00% | 9,122 | - |
| Clevo Co. | Zhen Ding Technology Holding Limited | - | Financial assets at fair value through profit or loss - current | 380,000 | 40,850 | 0.04% | 40,850 | - |
| Clevo Co. | Sercomm Corporation | - | Financial assets at fair value through profit or loss - current | 78,000 | 6,170 | 0.03% | 6,170 | - |
| Clevo Co. | CHAILEASE HOLDING COMPANY LIMITED | - | Financial assets at fair value through profit or loss - current | 42,000 | 10,647 | 0.00% | 10,647 | - |
| Clevo Co. | GENESYS LOGIC, INC. | - | Financial assets at fair value through profit or loss - current | 29,000 | 8,758 | 0.03% | 8,758 | - |
| Clevo Co. | CHIPBOND TECHNOLOGY CORPORATION | - | Financial assets at fair value through profit or loss - current | 93,000 | 6,426 | 0.01% | 6,426 | - |
| Clevo Co. | Chant Sincere Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 30,000 | 2,496 | 0.04% | 2,496 | - |
| Clevo Co. | TONG HSING ELECTRONIC INDUSTRIES, LTD. | - | Financial assets at fair value through profit or loss - current | 47,000 | 13,630 | 0.03% | 13,630 | - |
| Clevo Co. | PEGA VISION CORPORATION | - | Financial assets at fair value through profit or loss - current | 2,000 | 1,012 | 0.00% | 1,012 | - |
| Clevo Co. | Sports Gear Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 70,000 | 4,865 | 0.04% | 4,865 | - |
| Clevo Co. | NAN YA PRINTED CIRCUIT BOARD CORPORATION | - | Financial assets at fair value through profit or loss - current | 59,000 | 30,916 | 0.01% | 30,916 | - |
| Clevo Co. | E INK HOLDINGS INC. | - | Financial assets at fair value through profit or loss - current | 57,000 | 10,545 | 0.00% | 10,545 | - |
| Clevo Co. | Actron Technology Corporation | - | Financial assets at fair value through profit or loss - current | 55,000 | 13,008 | 0.06% | 13,008 | - |
| Clevo Co. | CO-TECH DEVELOPMENT CORP. | - | Financial assets at fair value through profit or loss - current | 34,000 | 2,441 | 0.01% | 2,441 | - |
| Clevo Co. | Foxconn Industrial Internet Co., Ltd. | - | Financial assets at fair value through profit or loss - current | 1,760,000 | 80,411 | 0.01% | 80,411 | - |
| | Beneficiary certificate | | | | | | | |
| Clevo Co. | Greater China Multi-Strategy Fund | - | Financial assets at fair value through profit or loss - current | 78,788 | 323,472 | - | 323,472 | - |
| Clevo Co. | BNP Paribas Funds-Energy Transition Classique USD Capitalisation | - | Financial assets at fair value through profit or loss - current | 5,248 | 20,366 | - | 20,366 | - |
| 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 | 13,740 | - | 13,740 | - |
| Clevo Co. | Cathay Global Autonomous and Electric Vehicles ETF | - | Financial assets at fair value through profit or loss - current | 3,000,000 | 45,990 | - | 45,990 | - |
| 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 | 39,750 | - | 39,750 | - |
| | 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 | 3,669 | 0.01% | 3,669 | - |
| Kapok Computer Co., Ltd. | Clevo Co. | The Company | Financial asset measured at fair value through other comprehensive income- non-current | 16,966,596 | 546,324 | 2.64% | 546,324 | - |
| | Beneficiary certificate | | | | | | | |
| Kapok Computer Co., Ltd. | Reliance TAROBO Robotics Quantitative Chinese Fund | - | Financial assets at fair value through profit or loss - current | 2,237,387 | 37,553 | - | 37,553 | - |

