

**CLEVO CO.**

**PARENT COMPANY ONLY FINANCIAL**

**STATEMENTS AND REPORT OF INDEPENDENT**

**ACCOUNTANTS**

**DECEMBER 31, 2018 AND 2017**

**(STOCK CODE:2362)**

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

REPORT OF INDEPENDENT ACCOUNTANTS  
TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Clevo Co.

PWCR 18004334

***Opinion***

We have audited the accompanying parent company only balance sheets of Clevo Co. (the “Company”) as at December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of Clevo Co. as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor’s 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 Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. 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.

Key audit matters for the Company’s parent company only financial statements of the current period are stated as follows:

## **Valuation of investment properties**

### Description

Refer to Note 4(15) 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(7) for details of investment properties. As at December 31, 2018, investment properties at fair value amounted to NT\$1,576,905 thousand.

The parent company measures investment properties with 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 consider 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.

## **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. As at December 31, 2018, the balance of inventory and allowance for inventory valuation losses amounted to NT\$304,936 thousand and NT\$11,293 thousand, respectively.

The Company is primarily engaged in manufacturing and sales of notebook computers. Due to rapid technological innovations, short lifespan of electronic products and fluctuations in market prices, there is a higher risk for inventory losses due from market value decline or obsolescence.

The parent company recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on the age and the 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 consider 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 management and relevant staff if the inventory is identified as slow-moving, surplus, obsolete or damaged.

***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.

***Auditor's 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 auditor's 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Feng, Min-Juan      Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 27, 2019

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants 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  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 4,775,480	7	\$ 5,016,809	7
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(4)	655,929	1	179,568	-
1125	Available-for-sale financial assets - current	12(4)	-	-	384,117	1
1136	Financial assets at amortised cost - current	6(1)	3,409,922	5	-	-
1170	Accounts receivable, net	6(3)	1,418,908	2	1,692,558	2
1180	Accounts receivable - related parties	7	818,974	1	536,019	1
130X	Inventories	6(4)	293,643	-	430,964	1
1410	Prepayments	7	1,232,073	2	65,901	-
1476	Other financial assets - current	6(1)	-	-	3,084,800	5
1479	Other current assets	7	111,704	-	147,719	-
11XX	<b>Total current assets</b>		<u>12,716,633</u>	<u>18</u>	<u>11,538,455</u>	<u>17</u>
<b>Non-current assets</b>						
1550	Investments accounted for under the equity method	6(5)	50,526,073	73	49,457,752	72
1600	Property, plant and equipment	6(6) and 8	340,737	1	345,165	-
1760	Investment property, net	6(7) and 8	1,576,905	2	1,568,993	2
1780	Intangible assets		4,972	-	9,323	-
1840	Deferred income tax assets	6(24)	139,132	-	132,105	-
1920	Refundable deposits		7,985	-	7,965	-
1960	Prepayments for investments	6(5) and 7	4,425,325	6	5,860,760	9
1990	Other non-current assets		14,165	-	3,424	-
15XX	<b>Total non-current assets</b>		<u>57,035,294</u>	<u>82</u>	<u>57,385,487</u>	<u>83</u>
1XXX	<b>Total assets</b>		<u>\$ 69,751,927</u>	<u>100</u>	<u>\$ 68,923,942</u>	<u>100</u>

