

Clevo Co.

2024 Annual General Shareholders' Meeting

Meeting Agenda

Date: May 31, 2024

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CLEVO CO.

Agenda of 2024 General Shareholders' Meeting

Date: 9am, May 31 (Friday), 2024

Format: physical shareholders meeting

Venue: No. 555, Siyuan Rd., Xinzhuang District, New Taipei City

Agenda:

I. Declare the commencement of the meeting

II. Chairperson Remarks

III. Management Presentation

(1) Business report for 2023

(2) The Audit Committee's Review Report on 2023 Financial Statements

(3) Report on Distribution of Remunerations to Employees and Directors for 2023

(4) Report on Earnings Distribution via Cash Dividends for 2023

(5) Other Management Presentation.

IV. Acknowledgement Items

(1) Acknowledgement of 2023 Business Report and Financial Statements

(2) Acknowledgement of Earnings Distribution for 2023

V. Election matters

(1) Election of directors (including independent directors)

VI. Other Motions

(1) Removal of non-compete covenant on new directors and their representatives

VII. Extemporaneous motion

VIII. Adjournment of Meeting

Management Presentation

Motion 1

Subject: Please kindly review Business report for 2023.

Description: Please refer to pages 7-10 of this handbook for the Company's 2023 Business Report.

Motion 2

Subject: Please kindly review Audit Committee's Audit Report on 2023 Financial Statements.

Description: Please refer to pages 11 of this handbook for Audit Committee's Audit Report.

Motion 3

Subject: Please kindly review distribution of remunerations to employees and directors for 2023.

Description:

- (I) The remuneration to employees totaled NTD 129,000,000 and the remuneration to directors totaled NTD 12,700,000 for 2023.
- (II) There is no difference between the amount allocated and the expense recognized for 2023.
- (III) The Company's 2023 remunerations to employees and to directors were resolved by the Board of Directors on March 14, 2024. The aforesaid remunerations were paid in cash.

Motion 4

Subject: Please kindly review earnings distribution via cash dividends for 2023.

Description:

- (I) The Board of Directors resolved on March 14, 2024 to distribute cash dividends of NTD 979,620,800, or NTD 1.6 per share. The distribution of cash dividends is rounded down (to the unit of one NT dollar). The total of fraction amounts shall be included as the Company's other income.
- (II) The Chairman is authorized to set up the ex-dividend date, dividend issue date, and other relevant matters.
- (III) In case the Company's number of shares outstanding is affected by law changes, regulatory requirements or the Company's repurchase, the distribution shall be adjusted pro rata according to the Company's number of shares outstanding on the ex-dividend date.

Motion 5

Subject: Other reporting items

Description: (none)

Acknowledgement items

The first plan (proposed by the Board of Directors)

Subject: Please kindly ratify the Company's 2023 business report and financial statements.

- Description: (I) The Company's 2023 Business Report, consolidated financial statements and unconsolidated financial statements were resolved by the Board of Directors on March 14 2024 and submitted for ratification according to laws.
- (II) The aforesaid financial statements were audited by CPA Lin, Po-Chuan and CPA Peng, Min-Chuan with PwC Taiwan. The contents were consistent with those resolved by the Board of Directors. Please refer to pages 7-10 or the Company's Business Report and pages 12-41 for these statements of this handbook.
- (III) Respectfully submitted for ratification.

Resolution:

Motion 2 (proposed by the Board of Directors)

Subject: Please kindly ratify the Company's earnings distribution for 2023.

Description: (I) The Company's table of 2023 earnings distribution is as follows:

CLEVO CO.

2023 Earnings Distribution Table

Unit: NTD/NTD

Summary	Amount
Undistributed earnings at the beginning of the period	2,598,993,793
Add: appropriation of the special reserve (non-first-time) from the sale of investment property	4,526,315
Adjusted undistributed earnings at the beginning of the period	2,603,520,108
Pension adjustment	3,231,798
Subtotal	2,606,751,906
Add: net income during the period	1,060,089,646
Less: appropriation of legal reserves (10%)	(109,405,574)
Less: appropriation of special reserves and other negative equity items	(792,837,891)
Add: reversal of impairment from special reserves – first time	30,743,293
Subtotal for the period	188,580,474
Distributable earnings at the end of the year	2,795,332,380
Dividends (cash NTD 1.6 per share)	979,620,800
Unappropriated retained earnings	1,815,711,580

Person in charge: Hsu, Kun-tai Manager: Tsai, Ming-Hsien Chief Accounting Officer: Wu, Mai

- (II) Respectfully submitted for ratification.

Resolution:

Election Matters (proposed by the Board of Directors)

Subject: Election of directors (including independent directors)

- Explanation:
- (1) The tenure of the Company's current directors has expired. According to the Company Act, the full re-election of the board should be conducted this year.
 - (2) A total of seven directors (including three independent directors) should be elected. The tenure is three years, starting on May 31, 2024 to May 30, 2027.
 - (3) The Company's election of directors (including independent directors) is based on the nomination system. Shareholders should elect directors from the list of candidates. Please refer to pages 50-53 of the manual for the education background and work experience of candidates.
 - (4) Please refer to page 49 of this manual for the Company's Method for Election of Directors.
 - (5) Please kindly proceed with the re-election.

Election results:

Other Motions

The first plan (proposed by the Board of Directors)

Subject: Removal of non-compete covenant on new directors and their representatives.

Explanation: (1) Where Our Company's directors make contingent investment or operate other companies with the same or similar business scope with Our Company, the provisions of Article 209 of the Company Act shall be followed without prejudice to the interests of Our Company.

(2) We propose to ask the shareholders' meeting for permission to remove the restriction on non-cooperation. The same shall apply in the case of re-appointment.

(3) Please refer to pages 50-53 of the manual for the candidates' education background, work experience and positions held in other companies.

(4) Respectfully submitted for discussion.

Resolution:

Extemporary motion

Adjournment of Meeting

Business Report

I. 2023 Business Report

(I) Results of the operation plan implementation for 2023

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

Notebook Business Group

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

Buynow Business Group

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

(II) Financial analysis

In 2023, the Group's consolidated operating revenue was NTD 24.4 billion, the second highest in history, with an annual increase of 10%; operating gross profit was NTD 4.89 billion, gross profit margin was 20%, operating profit was NTD 1.73 billion, operating profit margin was 7%, a decrease of 2% from the previous period. This was mainly due to the destocking and price reduction of the global notebook market in Q1. With the efforts of the operations team, the implementation of inventory reduction in the current period was

effective, and the number of inventory turnover days fell by 28 days compared to the previous year. The net profit after tax for the year was NTD 1.06 billion, a year-on-year increase of 28%, and the EPS for the year was NTD 1.81.