| 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 | \$ 14,554 | 0.02% | \$ 14,554 | - |
| Clevo Investment Co., Ltd. | Clevo Co. | The Company | Financial asset measured at fair value through other comprehensive income- non-current | 10,080,669 | 324,598 | 1.57% | 324,598 | - |
| | 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 | 14,460 | - | 14,460 | - |
| Clevo Investment Co., Ltd. | Reliance TAROBO Robotics Quantitative Chinese Fund | - | Financial assets at fair value through profit or loss - current | 1,491,591 | 25,035 | - | 25,035 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | UG Hidden Dragon Special Opportunity Fund | - | Financial assets at fair value through profit or loss - current | 266,378 | 631,598 | - | 631,598 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | Greater China Multi-Strategy Fund | - | Financial assets at fair value through profit or loss - current | 403,145 | 280,665 | - | 280,665 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | Greater China Multi-Strategy Fund | - | Financial assets at fair value through profit or loss - current | 19,711 | 80,924 | - | 80,924 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | KGI Next Generation Multi-Asset Fund | - | Financial assets at fair value through profit or loss - current | 384,911 | 129,896 | - | 129,896 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | BlackRock Global Fund - World Technology Fund | - | Financial assets at fair value through profit or loss - current | 31,622 | 63,649 | - | 63,649 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | BlackRock Global Funds - ESG Multi-Asset Fund | - | Financial assets at fair value through profit or loss - current | 37,879 | 56,198 | - | 56,198 | - |
| CLEVO (CAYMAN ISLANDS) HOLDING | AB SICAV I-American Growth Portfolio | - | Financial assets at fair value through profit or loss - current | 5,657 | 26,852 | - | 26,852 | - |

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions

CLEVO CO. and Subsidiaries

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

Three months ended March 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~ First Quarter of 2022 | \$ 1,526,486 | \$ 940,753 | 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~ First Quarter of 2022 | 774,403 | 750,188 | Bureau of Land and Resources of Yingkou City etc. | - | - | - | - | - | Mutual agreement | Department store; under construction | - |
| Anshan Buynow Electronic Information Co., Ltd. | Buildings and Land Held for Sale, Construction in Progress and Land Use Right | Second Quarter of 2011~ First Quarter of 2022 | 3,189,407 | 3,023,075 | Bureau of Land and Resources of Anshan 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~ First Quarter of 2022 | 1,497,850 | 1,444,522 | 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~ First Quarter of 2022 | 1,811,755 | 1,793,097 | Jinzhou Municipal Bureau of Land and Resources etc. | - | - | - | - | - | Mutual agreement | Department store; under construction | - |

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate acquired should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing date, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

CLEVO CO. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

Three months ended March 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Compared to third party transactions (Note 1) | | Notes/accounts receivable (payable) | | Footnote (Note 2) |
|------------------------------------|------------------------------------|--|-------------------|--------------|---------------------------------------|--|---|---|-------------------------------------|---|-------------------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit Price | Credit term | Balance at March 31, 2022 | Percentage of total notes/accounts receivable (payable) | |
| Clevo Co. | Kapok Computer (Kunshan) Co., Ltd. | The Company's ultimate parent company | Purchases | \$ 3,887,381 | 58.23% | 30 days after monthly billings and offset between creditor's rights and debt obligation. | The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions. | 1~5 months for normal customers due to fund requirements. | \$ - | - | - |
| Clevo Co. | Kapok Computer (Kunshan) Co., Ltd. | The Company's ultimate parent company | Sales | (1,840,175) | 25.30% | 180 days | The goods are not sold to other customers, so the prices cannot be compared. | 1~2 months for normal customers due to fund requirements. | 1,849,431 | 34.64% | - |
| Kapok Computer (Kunshan) Co., Ltd. | Clevo Co. | The Company as the ultimate parent company | Sales | (3,887,381) | 99.96% | 30 days after monthly billings | It is the only customer, so the price cannot be compared. | - | - | - | - |
| Kapok Computer (Kunshan) Co., Ltd. | Clevo Co. | The Company as the ultimate parent company | Purchases | 1,840,175 | 47.32% | 180 days | It is the only supplier, so the price cannot be compared. | - | (1,849,431) | 42.64% | - |