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CLEVO CO.  
PARENT COMPANY ONLY BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(8)	\$ 3,594,790	5	\$ 3,702,000	5
2130	Contract liabilities, current	12(5)	24,382	-	-	-
2150	Notes payable		15,070	-	15,236	-
2170	Accounts payable		270,965	-	443,784	1
2200	Other payables	7	363,089	1	333,785	1
2230	Current income tax liabilities		-	-	-	-
2250	Provisions	6(12)	50,523	-	50,523	-
2305	Other current financial liabilities	7	91,000	-	85,000	-
2320	Long-term liabilities, current portion	6(10)	-	-	820,000	1
2399	Other current liabilities		9,139	-	574,637	1
21XX	<b>Total current liabilities</b>		<u>4,418,958</u>	<u>6</u>	<u>6,024,965</u>	<u>9</u>
<b>Non-current liabilities</b>						
2530	Corporate bonds payable	6(9)	5,000,000	7	5,000,000	7
2540	Long-term borrowings	6(10)	17,555,000	25	13,401,539	20
2570	Deferred income tax liabilities	6(24)	721,984	1	626,740	1
2645	Guarantee deposits received		11,548	-	9,948	-
2670	Other non-current liabilities	6(11)(13) and 7	204,595	1	1,576,613	2
25XX	<b>Total non-current liabilities</b>		<u>23,493,127</u>	<u>34</u>	<u>20,614,840</u>	<u>30</u>
2XXX	<b>Total liabilities</b>		<u>27,912,085</u>	<u>40</u>	<u>26,639,805</u>	<u>39</u>
<b>Equity</b>						
<b>Share capital</b>						
3110	Common stock	6(14)	6,797,630	10	6,831,630	10
<b>Capital surplus</b>						
3200	Capital surplus	6(15)	982,539	1	1,581,974	2
<b>Retained earnings</b>						
3310	Legal reserve	6(16)	1,578,852	3	1,507,074	2
3320	Special reserve		34,937,216	50	33,929,051	49
3350	Unappropriated retained earnings		1,547,516	2	1,079,944	2
<b>Other equity interest</b>						
3400	Other equity interest	6(17)	( 2,720,683)	( 4)	( 2,020,190)	( 3)
3500	Treasury stocks	6(14)	( 1,283,228)	( 2)	( 625,346)	( 1)
3XXX	<b>Total equity</b>		<u>41,839,842</u>	<u>60</u>	<u>42,284,137</u>	<u>61</u>
<b>Significant contingent liabilities and unrecognised contract commitments</b>						
<b>Significant events after the balance sheet date</b>						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 69,751,927</u>	<u>100</u>	<u>\$ 68,923,942</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  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Years ended December 31,			
		2018		2017	
		AMOUNT	%	AMOUNT	%
4000 <b>Operating revenue</b>	6(18)	\$ 14,560,392	100	\$ 14,131,684	100
5000 <b>Operating costs</b>	6(4)(22)(23) and 7	( 13,551,524)	( 93)	( 13,052,004)	( 92)
5900 <b>Net operating margin</b>		<u>1,008,868</u>	<u>7</u>	<u>1,079,680</u>	<u>8</u>
5910 Unrealised profit from sales		( 65)	-	( 1,574)	-
5920 Realised profit (loss) from sales		<u>1,574</u>	-	( 1,153)	-
5950 <b>Net operating margin</b>		<u>1,010,377</u>	<u>7</u>	<u>1,076,953</u>	<u>8</u>
<b>Operating expenses</b>	6(22)(23)				
6100 Selling expenses		( 214,454)	( 1)	( 221,265)	( 1)
6200 General and administrative expenses		( 497,039)	( 3)	( 538,814)	( 4)
6300 Research and development expenses		( 528,608)	( 4)	( 520,312)	( 4)
6000 <b>Total operating expenses</b>		( 1,240,101)	( 8)	( 1,280,391)	( 9)
6900 <b>Operating profit</b>		( 229,724)	( 1)	( 203,438)	( 1)
<b>Non-operating income and expenses</b>					
7010 Other income	6(7)(19)	347,876	2	345,377	2
7020 Other gains and losses	6(20)	73,410	1	( 406,566)	( 3)
7050 Finance costs	6(21) and 7	( 391,025)	( 3)	( 391,840)	( 3)
7070 Share of profit of associates and joint ventures accounted for using equity method, net		<u>1,750,117</u>	<u>12</u>	<u>1,518,916</u>	<u>11</u>
7000 <b>Total non-operating income and expenses</b>		<u>1,780,378</u>	<u>12</u>	<u>1,065,887</u>	<u>7</u>
7900 <b>Profit before income tax</b>		1,550,654	11	862,449	6
7950 Income tax expense	6(24)	( 95,750)	( 1)	( 144,665)	( 1)
8200 <b>Profit for the year</b>		<u>\$ 1,454,904</u>	<u>10</u>	<u>\$ 717,784</u>	<u>5</u>