(III) Review of research and development

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

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

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

II. 2024 business plan

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

Notebook Business Group

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

2024 is widely regarded as the first year of AI PC. According to IDC forecast, the shipment of AI PC will reach 167 million units by 2027, and most of them will be deployed in the commercial field. To follow the development trend of the PC industry, technological innovation and AI applications will become important driving forces in the market in the future. Clevo will continue to customize products with market competitiveness for different regions or countries, while also join forces with international major companies to develop products that meet the market demand. The Company will continue to cultivate niche

models in the blue ocean and adopt a shipment strategy that centers on quality. In addition to responding to the replacement needs of large enterprises in mature markets and the procurement needs of governments and SMEs in emerging markets, the Company also targets the growing e-sports notebooks In the market, by actively planning for commercial and gaming notebooks with high unit prices and high profits, in order to increase the Company's overall revenue and profit. The shipment volume in the first quarter of 2024 will account for 20% of the annual target. We will continue to challenge ourselves to deliver better results than last year's quarterly growth.

Buynow Business Group

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

Buynow Business Group has weathered the impact of COVID-19 and lockdowns, and gradually returned to normal operations. Starting from the second half of 2023, Buynow Business Group accumulated a solid customer base. The increase in footfall and the release of consumption potential have boosted the overall rental income in 2024. In the first quarter of 2024, the rental income was CNY 175 million, with a yearly increase of 1.4%, which brought stable driving force for the annual growth of the Buynow Business Group. With 30% of the investment in Chicony Plaza, the main business was able to come out of the impact of the pandemic and return to the normal operation track. The effect of foreign currency exchange rate was significantly reduced. In addition, under the circumstance that people's consumption gradually increased, the revenue in Q1 2024 totaled CNY1.02 billion. Overall, as the market conditions continue to improve and the management team's strategic deployment of the department store is careful, the businesses of the Buynow Business Group and Chicony Plaza are expected to grow steadily in performance and profits this year, and thus contributing to the overall profitability of the group.

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

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

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

firms to update product lines to ensure synchronization with market demand, and to seize the business opportunities brought by AI PC to promote business growth.

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

Looking back on the journey full of challenges and achievements in the past year, thanks to the support of friendly operating partners and the efforts of all employees, the Company has maintained a stable financial performance and achieved business growth, and has accumulated momentum to invest in two major development projects, namely CID1 and E1E2 in Taiwan. The advantageous resources of the Group in commercial real estate development and operation and smart green building system over the years will be combined into these two major development projects to build a new world of beauty for the gateway to the western district of Taipei City, which our shareholders will be able to see, allowing the Group to reach another level of profits. All colleagues of Clevo will strive to achieve our goals, create better profits for the Company, share the benefits with shareholders, and give back to the society.

Finally, I wish you

good health
and all the best.

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

Audit Committee's Audit Report

We hereby allow

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

Best regards

CLEVO CO.

2024 General Shareholders' Meeting

Convener of Audit Committee: Chou, Po-Chiao

March 14, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Clevo Co.

PWCR23000486

Opinion

We have audited the accompanying parent company only balance sheets of Clevo Co. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the report of other auditors (refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Refer to Note 6(5) for the subsidiaries held by the Company as of December 31, 2023. As the financial position and financial performance of those subsidiaries were material to the Company's parent company only financial statements, their key audit matters - Valuation of inventories, Existence of booth rental revenue and Valuation of investment properties were included in the Company's key audit matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Investments accounted for using equity method - valuation of investment properties

Description

Refer to Note 4(19) of consolidated financial statements accounting policies on investment properties, Note 5(2) of consolidated financial statements for uncertainty of accounting estimates and assumptions in relation to the fair value measurement of investment properties, and Note 6(9) of consolidated financial statements for details of investment properties.

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

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

How our audit addressed the matter

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

1. Examined the analysis period and assumption methods used in the valuation report in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.
2. Evaluated the reasonableness of rental earnings related to individual investment property, current market rents for similar comparable properties, rental growth rate and industry forecast reports.
3. Evaluated the reasonableness of discount rate used in valuation and capital costs caused by local property environment.

Investments accounted for using equity method - existence of booth rental revenue

Description

Refer to Note 4(33) of consolidated financial statements for accounting policies on revenue recognition and Note 6(22) for details of operating revenue.

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

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

matter.

How our audit addressed the matter

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

1. Ensured the reasonableness by validating and testing the appropriateness of internal controls over booth rental revenue, including inspecting the lease contracts and related supporting documents.
2. Verified existence of merchants by performing physical count of the booths.
3. Obtained the listings of booth rental revenue and confirmed the existence of booth rental revenue by sampling and inspecting the lease contracts and physical inventory lists.

Valuation of inventories

Description

Refer to Note 4(12) for accounting policy on the valuation of inventories, Note 5(2) for uncertainty of accounting estimations and assumptions in relation to inventory valuation, and Note 6(4) for the details of inventory valuation.

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

The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on the age and damage of inventory. As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value is subject to management's judgment, we considered the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

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

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

LIN, PO-CHUAN

Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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

CLEVO CO.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 3,600,394	6	\$ 5,249,460	8
1110	Financial assets at fair value through profit or loss - current	6(2)	2,252,184	3	1,280,273	2
1136	Financial assets at amortised cost - current	6(1) and 8	1,937,776	3	-	-
1170	Accounts receivable, net	6(3)	2,757,533	4	2,365,541	4
1180	Accounts receivable - related parties	6(3) and 7	130,964	-	-	-
1197	Finance lease receivable, net	6(8)	45,672	-	42,430	-
130X	Inventory	6(4)	305,021	1	466,143	1
1410	Prepayments		104,008	-	82,815	-
1479	Other current assets		234,609	-	79,599	-
11XX	Total current assets		<u>11,368,161</u>	<u>17</u>	<u>9,566,261</u>	<u>15</u>
Non-current assets						
1535	Financial assets at amortised cost - non-current	6(1) and 8	6,243	-	1,046,589	2
1550	Investments accounted for under equity method	6(5) and 7	54,881,652	83	54,290,369	83
1600	Property, plant and equipment	6(6)	93,520	-	103,513	-
1755	Right-of-use assets	6(7) and 7	74,853	-	131,726	-
1780	Intangible assets		31,858	-	46,313	-
1840	Deferred income tax assets	6(25)	61,087	-	32,386	-
194D	Long-term finance lease receivable, net	6(8)	42,938	-	80,770	-
1975	Net defined benefit asset, non-current	6(12)	53,550	-	39,290	-
1990	Other non-current assets		39,853	-	35,256	-
15XX	Total non-current assets		<u>55,285,554</u>	<u>83</u>	<u>55,806,212</u>	<u>85</u>
1XXX	Total assets		<u>\$ 66,653,715</u>	<u>100</u>	<u>\$ 65,372,473</u>	<u>100</u>

(Continued)