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

Three months ended March 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2022 (Note 1) | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful accounts |
|-----------|------------------------------------|--|---------------------------------------|---------------|---------------------|---|---|---------------------------------|
| | | | | | Amount | Action taken | | |
| Clevo Co. | Kapok Computer (Kunshan) Co., Ltd. | The transaction object is a subsidiary of the company. | \$ 1,849,431 | 3.96 | \$ - | 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 periods

Three months ended March 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|--|---|--------------------------|---|--------------|---|--|
| | | | | General ledger account | Amount | Transaction terms | |
| 0 | Clevo Co. | Kapok Computer (Kunshan) Co., Ltd. | 1 | Purchases | \$ 3,887,381 | 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. | 60.70% |
| 0 | Clevo Co. | Kapok Computer (Kunshan) Co., Ltd. | 1 | Sales | 1,840,175 | It is the only customer, so the price cannot be compared. The payment period is 180 days. | 28.73% |
| 0 | Clevo Co. | Kapok Computer (Kunshan) Co., Ltd. | 1 | Accounts receivable - related parties | 1,849,431 | - | 1.95% |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Changsha Hungyu Business Management Co., Ltd. | 3 | Other receivables - related parties - current | 107,355 | 5.00% | 0.11% |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 264,360 | 5.00% | 0.28% |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 184,327 | 5.00% | 0.19% |
| 1 | Buynow (Hangzhou) Electronic Information Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 143,141 | 5.00% | 0.15% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 419,969 | 3.70% | 0.44% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 115,458 | 3.70% | 0.12% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | 3 | Other receivables - related parties - current | 135,398 | 3.70% | 0.14% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Clevo (China) Investment Co., Ltd. | 3 | Other receivables - related parties - current | 126,036 | 3.70% | 0.13% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 331,519 | 3.70% | 0.35% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Buynow (Fujian) Electronic Technology Development Co., Ltd. | 3 | Receivables - related parties | 62,184 | - | 0.07% |
| 2 | Buynow (Chengdu) Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 67,973 | - | 0.07% |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 393,187 | 3.70% | 0.41% |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 168,573 | 3.70% | 0.18% |
| 3 | Buynow (Nanjing) Facility Leasing And Management Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Receivables - related parties | 65,630 | - | 0.07% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Nanchang) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 197,831 | 4.50% | 0.21% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow(Guangzhou) Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 176,900 | 4.50% | 0.19% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 176,990 | 4.50% | 0.19% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 668,755 | 4.50% | 0.70% |

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|---|--|--------------------------|--|------------|-------------------|--|
| | | | | General ledger account | Amount | Transaction terms | |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Daqing Buynow Electronic Information Corporation | 3 | Other receivables - related parties - current | \$ 100,829 | 4.50% | 0.11% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 91,826 | 4.50% | 0.10% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Shantou Buynow Mall Co., Ltd. | 3 | Other receivables - related parties - current | 500,182 | 4.50% | 0.53% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Clevo (China) Investment Co., Ltd. | 3 | Other receivables - related parties - current | 180,051 | 4.50% | 0.19% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Yingkou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 85,524 | 4.50% | 0.09% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 447,877 | 4.50% | 0.47% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 200,757 | 4.50% | 0.21% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Dezhou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 570,312 | 4.50% | 0.60% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Kunshan Kaishuo Trading Co., Ltd. | 3 | Other receivables - related parties - current | 180,051 | 4.50% | 0.19% |
| 4 | Kapok Computer (Kunshan) Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 270,077 | 4.50% | 0.28% |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow (Hangzhou) Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 61,667 | 5.00% | 0.06% |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow(Guangzhou) Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 65,944 | 5.00% | 0.07% |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 187,388 | 5.00% | 0.20% |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 64,458 | 5.00% | 0.07% |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 76,972 | 5.00% | 0.08% |
| 5 | Buynow (Nanchang) Industry Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 60,857 | 5.00% | 0.06% |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Changsha Hungyu Business Management Co., Ltd. | 3 | Other receivables - related parties - current | 88,990 | 3.70% | 0.09% |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 54,646 | 3.70% | 0.06% |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Clevo (China) Investment Co., Ltd. | 3 | Other receivables - related parties - current | 72,020 | 3.70% | 0.08% |
| 6 | Buynow (Zhengzhou) Electronic Information Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 104,070 | 3.70% | 0.11% |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Changsha Hungyu Business Management Co., Ltd. | 3 | Other receivables - related parties - current | 127,161 | 3.70% | 0.13% |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 172,399 | 3.70% | 0.18% |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Yingkou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 119,689 | 3.70% | 0.13% |
| 7 | Buynow Electronic Information (Shenyang) Co., Ltd. | Yingkou Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 85,586 | - | 0.09% |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Buynow(Guangzhou) Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 70,940 | 3.70% | 0.07% |