(Continued)

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Years ended December 31,				
		2018		2017		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Loss on remeasurements of defined benefit plan	6(11)	(\$ 6,585)	-	(\$ 4,946)	-
8312	Gain on revaluation		-	-	25,207	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)				
			1,317	-	(3,444)	-
8310	<b>Other comprehensive income that will not be reclassified to profit or loss</b>		(5,268)	-	16,817	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Financial statements translation differences of foreign operations	6(17)	(594,951)	(4)	(1,209,919)	(9)
8362	Unrealized loss on valuation of available-for-sale financial assets	6(17)	-	-	(60,061)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for under equity method		-	-	83	-
8399	Income tax related to the components of other comprehensive income	6(24)	(7,663)	-	(12,156)	-
8360	<b>Other comprehensive loss that will be reclassified to profit or loss</b>		(602,614)	(4)	(1,282,053)	(9)
8300	<b>Other comprehensive loss for the year</b>		(\$ 607,882)	(4)	(\$ 1,265,236)	(9)
8500	<b>Total comprehensive income (loss) for the year</b>		\$ 847,022	6	(\$ 547,452)	(4)
<b>Earnings per share</b>						
9750	<b>Basic earnings per share</b>	6(25)	\$ 2.32		\$ 1.12	
9850	<b>Diluted earnings per share</b>	6(25)	\$ 2.30		\$ 1.11	

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

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital surplus		Retained earnings			Other equity interest				Total equity	
		Share capital	Additional paid-in capital	Treasury stock transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) in available-for-sale financial assets	Asset revaluation increment		Treasury stocks
<b>Year ended December 31, 2017</b>												
Balance at January 1, 2017		\$ 6,831,630	\$ 1,379,498	\$ 183,164	\$ 1,447,592	\$ 33,727,355	\$ 1,105,657	(\$ 916,916)	\$ 157,857	\$ -	(\$ 625,346)	\$ 43,290,491
Profit for the year		-	-	-	-	-	717,784	-	-	-	-	717,784
Other comprehensive income (loss) for 6(17) the year		-	-	-	-	-	( 4,105 )	( 1,222,075 )	( 59,978 )	20,922	-	( 1,265,236 )
Total comprehensive income (loss) for the year		-	-	-	-	-	713,679	( 1,222,075 )	( 59,978 )	20,922	-	( 547,452 )
Appropriations of 2016 earnings	6(16)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	59,482	-	( 59,482 )	-	-	-	-	-
Special reserve		-	-	-	-	201,696	( 201,696 )	-	-	-	-	-
Cash dividends		-	-	-	-	-	( 478,214 )	-	-	-	-	( 478,214 )
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	19,312	-	-	-	-	-	-	-	19,312
Balance at December 31, 2017		\$ 6,831,630	\$ 1,379,498	\$ 202,476	\$ 1,507,074	\$ 33,929,051	\$ 1,079,944	(\$ 2,138,991)	\$ 97,879	\$ 20,922	(\$ 625,346)	\$ 42,284,137
<b>Year ended December 31, 2018</b>												
Balance at January 1, 2018		\$ 6,831,630	\$ 1,379,498	\$ 202,476	\$ 1,507,074	\$ 33,929,051	\$ 1,079,944	(\$ 2,138,991)	\$ 97,879	\$ 20,922	(\$ 625,346)	\$ 42,284,137
Effects of retrospective application and retrospective restatement	6(17) and 12(4)	-	-	-	-	-	97,879	-	( 97,879 )	-	-	-
Balance at January 1, 2018 after adjustments		6,831,630	1,379,498	202,476	1,507,074	33,929,051	1,177,823	( 2,138,991 )	-	20,922	( 625,346 )	42,284,137
Profit for the year		-	-	-	-	-	1,454,904	-	-	-	-	1,454,904
Other comprehensive income (loss) for 6(17) the year		-	-	-	-	-	( 5,268 )	( 602,614 )	-	-	-	( 607,882 )
Total comprehensive income (loss) for the year		-	-	-	-	-	1,449,636	( 602,614 )	-	-	-	847,022
Appropriations of 2017 earnings	6(16)	-	-	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	-	71,778	-	( 71,778 )	-	-	-	-	-
Special reserve		-	-	-	-	1,008,165	( 1,008,165 )	-	-	-	-	-
Cash dividends	6(16)	-	( 546,530 )	-	-	-	-	-	-	-	-	( 546,530 )
Treasury stock acquired	6(14)	-	-	-	-	-	-	-	-	-	( 767,537 )	( 767,537 )
Treasury stock cancelled	6(14)	( 34,000 )	-	( 75,655 )	-	-	-	-	-	-	109,655	-
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	22,750	-	-	-	-	-	-	-	22,750
Balance at December 31, 2018		\$ 6,797,630	\$ 832,968	\$ 149,571	\$ 1,578,852	\$ 34,937,216	\$ 1,547,516	(\$ 2,741,605)	\$ -	\$ 20,922	(\$ 1,283,228)	\$ 41,839,842