CLEVO CO.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 2,548,000	4	\$ 1,770,000	3
2120	Financial liabilities at fair value through profit or loss - current	6(2)	24,212	-	-	-
2130	Current contract liabilities	6(18)	41,378	-	134,656	-
2150	Notes payable		25,062	-	53,218	-
2170	Accounts payable		372,256	1	307,838	-
2180	Accounts payable to related parties	7	-	-	429,219	1
2200	Other payables		362,519	1	343,728	1
2230	Current income tax liabilities		250,190	-	311,026	-
2250	Provisions for liabilities - current	6(13)	58,523	-	58,523	-
2280	Lease liabilities	7	107,511	-	102,163	-
2320	Long-term liabilities, current portion	6(10)(11)	5,000,000	7	5,200,000	8
2399	Other current liabilities		36,091	-	26,229	-
21XX	Total current liabilities		<u>8,825,742</u>	<u>13</u>	<u>8,736,600</u>	<u>13</u>
Non-current liabilities						
2530	Corporate bonds payable	6(10)	-	-	5,000,000	8
2540	Long-term borrowings	6(11)	16,046,000	24	9,150,000	14
2570	Deferred tax liabilities	6(25)	519,151	1	518,076	1
2580	Lease liabilities - non-current	7	59,592	-	162,365	-
2645	Guarantee deposits received		12,632	-	15,080	-
2670	Other non-current liabilities		7,229	-	-	-
25XX	Total non-current liabilities		<u>16,644,604</u>	<u>25</u>	<u>14,845,521</u>	<u>23</u>
2XXX	Total liabilities		<u>25,470,346</u>	<u>38</u>	<u>23,582,121</u>	<u>36</u>
Equity						
	Share capital	6(14)				
3110	Ordinary share		6,322,630	10	6,322,630	10
	Capital surplus	6(15)				
3200	Capital surplus		97,389	-	56,461	-
	Retained earnings	6(16)				
3310	Legal reserve		2,282,456	3	2,210,652	3
3320	Special reserve		34,207,562	51	35,186,883	54
3350	Unappropriated retained earnings		3,666,842	6	2,614,398	4
	Other equity interest	6(17)				
3400	Other equity interest		(4,564,310)	(7)	(3,771,472)	(6)
3500	Treasury stocks	6(14)	(829,200)	(1)	(829,200)	(1)
3XXX	Total equity		<u>41,183,369</u>	<u>62</u>	<u>41,790,352</u>	<u>64</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 66,653,715</u>	<u>100</u>	<u>\$ 65,372,473</u>	<u>100</u>

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

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

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18)	\$ 21,284,601	100	\$ 18,800,588	100
5000	Operating costs	6(4)(23)(24) and 7	(19,548,456)	(92)	(16,845,333)	(90)
5900	Net operating margin		1,736,145	8	1,955,255	10
5910	Unrealized profit from sales		(1,481)	-	(5,690)	-
5920	Realized profit (loss) from sales		5,690	-	(4,277)	-
5950	Net operating margin		1,740,354	8	1,945,288	10
	Operating expenses	6(23)(24)				
6100	Selling expenses		(184,882)	(1)	(175,805)	(1)
6200	General and administrative expenses		(334,303)	(1)	(307,085)	(2)
6300	Research and development expenses		(704,043)	(3)	(630,168)	(3)
6000	Total operating expenses		(1,223,228)	(5)	(1,113,058)	(6)
6900	Operating profit		517,126	3	832,230	4
	Non-operating income and expenses					
7100	Interest income	6(19)	195,187	1	54,423	-
7010	Other income	6(20)	92,875	-	133,790	1
7020	Other gains and losses	6(21)	603,979	3	608,295	3
7050	Finance costs	6(22) and 7	(410,191)	(2)	(284,646)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net		206,880	1	(396,175)	(2)
7000	Total non-operating income and expenses		688,730	3	115,687	1
7900	Profit before income tax		1,205,856	6	947,917	5
7950	Income tax expense	6(25)	(145,766)	(1)	(123,391)	(1)
8200	Profit for the year		\$ 1,060,090	5	\$ 824,526	4
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plan	6(12)	\$ 4,040	-	\$ 32,888	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(808)	-	(6,576)	-
8310	Other comprehensive income that will not be reclassified to profit or loss		3,232	-	26,312	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(797,469)	(4)	868,476	5
8399	Income tax relating to the components of other comprehensive income	6(25)	4,631	-	(11,161)	-
8360	Other comprehensive (loss) income that will be reclassified to profit or loss		(792,838)	(4)	857,315	5
8300	Total other comprehensive (loss) income for the year		(\$ 789,606)	(4)	\$ 883,627	5
8500	Total comprehensive income for the year		\$ 270,484	1	\$ 1,708,153	9
	Earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		\$ 1.81		\$ 1.41	
9850	Diluted earnings per share		\$ 1.80		\$ 1.40	

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

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

	Notes	Capital Reserves			Retained Earnings			Exchange differences on translation of foreign financial statements	Treasury shares	Total equity	
		Ordinary share	Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, donated assets received	Legal reserve	Special reserve				Unappropriated retained earnings
Year ended December 31, 2022											
Balance at January 1, 2022		\$ 6,497,630	\$ 56,267	\$ 16,228	\$ 983	\$ 1,908,529	\$ 35,684,459	\$ 3,149,950	(\$ 4,628,787)	(\$ 1,374,835)	\$ 41,310,424
Profit for the year		-	-	-	-	-	-	824,526	-	-	824,526
Other comprehensive income for the year	6(17)	-	-	-	-	-	-	26,312	857,315	-	883,627
Total comprehensive income		-	-	-	-	-	-	850,838	857,315	-	1,708,153
Appropriations of 2021 earnings											
Legal reserve	6(16)	-	-	-	-	302,123	-	(302,123)	-	-	-
Special reserve		-	-	-	-	-	(493,824)	493,824	-	-	-
Cash dividends		-	-	-	-	-	-	(1,285,752)	-	-	(1,285,752)
Treasury stock retired	6(14)	(175,000)	(1,516)	(73,028)	-	-	-	(296,091)	-	545,635	-
Past due dividends not received by shareholders		-	-	-	727	-	-	-	-	-	727
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	56,800	-	-	-	-	-	-	56,800
Reversal of special reserve		-	-	-	-	-	(3,752)	3,752	-	-	-
Balance at December 31, 2022		\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472)	(\$ 829,200)	\$ 41,790,352
Year ended December 31, 2023											
Balance at January 1, 2023		\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472)	(\$ 829,200)	\$ 41,790,352
Profit for the year		-	-	-	-	-	-	1,060,090	-	-	1,060,090
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	-	-	3,232	(792,838)	-	(789,606)
Total comprehensive income (loss)		-	-	-	-	-	-	1,063,322	(792,838)	-	270,484
Appropriations of 2022 earnings											
Legal reserve	6(16)	-	-	-	-	71,804	-	(71,804)	-	-	-
Special reserve		-	-	-	-	-	(974,795)	974,795	-	-	-
Cash dividends		-	-	-	-	-	-	(918,395)	-	-	(918,395)
Past due dividends not received by shareholders		-	-	-	357	-	-	-	-	-	357
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	40,571	-	-	-	-	-	-	40,571
Reversal of special reserve		-	-	-	-	-	(4,526)	4,526	-	-	-
Balance at December 31, 2023		\$ 6,322,630	\$ 54,751	\$ 40,571	\$ 2,067	\$ 2,282,456	\$ 34,207,562	\$ 3,666,842	(\$ 4,564,310)	(\$ 829,200)	\$ 41,183,369