Table 7, Page 2

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|--|--|--------------------------|---|------------|-------------------|--|
| | | | | General ledger account | Amount | Transaction terms | |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Other receivables - related parties - current | \$ 202,783 | 3.70% | 0.21% |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Daqing Buynow Electronic Information Corporation | 3 | Other receivables - related parties - current | 120,589 | 3.70% | 0.13% |
| 8 | Buynow (Fujian) Electronic Technology Development Co., Ltd. | Daqing Buynow Electronic Information Corporation | 3 | Receivables - related parties | 50,109 | - | 0.05% |
| 9 | Buynow (Changchun) Industry Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 200,307 | 3.70% | 0.21% |
| 10 | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 79,583 | 5.00% | 0.08% |
| 10 | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 190,179 | 5.00% | 0.20% |
| 11 | Quality Trust Property Management Co., Ltd. | Daqing Buynow Electronic Information Corporation | 3 | Other receivables - related parties - current | 217,637 | 3.00% | 0.23% |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 228,215 | 3.70% | 0.24% |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Buynow (Harbin) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 239,693 | 3.70% | 0.25% |
| 12 | Kalor Buynow (Heifei) Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 135,074 | 3.70% | 0.14% |
| 13 | Buynow (Chongqing) Industry Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 57,166 | 5.00% | 0.06% |
| 13 | Buynow (Chongqing) Industry Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 66,072 | - | 0.07% |
| 14 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 84,624 | 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 | 290,737 | 5.00% | 0.31% |
| 14 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 185,993 | 5.00% | 0.20% |
| 14 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 329,944 | 5.00% | 0.35% |
| 14 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 213,451 | 5.00% | 0.22% |
| 14 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | 3 | Receivables - related parties | 104,394 | - | 0.11% |
| 14 | Shanghai Buynow Electronic Products Market Management Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 73,069 | - | 0.08% |
| 15 | Tianjin Buynow Electronic Information Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 162,496 | 3.70% | 0.17% |
| 15 | Tianjin Buynow Electronic Information Co., Ltd. | Buynow (Xian) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 63,918 | 3.70% | 0.07% |
| 15 | Tianjin Buynow Electronic Information Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | 3 | Other receivables - related parties - current | 266,746 | 3.70% | 0.28% |
| 15 | Tianjin Buynow Electronic Information Co., Ltd. | Zibo Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 122,633 | 3.70% | 0.13% |
| 15 | Tianjin Buynow Electronic Information Co., Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | 3 | Receivables - related parties | 52,759 | - | 0.06% |
| 15 | Tianjin Buynow Electronic Information Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 65,171 | - | 0.07% |
| 16 | Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd. | Shantou Buynow Mall Co., Ltd. | 3 | Other receivables - related parties - current | 276,153 | 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 | 355,601 | 0.00% | 0.37% |