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

CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	<u>Years ended December 31,</u>	
		<u>2018</u>	<u>2017</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,550,654	\$ 862,449
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(22)	11,651	10,932
Amortisation	6(22)	5,819	7,441
Loss on financial assets at fair value through profit or loss	6(20)	124,827	25,421
Interest expense	6(21)	391,025	391,840
Interest income	6(19)	( 101,081 )	( 64,569 )
Dividend income	6(19)	( 30,702 )	( 42,836 )
Share of profit of associates and joint ventures accounted for under the equity method	6(5)	( 1,750,117 )	( 1,518,916 )
Gain on disposal of property, plant and equipment	6(6)(20)	-	( 476 )
Loss (gain) on disposal of investments	6(20)	13,410	( 113,160 )
(Gain) loss on adjustments of investment properties at fair value	6(7)(20)	( 7,912 )	120
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		( 230,481 )	388,436
Accounts receivable		( 9,305 )	258,875
Inventories		137,321	59,279
Prepayments		( 1,166,172 )	1,076,674
Other current assets		53,405	33,237
Changes in operating liabilities			
Contract liabilities - current		( 542,263 )	342,770
Notes payable		( 166 )	1,134
Accounts payable		( 172,819 )	( 250,486 )
Other payables		20,935	( 49,401 )
Provisions		-	2,966
Other current liabilities		1,147	-
Other non-current liabilities		( 9,879 )	( 14,120 )
Cash (outflow) inflow generated from operations		( 1,710,703 )	1,407,610
Interest received		98,951	57,765
Dividends received		30,702	42,836
Cash dividends received from investments accounted for under the equity method		111,105	136,047
Interest paid		( 400,114 )	( 495,066 )
Income taxes paid		( 13,879 )	( 30,803 )
Net cash flows (used in) from operating activities		( 1,883,938 )	1,118,389

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CLEVO CO.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
(Expressed in thousands of New Taiwan dollars)