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

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

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,205,856	\$ 947,917
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(23)	19,962	12,640
Depreciation of right-of-use assets	6(7)(23)	59,023	51,451
Amortisation	6(23)	24,085	12,368
Net (gain) loss on financial assets measured at fair value through profit or loss	6(21)	(595,066)	127,644
Interest expense	6(22)	410,191	284,646
Interest income	6(19)	(195,187)	(54,423)
Dividend income	6(20)	(58,256)	(49,020)
Share of (profit) loss of associates and joint ventures accounted for under the equity method	6(5)	(206,880)	396,175
Gain on sublease of right-of-use assets	6(7)(21)	(3,916)	(95,066)
Gain on disposal of property, plant and equipment	6(21)	-	(32)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		(376,845)	140,849
Accounts receivable, net		(522,956)	2,745,570
Inventories		161,122	(51,278)
Prepayments		(21,193)	(16,144)
Net defined benefit asset, non-current		(10,221)	(8,728)
Other current assets		(125,040)	20,094
Changes in operating liabilities			
Financial liabilities measured at fair value through profit or loss		24,212	-
Contract liabilities		(93,278)	88,766
Notes payable		(20,927)	43,094
Accounts payable		64,418	3,709
Accounts payable to related parties		(429,219)	429,219
Other payables		22,012	(190,611)
Other current liabilities		9,862	4,062
Cash (outflow) inflow generated from operations		(658,241)	4,842,902
Interest received		181,342	34,402
Dividends received		58,256	49,020
Cash dividends received from subsidiaries		43,917	23,948
Income taxes paid		(212,390)	(116,535)
Interest paid		(413,412)	(277,974)
Net cash flows (used in) from operating activities		(1,000,528)	4,555,763

(Continued)

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

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of property, plant and equipment and investment property		\$ -	\$ 200
Acquisition of investments accounted for under the equity method		(1,181,010)	(590,000)
Acquisition of property, plant and equipment	6(6)	(9,969)	(106,429)
Acquisition of intangible assets		(9,630)	(54,119)
Increase in financial assets at amortised cost - current		(921,810)	-
Decrease (increase) in financial assets at amortised cost - non-current		24,380	(34,419)
Increase in refundable deposits		(640)	(14,053)
Net cash flows used in investing activities		<u>(2,098,679)</u>	<u>(798,820)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		46,113,000	41,509,431
Decrease in short-term borrowings		(45,335,000)	(43,475,908)
Increase in long-term borrowings		41,715,000	35,760,231
Repayments of long-term borrowings		(40,019,000)	(32,960,231)
(Decrease) increase in guarantee deposit		(2,448)	14,976
Payments of lease liabilities	6(27)	(103,373)	(84,004)
Cash dividends paid	6(16)	(918,395)	(1,285,752)
Past due dividends not received by shareholders		357	727
Net cash flows from (used in) financing activities		<u>1,450,141</u>	<u>(520,530)</u>
Net (decrease) increase in cash and cash equivalents		(1,649,066)	3,236,413
Cash and cash equivalents at beginning of year		<u>5,249,460</u>	<u>2,013,047</u>
Cash and cash equivalents at end of year		<u>\$ 3,600,394</u>	<u>\$ 5,249,460</u>

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Clevo Co.

PWCR23000502

Opinion

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

In our opinion, based on our audits and the report of other auditors (refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

Valuation of investment properties

Description

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

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

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

How our audit addressed the matter

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

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

Governing the Preparation of Financial Reports by Securities Issuers.

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

Existence of booth rental revenue

Description

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

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

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

How our audit addressed the matter

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

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

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

Valuation of inventories

Description

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

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

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

How our audit addressed the matter

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

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

Other matter –Reference to the audits of other auditors

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

LIN, PO-CHUAN

Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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

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

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

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

(Continued)

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

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

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

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

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

		Equity attributable to owners of the parent									
		Capital Reserves			Retained Earnings						
Notes	Ordinary share	Capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Capital surplus, donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	Total equity	
<u>Year ended December 31, 2022</u>											
		\$ 6,497,630	\$ 56,267	\$ 16,228	\$ 983	\$ 1,908,529	\$ 35,684,459	\$ 3,149,950	(\$ 4,628,787)	(\$ 1,374,835)	\$ 41,310,424
		-	-	-	-	-	824,526	-	-	824,526	
	6(21)	-	-	-	-	-	26,312	857,315	-	883,627	
		-	-	-	-	-	850,838	857,315	-	1,708,153	
<u>Appropriations of 2021 earnings</u>											
	6(20)										
		-	-	-	-	302,123	(302,123)	-	-	-	
		-	-	-	-	(493,824)	493,824	-	-	-	
		-	-	-	-	-	(1,285,752)	-	-	(1,285,752)	
	6(18)	(175,000)	(1,516)	(73,028)	-	-	(296,091)	-	545,635	-	
		-	-	-	727	-	-	-	-	727	
		-	-	56,800	-	-	-	-	-	56,800	
		-	-	-	-	(3,752)	3,752	-	-	-	
		<u>\$ 6,322,630</u>	<u>\$ 54,751</u>	<u>\$ -</u>	<u>\$ 1,710</u>	<u>\$ 2,210,652</u>	<u>\$ 35,186,883</u>	<u>\$ 2,614,398</u>	<u>(\$ 3,771,472)</u>	<u>(\$ 829,200)</u>	<u>\$ 41,790,352</u>
<u>Year ended December 31, 2023</u>											
		\$ 6,322,630	\$ 54,751	\$ -	\$ 1,710	\$ 2,210,652	\$ 35,186,883	\$ 2,614,398	(\$ 3,771,472)	(\$ 829,200)	\$ 41,790,352
		-	-	-	-	-	1,060,090	-	-	1,060,090	
	6(21)	-	-	-	-	-	3,232	(792,838)	-	(789,606)	
		-	-	-	-	-	1,063,322	(792,838)	-	270,484	
<u>Appropriations of 2022 earnings</u>											
	6(20)										
		-	-	-	-	71,804	(71,804)	-	-	-	
		-	-	-	-	(974,795)	974,795	-	-	-	
		-	-	-	-	-	(918,395)	-	-	(918,395)	
		-	-	-	357	-	-	-	-	357	
		-	-	40,571	-	-	-	-	-	40,571	
		-	-	-	-	(4,526)	4,526	-	-	-	
		<u>\$ 6,322,630</u>	<u>\$ 54,751</u>	<u>\$ 40,571</u>	<u>\$ 2,067</u>	<u>\$ 2,282,456</u>	<u>\$ 34,207,562</u>	<u>\$ 3,666,842</u>	<u>(\$ 4,564,310)</u>	<u>(\$ 829,200)</u>	<u>\$ 41,183,369</u>

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

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

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

(Continued)

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

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

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

CLEVO CO.

Articles of Association

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and named “藍天電腦股份有限公司”. Its English name is “CLEVO CO”.

Article 2: The licensed businesses operated by the Company are as follows:

The licensed businesses operated by the Company are as follows:

- 1.CC01060 Wired Communication Mechanical Equipment Manufacturing
- 2.CC01070 Wireless Communication Mechanical Equipment Manufacturing
- 3.CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- 4.CC01110 Computer and Peripheral Equipment Manufacturing
- 5.E605010 Computer Equipment Installation
- 6.F113070 Wholesales of communication equipment
- 7.F118010 Wholesale of Computer Software
- 8.F119010 Wholesale of Electronic Materials
- 9.F213060 Retail of communication equipment
- 10.F218010 Retail Sale of Computer Software
- 11.F219010 Retail Sale of Electronic Materials
- 12.F401010 International trade
- 13.F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
- 14.I301010 Information Software Services
- 15.I301020 Data processing services
- 16.I301030 Electronic Information Supply Services
- 17.J901011 Tourist Hotel
- 18.J901020 Regular Hotel
- 19.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall be the guarantor of the guarantee matters of subsidiaries and related enterprises established by investment.