Table 7, Page 3

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|---|---|--------------------------|---|------------|-------------------|--|
| | | | | General ledger account | Amount | Transaction terms | |
| 17 | Beijing Clevo Investment Management Consultant Co.,Ltd. | Qingdao Buynow Technology Industry Co., Ltd. | 3 | Other receivables - related parties - current | \$ 290,332 | 5.00% | 0.31% |
| 17 | Beijing Clevo Investment Management Consultant Co.,Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | 3 | Other receivables - related parties - current | 286,731 | 5.00% | 0.30% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 363,658 | 3.70% | 0.38% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Buynow(Guangzhou) Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 66,574 | 3.70% | 0.07% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 249,371 | 3.70% | 0.26% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 220,563 | 3.70% | 0.23% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Quanzhou Buynow Industry Co., Ltd. | 3 | Other receivables - related parties - current | 84,174 | 3.70% | 0.09% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Buynow (Jinzhou) Industry Co., Ltd. | 3 | Other receivables - related parties - current | 248,470 | 3.70% | 0.26% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 146,072 | - | 0.15% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Luoyang Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 63,089 | - | 0.07% |
| 18 | Guangdong Buynow Real Estate Management Co., Ltd. | Guiyang Buynow Electronic Information Co., Ltd. | 3 | Receivables - related parties | 86,017 | - | 0.09% |
| 19 | Shantou Buynow Mall Co., Ltd. | Buynow Electronic Information (Huizhou) Co., Ltd. | 3 | Other receivables - related parties - current | 76,522 | 4.50% | 0.08% |
| 19 | Shantou Buynow Mall Co., Ltd. | Guangdong Buynow Real Estate Management Co., Ltd. | 3 | Other receivables - related parties - current | 98,578 | 4.50% | 0.10% |
| 19 | Shantou Buynow Mall Co., Ltd. | Clevo (China) Investment Co., Ltd. | 3 | Other receivables - related parties - current | 84,174 | 4.50% | 0.09% |
| 19 | Shantou Buynow Mall Co., Ltd. | Anshan Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 500,362 | 4.50% | 0.53% |
| 19 | Shantou Buynow Mall Co., Ltd. | Suzhou Jinzuo Industry Co., Ltd. | 3 | Other receivables - related parties - current | 268,051 | 4.50% | 0.28% |
| 19 | Shantou Buynow Mall Co., Ltd. | Taizhou Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 105,330 | 4.50% | 0.11% |
| 20 | Dezhou Buynow Electronic Information Co., Ltd. | Buynow (Wuxi) Electronic Technology Development Co., Ltd. | 3 | Other receivables - related parties - current | 63,018 | 5.00% | 0.07% |
| 21 | Kunshan Kaishuo Trading Co., Ltd. | Shanghai Buynow Electronic Information Co., Ltd. | 3 | Other receivables - related parties - current | 114,693 | 4.50% | 0.12% |

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 is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

CLEVO CO. and Subsidiaries
Information on investees
Three months ended March 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investor | Investee (Notes 1 and 2) | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2)) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2(3)) | Footnote |
|--|--|------------------------|---|------------------------------|---------------------------------|----------------------------------|---------------|--------------|---|--|---|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | No. of shares | Ownership (%) | Book value | | | |
| Clevo Co. | CLEVO COMPUTER SINGAPORE PTE LTD. | Singapore | Management and advisory of computers | \$ 420,061 | \$ 420,061 | 22,325,453 | 100.00 | \$ 7,866,032 | \$ 37,021 | \$ 37,021 | 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 | 44,303,957 | 85,509 | 85,509 | The subsidiary of the Company |
| Clevo Co. | KAPOK COMPUTER (SAMOA) CORPORATION | Samoa | Investment | 489,985 | 489,985 | 16,000,000 | 100.00 | 2,074,941 | 63,566 | 63,606 | The subsidiary of the Company |
| Clevo Co. | BUYNOW ON-LINE HOLDING CORPORATION | Samoa | Investment | 35,513 | 35,513 | 1,100,000 | 100.00 | (9,952) | 233 | 233 | The subsidiary of the Company |
| Clevo Co. | Clevo Investment Co., Ltd. | Taiwan | Investment | 140,000 | 140,000 | 14,000,000 | 100.00 | 72,325 | (2,456) | (2,456) | 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 | 54,981 | (3,119) | (3,119) | The subsidiary of the Company |
| Clevo Co. | Taipei Twin Corporation | Taiwan | Commercial real estate | 1,000,000 | 1,000,000 | 1,000,000,000 | 50.00 | 960,853 | (12,884) | (6,442) | 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 | 3,575,117 | 12,036 | 12,036 | 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 | 982,907 | 3,450 | 3,450 | 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 | 3,624,524 | 35,821 | 35,821 | 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 | 3,326,756 | 18,128 | 18,128 | 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 | 231,696 | 626 | 626 | 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 | 1,214,816 | 7,332 | 7,332 | 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 | 2,377,617 | 16,602 | 16,602 | 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 | 3,237,513 | 17,784 | 17,784 | 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 | 2,004,823 | 13,388 | 13,388 | 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 | 873,089 | 8,502 | 8,502 | 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 | 3,030,301 | 14,945 | 14,945 | The Company as the ultimate parent company |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW GROUP (QINGDAO) CORPORATION | Samoa | Investment | 115,648 | 115,648 | 3,500,000 | 100.00 | 89,817 | (2,661) | (2,661) | The Company as the ultimate parent company |