	Notes	<u>Years ended December 31,</u>	
		<u>2018</u>	<u>2017</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from disposal of available-for-sale financial assets	6(27)	\$ -	\$ 461,615
Decrease in prepayments for investments		1,435,435	-
Acquisition of property, plant and equipment	6(27)	( 6,098 )	( 14,332 )
Proceeds from disposal of property, plant and equipment	6(6)	-	476
Decrease in refundable deposits		( 20 )	( 1,330 )
Acquisition of intangible assets		( 1,468 )	( 2,188 )
Increase in other non-current assets		( 11,866 )	( 1,126 )
Increase in financial assets at amortised cost - current		( 325,122 )	-
Decrease in other financial assets - current		-	95,209
Net cash flows from investing activities		<u>1,090,861</u>	<u>538,324</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from short-term borrowings		62,798,107	42,460,634
Repayments of short-term borrowings		( 62,905,317 )	( 43,271,143 )
Proceeds from long-term borrowings		45,374,453	18,775,000
Repayments of long-term borrowings		( 42,040,992 )	( 17,640,477 )
Increase (decrease) in guarantee deposit		1,600	( 2,627 )
Increase (decrease) in other financial liabilities - current	7	6,000	( 15,000 )
(Decrease) increase in other financial liabilities - non-current	7	( 1,368,723 )	546,306
Payment of cash dividends	6(16)	( 546,530 )	( 478,214 )
Acquisition of treasury stock	6(27)	( 750,079 )	-
Net cash flows from financing activities		<u>568,519</u>	<u>374,479</u>
Effect of changes in exchange rates		( 16,771 )	( 46,458 )
Net (decrease) increase in cash and cash equivalents		( 241,329 )	1,984,734
Cash and cash equivalents at beginning of year		5,016,809	3,032,075
Cash and cash equivalents at end of year		<u>\$ 4,775,480</u>	<u>\$ 5,016,809</u>

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

CLEVO CO.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

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

1. HISTORY AND ORGANISATION

Clevo Co. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the design, manufacture and sales of VDUs, computers and peripheral devices.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 27, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2018 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 2, ‘Classification and measurement of share-based payment transactions’	January 1, 2018
Amendments to IFRS 4, ‘Applying IFRS 9, Financial instruments with IFRS 4, Insurance contracts’	January 1, 2018
IFRS 9, ‘Financial instruments’	January 1, 2018
IFRS 15, ‘Revenue from contracts with customers’	January 1, 2018
Amendments to IFRS 15, ‘Clarifications to IFRS 15, Revenue from contracts with customers’	January 1, 2018
Amendments to IAS 7, ‘Disclosure initiative’	January 1, 2017
Amendments to IAS 12, ‘Recognition of deferred tax assets for unrealised losses	January 1, 2017
Amendments to IAS 40, ‘Transfers of investment property’	January 1, 2018
IFRIC 22, ‘Foreign currency transactions and advance consideration’	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 1, ‘First-time adoption of International Financial Reporting Standards’	January 1, 2018
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IFRS 12, ‘Disclosure of interests in other entities’	January 1, 2017
Annual improvements to IFRSs 2014-2016 cycle - Amendments to IAS 28, ‘Investments in associates and joint ventures’	January 1, 2018

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

A. IFRS 9, ‘Financial instruments’

- (a) Classification of debt instruments is driven by the entity's business model and the contractual cash flow characteristics of the financial assets, which would be classified as financial asset at fair value through profit or loss, financial asset measured at fair value through other comprehensive income or financial asset at amortised cost. Equity instruments would be classified as financial asset at fair value through profit or loss, unless an entity makes an irrevocable election at inception to present subsequent changes in the fair value of an investment in an equity instrument that is not held for trading in other comprehensive income.
- (b) The impairment losses of debt instruments are assessed using an 'expected credit loss' approach. An entity assesses at each balance sheet date whether there has been a significant increase in credit risk on that instrument since initial recognition to recognise 12-month expected credit losses or lifetime expected credit losses (interest revenue would be calculated on the gross carrying amount of the asset before impairment losses occurred); or if the instrument has objective evidence of impairment, interest revenue after the impairment would be calculated on the book value of net carrying amount (i.e. net of credit allowance). The Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables that do not contain a significant financing component.
- (c) The Company has elected not to restate prior period financial statements using the modified retrospective approach under IFRS 9. For details of the significant effect as at January 1, 2018, please refer to Notes 12(4)B and C.

**B. IFRS 15, 'Revenue from contracts with customers'**

- (a) IFRS 15, 'Revenue from contracts with customers' replaces IAS 11, 'Construction contracts', IAS 18, 'Revenue' and relevant interpretations. According to IFRS 15, revenue is recognised when a customer obtains control of promised goods or services. A customer obtains control of goods or services when a customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify contracts with customer.

Step 2: Identify separate performance obligations in the contract(s).

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price.