Article 4: The Company has its head office in New Taipei City and shall set up branches at home and abroad according to its business needs.

Article 5: The Company may invest in other companies as a shareholder with limited liability, and is not subject to the limitation of Paragraph 1 of Article 13 of the Company Act that the total amount of investment shall not exceed 40% of the paid-in equity.

Chapter 2 Shares

Article 6: The total capital of The Company is authorized as NT\$9 billion, which is divided into 900 million shares with NT\$10 per share. The Company shall issue ordinary shares and special shares and authorize the Board of Directors to issue them in installments.

Within the total amount of capital mentioned in the preceding paragraph, NT\$200 million is retained for issuing employee stock option certificates for 20 million shares. Each share is NT\$10. The Board of Directors is authorized to issue the shares by installments according to actual needs.

Article 7: The Company's stock affairs shall be handled according to the provisions of the competent authority.

Article 8: Shares issued by The Company shall be shares exempted from printing and registered by the centralized custody institution of securities.

Article 9: The registration of transfer of shares shall stop within 60 days before the general shareholders' meeting, 30 days before a special shareholders' meeting, or five days before the record date of the Company's decision to distribute dividends and bonuses or other benefits.

Chapter 3 Shareholders' Meeting

Article 10: Shareholders' meetings are divided into general shareholders' meetings and special shareholders' meetings. The general shareholders' meeting is held once a year within six months after the end of each accounting year. The special shareholders' meeting shall be convened according to the relevant decrees when necessary.

The Company's shareholders' meetings may be convened online or in other methods announced by the central competent authority.

All the operating procedures in relation to online meetings shall conform with the Company Act and regulations set forth by the competent authority.

Unless otherwise required by the Company Act, shareholders' meeting shall be convened by the Board of Directors.

Article 11: When shareholders are unable to attend the shareholders' meeting for some reasons, a power of attorney issued by the Company specifying the scope of authorization shall be issued. The entrusted agents shall attend the shareholders' meeting according to Article 177 of the Company Act and the Rules on the Use of Power of Attorney for Attending Shareholders' Meeting in a Public Company promulgated by the competent authority.

Article 12: The shareholders of the Company shall have one vote per share, except in cases where the voting rights of shares are restricted or there is no voting right as stipulated in Company Act.

Article 13: Except for the minimum limit of voting rights for special resolutions stipulated in Company Act on special matters, the resolution shall be attended by shareholders representing more than half of the total number of shares issued and the general resolution shall be agreed upon by more than half of the voting rights of the shareholders present.

Article 14: A Shareholders' meeting shall be convened by the Board of Directors, with the Chairman as its Chairman. In the absence of the Chairman, the Vice-Chairman shall act in their place. In the absence of the Vice-Chairman, the directors shall elect one of them to act in the place of the Vice-Chairman. When the shareholders' meeting is convened by people with convening power other than the Board of Directors, the person with convening power shall serve as the Chairman. When there are more than two people with convening power, one person shall be elected.

Article 15: Records shall be made for resolutions of the shareholders' meeting, signed or sealed by the Chairman of the Shareholders' Meeting, and distributed to all shareholders within 20 days after the meeting. The distribution of the above records shall be announced.

Article 16: The procedures of the shareholders' meeting shall be executed according to the Rules of Procedures for Shareholders' Meetings of CLEVO CO.

Chapter 4 Directors and Audit Committee

Article 17: The Company shall have seven to nine directors, who shall be elected by the Board of Shareholders on the list of candidates under the system of nomination of candidates. They shall serve for three years and be re-elected. According to Article 14-2 of the Securities and Exchange Act, the number of independent directors shall not be less than three and not less than one fifth of the directors' seats in the above number of The Company's directors. The relevant provisions of the securities authority shall be followed in respect of the professional qualifications, shareholding, part-time restrictions, nomination and selection methods and other matters of independent directors.

The total shareholding ratio of all the Company's directors shall be governed by the provisions of the regulatory authority of securities.

According to Article 14-4 of the Securities and Exchange Act, the Company shall establish an audit committee to replace the functions and powers of the supervisors. The Audit Committee is composed of all independent directors, the number of whom shall not be less than three. One of them is the convener. The exercise of its functions and powers and related matters shall be handled according to the provisions of relevant laws and regulations and decided by the Board of Directors separately.

Article 18: When the shortage of directors is up to one third, the Board of Directors shall hold a temporary meeting of shareholders for by-election within sixty days. The term of office shall fill the

original term.

Article 19: The board meeting shall be attended by more than two-thirds of the directors and agreed upon by more than half of the directors present. One of the directors shall be elected as Chairman, and one of them shall be elected as Vice-Chairman. The Chairman shall represent The Company to the outside.

Article 20: The execution of The Company's business shall be decided by the Board of Directors, except for the matters stipulated in Company Act and Articles of Incorporation that shall be decided by the shareholders' meeting.

Article 21: Except for the first board meeting of each session convened according to Article 203 of the Company Act, the rest of the board meetings are convened by the Chairman, who serves as the Chairman. When the Chairman is absent or unable to exercise their functions and powers for some reason, the Vice-Chairman shall act as their agent. When the Vice-Chairman is absent or unable to exercise their functions and powers for some reason, the Chairman shall appoint one of the directors to act as the agent. If the Chairman fails to appoint, the directors shall elect one of themselves as the agent.

The board meeting of the Company shall be convened at least once a quarter.

For the convening of the board of meeting, the reasons shall be stated and the directors shall be notified seven days in advance, but in case of an emergency, it may be convened at any time.

The convening of the preceding paragraph may be notified in writing, by fax or by e-mail.

Article 22: Except as otherwise stipulated in Company Act, a resolution of the board meeting shall be attended by more than half of the directors and agreed upon by more than half of the directors present. When a director is unable to attend due to some reason, a power of attorney shall be issued, and the scope of authorization for the subject of convocation shall be listed. Another director shall be entrusted to attend the board meeting, but the agent shall be entrusted by one person.

When the board meeting is held by video conference, the directors attending the meeting by video conference shall be deemed as attending in person.

Article 23: The Board of Directors shall be authorized to decide the remuneration of the Chairman, Vice-Chairman, and Director according to their participation in the operation of the Company and the value of their contribution, taking into account the usual level of the same profession.

Article 23-1: By resolution of the Board of Directors, the Company shall purchase liability insurance for directors and important staff members.

Article 23-2: The Board of Directors of The Company shall set Remuneration Committee or other functional committees for the sake of business operation.

Chapter 5 Managers

Article 24: The Company shall have a manager, whose appointment, dismissal and remuneration shall be handled according to Article 29 of the Company Act.

Chapter 6 Accounting

Article 25: At the end of each accounting year of the Company and the Board of Directors shall compile the following forms and submit them to the general shareholders' meeting for recognition.