| Investor | Investee (Notes 1 and 2) | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2)) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2(3)) | Footnote |
|--|---|------------------------|--------------------------|------------------------------|---------------------------------|----------------------------------|---------------|--------------|---|--|---|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | No. of shares | Ownership (%) | Book value | | | |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (CHONGQING) LIMITED | Hong Kong | Investment | \$ 169,140 | \$ 169,140 | 5,000,000 | 100.00 | \$ 1,085,722 | \$ 3,925 | \$ 3,925 | 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 | 2,413,802 | 12,035 | 12,035 | 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 | 1,354,221 | 12,067 | 12,067 | 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 | 272,966 | (20,533) | (20,533) | 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 | (124,637) | 1,619 | 1,619 | 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 | (158,281) | (2,227) | (2,227) | 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 | 1,958,858 | 14,001 | 14,001 | 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 | 5,286,264 | 14,584 | 14,584 | 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 | 762,647 | - | - | 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 | (96,005) | 8,531 | 8,531 | 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 | 427,470 | (103) | (103) | 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 | 925,812 | (23,500) | (23,500) | 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 | 267,954 | (110) | (110) | 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 | 1,578,878 | 90,432 | 27,130 | 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 | 138,618 | 18,779 | 5,634 | Long-term equity investment accounted for using equity method |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (WUHAN) CORPORATION | Samoa | Investment | - | - | 4,500,000 | 30.00 | 151,833 | (16,146) | (4,844) | 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 | 63,901 | 45,756 | 1,716 | 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 | 286,656 | (3,259) | (3,259) | 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 | 1,047,405 | 3,897 | 3,897 | 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 | 371,552 | (29,547) | (29,547) | 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 | 153,184 | (33,188) | (33,188) | 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 | 320,775 | (165) | (165) | 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 | 96,190 | (18,185) | (18,185) | The Company as the ultimate parent company |
| CLEVO (CAYMAN ISLANDS) HOLDING COMPANY | BUYNOW (SHANTOU) CORPORATION | Samoa | Investment | 578,224 | 578,224 | 19,200,000 | 100.00 | 480,391 | 5,855 | 5,855 | The Company as the ultimate parent company |

| Investor | Investee (Notes 1 and 2) | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2022 | | | Net profit (loss) of the investee for the three months ended March 31, 2022 (Note 2(2)) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2(3)) | Footnote |
|-------------------------------------|------------------------------|-----------|--------------------------|------------------------------|---------------------------------|----------------------------------|---------------|--------------|---|--|--|
| | | | | Balance as at March 31, 2022 | Balance as at December 31, 2021 | No. of shares | Ownership (%) | Book value | | | |
| SKILL DEVELOP INTERNATIONAL LIMITED | WELL ASIA INVESTMENT LIMITED | Hong Kong | Investment | \$ 277,817 | \$ 277,817 | 9,200,000 | 100.00 | \$ 5,286,264 | \$ 14,584 | \$ 14,584 | The Company as the ultimate parent company |
| SMARTER CAPITAL LIMITED | BUYNOW SZ. CORPORATION | Samoa | Investment | 452,081 | 452,081 | 14,900,000 | 100.00 | 1,047,405 | 3,897 | 3,897 | 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 | (9,951) | 233 | 233 | 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 March 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 three months ended March 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 three months ended March 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
Three months ended March 31, 2022