Step 5: Recognise revenue when the performance obligation is satisfied.

Further, IFRS 15 includes a set of comprehensive disclosure requirements that requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

(b) The Company has elected not to restate prior period financial statements and recognised the cumulative effect of initial application as retained earnings at January 1, 2018, using the modified retrospective approach under IFRS 15. The significant effects of adopting the modified transition as of January 1, 2018 are summarised below:

In line with IFRS 15 requirements, the Company changed the presentation of certain accounts in the balance sheet. Under IFRS 15, liabilities in relation to computer products contracts are recognised as contract liabilities, but were previously presented as advance sales receipts (shown as ‘other current liabilities’) in the balance sheet. As of January 1, 2018, the balance amounted to \$566,645.

C. Amendments to IAS 7, ‘Disclosure initiative’

This amendment requires that an entity shall provide more disclosures related to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Company expects to provide additional disclosure to explain the changes in liabilities arising from financing activities.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2018 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9, ‘Prepayment features with negative compensation’	January 1, 2019
IFRS 16, ‘Leases’	January 1, 2019
Amendments to IAS 19, ‘Plan amendment, curtailment or settlement’	January 1, 2019
Amendments to IAS 28, ‘Long-term interests in associates and joint ventures’	January 1, 2019
IFRIC 23, ‘Uncertainty over income tax treatments’	January 1, 2019
Annual improvements to IFRSs 2015-2017 cycle	January 1, 2019

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



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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2021

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, the financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets and liabilities at fair value through other comprehensive income/Available-for-sale financial assets measured at fair value.
- (c) Investment property measured at fair value.
- (d) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Company has elected to apply modified retrospective approach whereby the cumulative impact of the adoption was recognised as retained earnings or other equity as of January 1, 2018 and the financial statements for the year ended December 31, 2017 were not restated. The financial statements for the year ended December 31, 2017 were prepared in compliance with International Accounting Standard 39 ('IAS 39'), International Accounting Standard 18 ('IAS 18') and related financial reporting interpretations. Please refer to Notes 12(4) and (5) for details of significant accounting policies and details of significant accounts.

(3)Foreign currency translation

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average

exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

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

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

#### (5) Cash equivalents

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

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

Effective 2018

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

(7)Financial assets at amortised cost

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

(8)Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9)Impairment of financial assets

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

information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

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

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

(11) Operating leases (lessor)

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

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method / subsidiaries

- A. Subsidiaries refer to the entities (including special purpose entities) that the Company has control over their financial and operating policies and own more than 50% of voting shares directly or indirectly. The Company evaluates investments in subsidiaries accounted under equity method in these parent company only financial statements.
- B. Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted to comply with the Company's accounting policies.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial

statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14)Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 ~ 50 years
Machinery and equipment	3 ~ 5 years
Computer and communication Equipment	2 ~ 5 years
Transportation equipment	1 ~ 5 years
Other equipment	3 ~ 5 years

(15)Investment property

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

(16)Intangible assets

- A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 6 years.

(17)Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the

higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18)Borrowings

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

(19)Notes and accounts payable

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

(20)Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(21)Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(22)Derecognition of financial liabilities

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

(23) Offsetting financial instruments

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

(24) Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. At initial recognition, the Group measures financial guarantee contracts at fair value and subsequently at the higher of the amount of provisions determined by the expected credit losses and the cumulative gains that were previously recognised.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(26) Provisions

Warranties provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

(27) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality



corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet

date, unrecognised and recognised deferred tax assets are reassessed.

- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(29) Share capital

- A. Ordinary shares are classified as equity.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

- A. Sales of goods
  - (a) The Company designs, manufactures and sells a range of video display devices, computers and peripheral products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
  - (b) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Booth rental revenue

The Company held investment properties to earn rentals, and lease revenue is recognised on a straight-line basis over the lease term.