1. Business report.
2. Financial statements.
3. Proposal for the distribution of surplus or the distribution of loss.

Article 26: The Company's annual earnings, if any, should be used first for tax payments, accumulated loss offsetting and appropriation at 10% for legal reserves. However, this does not apply to the circumstance where the legal reserves are equivalent to the paid-in capital. With regards to the appropriation of special reserves according to relevant laws and regulations, if the net increase in the fair value of the investment property accumulated from the previous periods and the carrying amount of other equity deductions accumulated from the previous periods are insufficient, appropriation from the net income (after other items added) during the period or reversal of special reserves can be made accordingly. The remaining amount along with

the unappropriated earnings at the beginning of the period, are distributable to shareholders. The proposal for distributions is drafted by the Board of Directors and submitted to the shareholders' meetings for resolution before distributions are made.

According to the provisions of the Company Act, the Company authorizes the Board of Directors to make a resolution if more than two-thirds of the directors attend and more than half of the directors present agree, distribute all or part of dividends, bonuses, statutory surplus reserve and capital reserve in the form of cash distribution and report to the Board of Shareholders. The provisions of the preceding paragraph for which the shareholders' meeting shall make a resolution do not apply.

In order to motivate employees and the operation team, the Company shall distribute 5% to 15% of employees' remuneration and no more than 1% of directors' remuneration according to the current year's profit (i.e. profit before distribution of the employees' remuneration and directors' remuneration is deducted from pre-tax profit). However, if the Company still has accumulated losses, the amount of compensation shall be retained in advance.

When the employees' remuneration is distributed by stock or cash, the Board of Directors shall make a resolution if more than two-thirds of the directors attend and more than half of the directors present agree, and report to the shareholders' meeting.

If it is issued in the form of shares, the Board of Directors may decide to issue new stocks or buy the shares that have been issued by themselves.

The employees' remuneration in the preceding paragraph shall be given to employees of the subsidiary companies of the Company who meet certain conditions.

Article 27: The Company belongs to the electronic high-tech industry. Based on the industry development prospect, capital expenditure needs, sound financial planning and the protection of investors' rights and interests, the dividend policy of The Company is to distribute the dividend by taking into account factors such as capital surplus, retained earnings, financial structure and operating conditions. Under the goal of maintaining a stable dividend, the cash dividend shall not be less than 10% of the total dividend.

Chapter VII Supplementary Provisions

Article 28: Matters not specified in these Articles of Association shall be handled according to the provisions of the Company Act and relevant decrees.

Article 29: These Articles of Association were signed on September 17, 1983.

The first amendment was made on May 17, 1984.

The second amendment was made on February 23, 1987.

The third amendment was made on November 25, 1988.

The fourth amendment was made on December 16, 1988.

The fifth amendment was made on April 22, 1990.

The sixth amendment was made on July 15, 1991.

The seventh amendment was made on March 31, 1992.

The eighth amendment was made on July 21, 1992.

The ninth amendment was made on April 27, 1993.

The tenth amendment was made on June 3, 1993.

The eleventh amendment was made on September 21, 1993.

The twelfth amendment was made on May 10, 1994.

The thirteenth amendment was made on April 21, 1995.

The fourteenth amendment was made on May 30, 1996.

The fifteenth amendment was made on May 5, 1997.

The sixteen amendment was made on January 20, 1998.

The seventeen amendment was made on April 29, 1998.

The eighteenth amendment was made on May 13, 1999.

The nineteenth amendment was made on June 8, 2000.

The twentieth amendment was made on May 31, 2002.

The twenty-first amendment was made on May 25, 2004.

The twenty-second amendment was made on June 14, 2005.

The twenty-third amendment was made on June 15, 2006.

The twenty-fourth amendment was made on June 15, 2007.
The twenty-fifth amendment was made on June 11, 2008.
The twenty-sixth amendment was made on June 19, 2009.
The twenty-seventh amendment was made on June 14, 2010.
The twenty-eighth amendment was made on June 17, 2011.
The twenty-ninth amendment was made on June 15, 2012.
The thirtieth amendment was made on June 14, 2013.
The thirty-first amendment was made on June 12, 2014.
The thirty-second amendment was made on June 14, 2016.
The thirty-third amendment was made on June 15, 2018.
The thirty-fourth amendment was made on June 18, 2019.
The thirty-fifth amendment was made on June 15, 2022.

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Rules of Procedures for Shareholders' Meetings

- Article 1 The shareholders' meetings of the Company shall be governed by the Rules, unless otherwise provided by laws.
- Article 2 A signature book shall be set for the attending shareholders (or agents) to sign in, or the attending shareholders (or agents) shall hand in the signature card to sign in. The number of shares attended is calculated on the basis of the sign-in cards submitted.
- Article 3 The attendance and voting of the shareholders' meeting shall be calculated on the basis of shares.
- Article 4 The shareholders' meeting shall be held in the place where the Company is located or where it is convenient for the shareholders to attend and it is suitable for the meeting. The meeting shall not begin earlier than 9 a.m. or later than 3 p.m.
- Article 5 The convener of a shareholders' meeting and the Chairman serves as the Chairman of the shareholders' meeting. If the Chairman takes leave of absence or is unable to exercise his/her functions and powers for some reason, the Chairman shall appoint one of the directors to act for him/her. If the Chairman does not appoint an agent, the directors shall elect one of them to act for him/her. If the shareholders' meeting is convened by a convener other than the Board of Directors, the convener shall serve as the Chairman.
- Article 6 The Company shall appoint its lawyers, CPAs, or other relevant personnel to attend the shareholders' meeting. Conference staff of the shareholders' meeting shall wear identification cards or armbands.
- Article 7 The Company shall record or videotape the whole course of the shareholders' meeting and keep the record for at least one year.
- Article 8 The chair shall immediately call the meeting to order at the appointed meeting time and announce relevant information such as the number of non-voting shares and the number of shares in attendance. If shareholders (or agents) representing more than half of the total shares issued are not present, the Chairman may announce that the meeting will be postponed. The number of postponements shall be limited to two times and the total time of postponement shall not exceed one hour. When the meeting has been postponed two times, but there is still an insufficient number of shareholders (or agents) and shareholders (or agents) representing more than one-third of the total number of shares issued present, a false resolution shall be made according to Paragraph 1 of Article 175 of the Company Act. Before the end of the meeting, if the number of shares represented by the shareholders present reaches more than half of the total number of shares issued, the Chairman shall resubmit the false resolution to the meeting for vote according to Article 174 of the Company Act.
- Article 9 If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors, and the meeting shall be held according to the formulated agenda, which shall not be changed without the resolution of the shareholders' meeting. The rules in the preceding paragraph may apply if the shareholders' meeting is convened by those who have the right to convene other than the Board of Directors. The Chairman may not adjourn the meeting without a resolution before the agenda in the first two paragraphs (including provisional motions) is concluded. If the chair declares the adjournment in violation of the rules of procedure, a new chair can be elected with a majority of the votes represented by the attending shareholders and then continue the meeting.
After the adjournment of the meeting, the shareholders shall not elect another chairman to continue the meeting at the same place or in another place.
- Article 10 Before the speech of a shareholder (or agent) present, the keynote of the speech, a speech note shall first be filled in, specifying the main idea of speech, and shareholder's account number (or attendance card number) and name. The order of speeches shall be determined by the Chairman.