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022 | Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee for the three months ended March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021 | 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 | \$ 12,036 | 100.00 | \$ 12,036 | \$ 3,575,117 | \$ - | - |
| 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 | 8,524 | 100.00 | 8,524 | 2,033,287 | - | - |
| 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) | - | - | - | - | 17,584 | 100.00 | 17,584 | 2,367,642 | - | - |
| 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 | 63,300 | 100.00 | 63,300 | 2,066,118 | - | - |
| 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) | - | - | - | - | 1,998 | 100.00 | 1,998 | 6,058 | - | - |
| 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 | 110,988 | 30.00 | 33,296 | 1,037,997 | - | - |
| Wuhan Qunbai Industry Co., Ltd. | Research, development and sales of computer software, hardware and electronic products; sales services; venue retail | 58,904 | (2) CHICONY SQUARE (WUHAN) INC. | - | - | - | - | (3,274) | 30.00 | (982) | 40,709 | - | - |
| Chicony Square (Wuhan) Management Co., Ltd. | Sales of service and non-staple food; cafe operation; venue rental | 14,414 | (3) | - | - | - | - | 1,823 | 24.99 | 456 | 33,721 | - | - |
| 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) | - | - | - | - | (88,406) | 30.00 | (26,522) | 416,218 | - | - |
| 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 | 35,821 | 100.00 | 35,821 | 3,624,524 | - | - |
| 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 | 5,352 | 100.00 | 5,352 | 3,244,684 | - | - |

| 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 three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee for the three months ended March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021 | 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 | \$ 3,968 | 100.00 | \$ 3,968 | \$ 268,433 | \$ - | - |
| 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) | - | - | - | - | 273 | 100.00 | 273 | 30,246 | - | - |
| Shanghai Buynow Electronic Products Market Management Co., Ltd. | Provide market management services for operators of electronic products | 504,484 | (3) | - | - | - | - | 14,404 | 100.00 | 14,404 | 4,897,085 | - | - |
| 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) | - | - | - | - | 13,983 | 100.00 | 13,983 | (60,460) | - | - |
| 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 | 19,148 | 100.00 | 19,148 | 3,172,671 | - | - |
| 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 | 626 | 100.00 | 626 | 231,696 | - | - |
| 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 | 18,128 | 100.00 | 18,128 | 3,326,756 | - | - |
| 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 | 13,815 | 100.00 | 13,815 | 2,373,600 | - | - |
| 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 | 12,028 | 100.00 | 12,028 | 2,401,499 | - | - |
| 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 | 18,422 | 100.00 | 18,422 | 2,577,445 | - | - |
| 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 | - | 762,646 | - | - |
| 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 | 8,502 | 100.00 | 8,502 | 873,089 | - | - |

| 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 three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee for the three months ended March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021 | Footnote |
|---|---|-----------------|---|--|--|-------------------------|---|--|--|---|--|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| 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 | \$ 13,388 | 100.00 | \$ 13,388 | \$ 2,004,823 | \$ - | - |
| 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 | 45,755 | 30.00 | 13,727 | 511,196 | - | - |
| 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 | 12,211 | 100.00 | 12,211 | 2,544,411 | - | - |
| 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 | 22,414 | 100.00 | 22,414 | 8,131,998 | - | - |
| 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 | 15,691 | 100.00 | 15,691 | 3,181,752 | - | - |
| 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 | - | - | - | - | (16,146) | 30.00 | (4,844) | 151,833 | - | - |
| 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 | (12,922) | 100.00 | (12,922) | 436,219 | - | - |
| 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 | 16,893 | 100.00 | 16,893 | 1,895,871 | - | - |
| Wuxi Buynow Electronic Market Co., Ltd. | Leasing of facility, market management service, catering management, property management, parking lot management | 2,454 | (3) | - | - | - | - | 5 | 100.00 | 5 | 2,472 | - | - |
| 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 | (20,645) | 100.00 | (20,645) | 269,425 | - | - |
| 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 | 3,925 | 100.00 | 3,925 | 1,085,721 | - | - |