If a shareholder (or agent) present at the meeting only submits the speech note and does not speak, it shall be deemed not to speak. If the content of a speech is inconsistent with the speech note, the content of the speech shall prevail.

When an attending shareholder makes a speech, other shareholders shall not interfere with the speech except with the consent of the Chairman and the speaking shareholder. The Chairman shall stop the violator.

- Article 11 Each shareholder (or agent) of the same proposal shall not speak more than twice without the consent of the Chairman, and shall not speak for more than five minutes at a time. If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the topic, the Chairman may stop the shareholder's speech.
- Article 12 When a legal person is entrusted to attend the shareholders' meeting, the legal person shall only appoint one representative to attend. When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person shall speak for the same proposal.
- Article 13 After attending the shareholder's speech, the Chairman shall personally reply or designate a relevant person to reply.
- Article 14 When he/she considers that the discussion of a proposal can be voted on, the Chairman shall announce the suspension of the discussion and start voting.
- Article 15 Scrutineers and ballot counters for the votes on proposals are appointed by the chair. However, scrutineers shall be shareholders. The results of voting shall be reported on the spot and recorded.
- Article 16 In the course of the meeting, the Chairman may announce a rest at his/her discretion.
- Article 17 Except as otherwise provided in the Company Act and the Articles of Association, the voting of a proposal shall be approved with the consent of a majority of the voting rights of the shareholders (or agents) present.
When voting, if the Chairman asks and there is no objection, it shall be deemed to be adopted, and its validity shall be the same as that of voting.
- Article 18 When there are revisions or substitutions to the same proposal, the order of voting shall be determined by the Chairman together with the original proposal. If one of the proposals has been passed, other proposals shall be deemed to be rejected without further voting.
- Article 19 The Chairman shall direct the pickets (or security guards) to assist in maintaining the order of the meeting place. When the pickets (or security guards) assist in maintaining order on site, they shall wear armbands with "picket".
- Article 20 If the Company convenes shareholders' meetings online, all the operating procedures related to online meetings shall adhere to the Regulations Governing the Administration of Shareholder Services of Public Companies and other relevant laws. Any matters not covered by the Rules and Procedures of Shareholders' Meetings shall refer to the regulations set out in the Company Act and other laws.
- Article 21 These rules of procedure shall be implemented after adoption by the Board of Shareholders and revised in the same way.
- Article 22 These rules of procedure were formulated on May 30, 1996.
1st amendments were made on April 29, 1998.
2nd amendments were made on May 31, 2002.
3rd amendments were made on June 15, 2006.
4th amendments were made on August 26, 2021.
5th amendments were made on June 15, 2022.

CLEVO CO.

Method for the election of directors

- Article 1 The election of the Company's directors shall be handled according to the provisions herein, unless otherwise stipulated in the Company Act and the Articles of Incorporation.
- Article 2 The Company's election of directors is based on recorded votes in a cumulative voting system. Each share is attached with the election rights in the number equal to the number of directors to be elected. These election rights can be used for a single candidate or a number of candidates.
The election of the Company's directors adopts the candidate nomination system. Candidates shall follow the procedures required by the candidate nomination system stipulated in Article 192-1 of the Company Act.
The qualifications and appointments of the Company's independent directors shall be handled according to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the relevant laws and regulations.
- Article 3 The Company's directors shall be elected by the shareholders' meeting from candidates with disposing capacity. Based on the quota specified under the Articles of Incorporation, the candidates who win more votes shall be elected as directors by that order.
If more than two persons have the same number of rights and the prescribed quota is exceeded, the decision shall be made by lot by those who have the same number of rights, and the Chairman shall draw lots on behalf of those who are not present.
When the Company establishes independent directors according to the law, the election rights of independent directors and non-independent directors shall be calculated separately, and it shall be dealt with according to the provisions of Paragraph 1.
- Article 4 Before the election begins, the Chairman shall appoint a number of controllers of the ballots and poll-clerks to perform various related functions.
- Article 5 Voting paper shall be made and issued by the Board of Directors and numbered and weighted according to the number of the attendance certificate.
- Article 6 The votes are invalid if one of the events listed on the left occurs:
 1. Ballots not prepared by the convener
 2. Blank ballots thrown into a ballot box.
 3. Writing blurry or tampered.
 4. The elected candidate not consistent with the list of director candidates.
 5. Writing other than election rights assigned
- Article 7 After the voting is completed, the ballot box is opened and the ballots are counted. The results shall be announced by the Chairman on the spot.
- Article 8 The Company shall give notice of election to the directors elected.
- Article 9 The matters not stipulated in these measures shall be handled according to the Company Act and the relevant decrees.
- Article 10 These measures shall be implemented after the adoption by the shareholders' regular meeting, and the same shall be done when revisions are made.
- Article 11 These measures were formulated on May 5th, 1997.
1st amendments hereto were made on May 31, 2002.
2nd amendments hereto were made on June 15, 2006.
3rd amendments hereto were made on June 12, 2014.
4th amendments hereto were made on June 15, 2018.
5th amendments hereto were made August 26, 2021

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List of candidates for directors (including independent directors) and relevant data

Candidates for directors:

Full name	Number of shares held	Main educational background (experience)	Detailed list of concurrent positions in other enterprises	
			Company name	Position
Hsu, Kun-Tai	46,701,335	Honorary Doctorate in Engineering, National Taipei University of Technology Department of Electronic Engineering, National Taipei Institute of Technology Chairman, CLEVO CO. Chairman, Chicony Electronics CO., Ltd Chairman, Taipei Twin Towers Limited Chairman, BUYNOW, Chicony Square, and Hong Hui Group	Chicony Electronics Co., Ltd. Jing Yuan Investment Co., Ltd. Hua Tai Investment Co., Ltd. Tong Ling Machinery Co., Ltd. Shanghai Hong Hui Property Co., Ltd. Chicony Electronics (Dongguan) Co., Ltd. Chicony Electronics (Suzhou) Co., Ltd. Changchun Honghui Hotel Management Co., Ltd. Chicony Electronics (Chongqing) Co., Ltd. Chicony Dalu Enterprise (Chengdu) Co., Ltd. Wuhan Chicony Square Management Co., Ltd Wuhan Chicony Industry Co., Ltd. Chicony Industry (Wuhan) Co., Ltd. Chicony Industry (Xi'an) Co., Ltd. Buynow (Wuhan) Industry Co., Ltd. Epoque Corporation Taipei Twin Towers Limited Guofu Longfeng (Shanghai) Industrial Co., Ltd.	Chairman
			Hipro Electronics Co., Ltd. Guangsheng Investment Co., Ltd. Qunjing Power Technology Co., Ltd. Hon Hui Si Yuan CO., Ltd. Hon Hui Xin Bei CO., Ltd. Hon Hui Rui Guang CO., Ltd. Hon Hui Cheng Co., Ltd. Hon Hui Zhu Gao Co., Ltd. Hon Hui Min Sheng Co., LTD. Tua Tiann Co., Ltd.	Chairman Legal person representative
			XAVi Overseas Ltd. Real Young Electronics Co., Ltd. Mao-Feng International Inc. Kuang Mao International Inc. Hipro Overseas (BVI) Inc. Chicony Overseas Inc. Chicony Overseas Hong Kong Limited Chicony Global Inc. Chicony Electronics CEZ s.r.o. Chicony Electronics (Thailand) Co., Ltd. Chicony America Inc. Chicony America Group Inc. Chicony Square (Wuhan) Inc. Chicony Chengdu International Inc. Chicony Square (Cayman) Inc. Buynow (Wuhan) Corporation	Director