| 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 three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee for the three months ended March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021 | Footnote |
|---|---|-----------------|----------------------------|--|--|-------------------------|---|--|--|---|--|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| Shanghai Buynow Online Information Technology Co., Ltd. | Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products; development, technology transfer, advisory, service and training of Internet, computer software and hardware and communication equipment | \$ 32,630 | (2) | \$ 32,630 | \$ - | \$ - | \$ 32,630 | \$ 147 | 100.00 | \$ 147 | (\$ 12,681) | \$ - | - |
| 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 | 1,619 | 100.00 | 1,619 | (124,637) | - | - |
| 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 | 21,329 | 100.00 | 21,329 | (240,012) | - | - |
| Shantou Buynow Mall Co., Ltd. | Investment in companies primarily engaged in research and development and advisory service | 574,562 | (2) | 574,562 | - | - | 574,562 | 5,855 | 100.00 | 5,855 | 480,391 | - | - |
| 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 | (2,227) | 100.00 | (2,227) | (158,281) | - | - |
| 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 | (103) | 100.00 | (103) | 427,470 | - | - |
| 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 | (23,500) | 100.00 | (23,500) | 925,812 | - | - |
| Clevo (China) Investment Co., Ltd. | Investment in companies primarily engaged in research and development and advisory service | 897,135 | (2) | 897,135 | - | - | 897,135 | (54,570) | 100.00 | (51,350) | 2,654,234 | - | - |
| 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 | (110) | 100.00 | (110) | 267,954 | - | - |
| 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 | (3,259) | 100.00 | (3,259) | 286,654 | - | - |
| Suzhou Jinzuo Industry Co., Ltd. | Business affairs and property management business | 480,460 | (2) | 1,008,954 | - | - | 1,008,954 | 3,897 | 100.00 | 3,897 | 1,047,405 | - | - |

| 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 three months ended March 31, 2022 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2022 | Net income of investee for the three months ended March 31, 2022 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2022 (Note 2) | Book value of investments in Mainland China as of March 31, 2022 | Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021 | Footnote |
|---|---|-----------------|----------------------------|--|--|-------------------------|---|--|--|---|--|---|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| 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 | (\$ 60,795) | 100.00 | (\$ 60,795) | \$ 764,510 | \$ - | - |
| 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 | (33,188) | 100.00 | (33,188) | 153,184 | - | - |
| 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 | (165) | 100.00 | (165) | 320,775 | - | - |
| 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 | (18,185) | 100.00 | (18,185) | 96,190 | - | - |
| 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 | (790) | 100.00 | (790) | 26,664 | - | - |
| Shanghai Huihei Advertisement Co., Ltd. | Advertising design and marketing | 4,850 | (3) | - | - | - | - | (247) | 100.00 | (247) | 4,440 | - | - |
| Shanghai Huizhuan Restaurant Management Co., Ltd. | Catering business management | 22,884 | (3) | - | - | - | - | 55 | 100.00 | 55 | 3,620 | - | - |

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 three months ended March 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 March 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) | \$ 15,866,917 (USD 456,227 thousand) | \$ 25,532,335 |

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. (42,553,891 x 60% = 25,532,335)

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

Note 3: As of March 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
Three months ended March 31, 2022

Table 10

| Name of major shareholders | Shares | |
|-----------------------------|---------------------|---------------|
| | Name of shares held | Ownership (%) |
| Kent Hsu | 46,701,335 | 7.27% |
| Huatai Investment Co., Ltd. | 37,326,144 | 5.81% |
| EPOQUE CORPORATION | 33,567,888 | 5.23% |
| Fu-Chia Hsu | 32,176,454 | 5.01% |