Full name	Number of shares held	Main educational background (experience)	Detailed list of concurrent positions in other enterprises	
			Company name	Position
Tsai, Ming-Hsien	10,084,224	Executive Program, Graduate School of Business Administration, National Cheng-Chi University Department of Electronic Engineering, National Taipei Institute of Technology Vice President and General Manager, CLEVO CO. Vice Chairman, Taipei Twin Towers Limited President, BUYNOW Director, Chicony Electronics Co., Ltd.	Taipei Twin Towers Limited	Vice Chairman Legal person representative
			Chicony Electronics Co., Ltd. Chicony Square (Wuhan) Inc. Chicony Chengdu International Inc. Chicony Square (Cayman) Inc. Buynow (Wuhan) Corporation Chicony Dalu Enterprise (Chengdu) Co., Ltd. Wuhan Chicony Square Management Co., Ltd Wuhan Chicony Industry Co., Ltd. Chicony Industry (Wuhan) Co., Ltd. Chicony Industry (Xi'an) Co., Ltd. Buynow (Wuhan) Industry Co., Ltd.	Director

Full name	Number of shares held	Main educational background (experience)	Detailed list of concurrent positions in other enterprises	
			Company name	Position
	0	Graduate School of Business Administration, National Cheng-Chi University Department of Enterprise Management, National Cheng-Chi University General Manager of Chicony Electronics Co., Ltd. Legal person representative and Chairman, Chicony Power Co., Ltd.	Chicony Electronics Co., Ltd. Chicony Electronics (Dongguan) Co., Ltd.	Director/General Manager
			Chicony Power Co., Ltd. Youkang Electronics Co., Ltd. Xavi Technologies Corporation	Chairman Legal person representative
			Xavi Technologies (Suzhou) Co.,Ltd.	Chairman
			Hipro Electronics Co., Ltd. Shun On Electronic Co., Ltd. Newmax Technology Co., Ltd. Guangsheng Investment Co., Ltd. Qunjing Power Technology Co., Ltd.	Director Legal person representative
			Chicony America Inc.	Director/CEO/Secretary
			Chicony America Group Inc.	Director/CEO
			Chicony Overseas Inc. Chicony Overseas Hong Kong Ltd. Chicony Electronics (Thailand) Co., Ltd. Chicony Electronics CEZ s.r.o. Chicony Electronics Japan Inc. Mao-Feng International Inc. Chicony Electronics (Suzhou) Co., Ltd. Global Faith Inc. Kuang Mao International Inc. Real Young Electronics Co., Ltd. Hipro Overseas (BVI) Inc. XAVi Overseas Ltd. Directmax International Ltd. Systemax Development Ltd. Chicony Power Holdings Inc. Chicony Power International Inc. Chicony Power Technology Hong Kong Limited Chicony Power Technology (Thailand) Co., Ltd. Chicony Power USA, Inc. XAVi Technologies (Thailand) Co., Ltd. Chicony Power Technology (Suzhou) Co., Ltd. Chicony Power Technology (Dongguang) Co, Ltd. Chicony Power Technology (Chongqing) Co., Ltd. GSE Electronics (Nanchang) Co., Ltd. Chicony Energy Saving Technology Service (Shanghai) Co., Ltd. Chicony Energy (Dongguang) Trading Co., Ltd.	Director
			Maorui Electronics (Dongguan) Co., Ltd. Chicony Electronics (Chongqing) Co., Ltd.	Supervisor

Full name	Number of shares held	Main educational background (experience)	Detailed list of concurrent positions in other enterprises	
			Company name	Position
Chien, Yih-Long	1,673,376	MBA, Phillips University, US Director, CLEVO CO. Executive Vice President, Notebook Business Group, CLEVO CO.	None	None

Candidate for independent director:

Full name	Number of shares held	Main educational background (experience)	Detailed list of concurrent positions in other enterprises	
			Company name	Position
Chou, Po-Chiao	0	Bachelor, Department of Accountancy, NCKU Accountant and auditor Qualified by Senior Qualification Examination Executive Director and President, First Commercial Bank Director and Vice President, First Financial Holding CO. Ltd. Chairman, US First Commercial Bank Chairman, First Venture Capital and First Consulting Vice Chairman, Waterland Financial Holdings Director, Taipei Financial Center Corporation	ITEQ CORPORATION	Independent Director
Wu Pei-Ling	0	PhD, Institute of Public Finance, National Chengchi University Passed the National Civil Service Senior 2nd Grade Examination in Finance and Taxation Department of Finance, Taipei City Government Directorate General of Budget, Accounting and Statistics, Executive Yuan Assistant Professor, Aletheia University	None	None
Yang Shu-Liang	0	Bachelor, Department of Business Administration, National Chung Hsing University Manager of International Finance, Manager of Sanchong Branch, Manager of Credit Review Department, Manager of Finance Department, Manager of Risk Management Department, Chief Compliance Officer of Land Bank of Taiwan Supervisor, Land Bank Insurance Brokerage Co., Ltd. Representative, Taiwan Business Bank	None	None

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Details of the number of shares held by directors on the date of termination of transfer recorded in the roster of shareholders.

- I. The number of shares held by all directors of the Company shall be disclosed according to Article 3 of the Measures for Matters to be Recorded and Complied with in the Manual of Shareholders' Meeting of a Public Company (e.g. the attached table).
- II. The Company's issued capital is NT\$6,322,630,000. According to Article 2 of the Rules and Review Procedures for Director Share Ownership Ratios at Public Companies, the minimum shareholdings shall be 4% for all directors combined. Meanwhile, if a public company has two or more independent directors, the statutory shareholding ratio of all the directors (other than independent directors) shall be 80% of the aforesaid ratios.

In other words, the directors collectively shall hold 80% of 4% stakes (i.e., 20,232,416 shares).

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Detailed list of individual shareholding and total shareholding of directors

Title	Full name	Book closure date (April 2, 2024) The number of shares held recorded in register of shareholders	Shareholding ratio	Remarks
Chairman	Hsu, Kun-tai	46,701,335	7.39%	
Vice Chairman	Tsai, Ming-Hsien	10,084,224	1.59%	Part-time General Manager
Director	Lu, Jin-Zong	0	0.00%	
Director	Chien, Yih-Long	1,673,376	0.26%	
Independent Director	Chou, Po-Chiao	0	0.00%	
Independent Director	Chen, Tsung- Ming	0	0.00%	
Total of 6 directors		58,458,935	9.24%	The quantitative percentage has been reached