C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

B. Investment property measured at fair value

The Company assesses the fair value of investment property based on the professional judgement of appraiser, and determines the future cash flows of the investment property, discount rate and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of strategy might cause material effect in amount of investment property measured at fair value.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Cash on hand and revolving funds	\$ 166	\$ 133
Checking accounts and demand deposits	1,828,210	4,719,536
Time deposits	<u>2,947,104</u>	<u>297,140</u>
	<u>\$ 4,775,480</u>	<u>\$ 5,016,809</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Cash and cash equivalents amounting to \$3,409,922 and \$3,084,800 were pledged to others as collateral, and were classified as other financial assets at amortised cost and other financial assets as of December 31, 2018 and 2017, respectively.

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

	<u>December 31, 2018</u>
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Listed stocks	\$ 724,815
Beneficiary certificates	( <u>68,886</u> )
	<u>\$ 655,929</u>

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

	<u>2018</u>
Financial assets mandatorily measured at fair value through profit or loss	
Listed stocks	( <u>\$ 138,237</u> )

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

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

D. Information on financial assets at fair value through profit or loss as of December 31, 2017 is provided in Note 12(4).

### (3) Accounts receivable

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Accounts receivable	\$ 1,433,195	\$ 1,757,104
Accounts receivable - related parties	818,974	536,019
Less: Allowance for uncollectible accounts	( <u>14,287</u> )	( <u>64,546</u> )
	<u>\$ 2,237,882</u>	<u>\$ 2,228,577</u>

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

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 1,837,907	\$ 1,873,095
Up to 30 days	370,538	345,762
31 to 90 days	31,062	10,174
91 to 180 days	39	-
Over 180 days	12,623	64,092
	<u>\$ 2,252,169</u>	<u>\$ 2,293,123</u>

The above ageing analysis was based on past due date.

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

C. As at December 31, 2018 and 2017, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$2,237,882 and \$2,228,577, respectively.

D. The Company has taken out credit insurance on accounts receivable from some of the main clients. The Company will get compensation based on the proportion of the agreements.

E. Information relating to credit risk of accounts receivable is provided in Note 12(4).

(4) Inventories

	<u>December 31, 2018</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 304,318	\$ (10,675)	\$ 293,643
Finished goods	618	( 618)	-
	<u>\$ 304,936</u>	<u>(\$ 11,293)</u>	<u>\$ 293,643</u>
	<u>December 31, 2017</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 441,974	\$ (11,010)	\$ 430,964
Finished goods	695	( 695)	-
	<u>\$ 442,669</u>	<u>(\$ 11,705)</u>	<u>\$ 430,964</u>

The cost of inventories recognised as expense for the years ended December 31, 2018 and 2017 was \$13,551,524 and \$13,052,004, respectively, including the amount of \$412 that the Company wrote down from cost to net realisable value accounted for as cost of goods sold in 2018. The Company reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold due to the sales of inventories in 2017.

(5) Investments accounted for using equity method and Prepayments for investments

A. Investments accounted for using equity method

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Kapok Computer Co., Ltd.	\$ 53,576	\$ 50,650
Clevo Investment Co., Ltd.	67,982	68,390
Clevo (Cayman Islands) Holding Company	40,033,064	38,759,238
Kapok Computer (Samoa) Corporation	1,047,215	1,260,126
Clevo Computer Singapore Pte. Ltd.	7,635,730	7,762,822
Buynow On-line Holding Corporation	( 5,929)	( 1,662)
Lunaria Investment GK	1,694,435	1,558,188
	<u>\$ 50,526,073</u>	<u>\$ 49,457,752</u>

The related information on subsidiaries is provided in Note 4(3) of consolidated financial statements in 2018.

B. Prepayments for investments

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Clevo (Cayman Islands) Holding Company	\$ 4,425,325	\$ 5,860,760

(6) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Computers and communication equipment</u>	<u>Transportation equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2018</u>							
Cost	\$ 186,563	\$ 193,654	\$ 11,678	\$ 2,148	\$ 2,868	\$ 5,030	\$ 401,941
Accumulated depreciation	-	( 45,683)	( 4,250)	( 1,767)	( 2,868)	( 2,208)	( 56,776)
	<u>\$ 186,563</u>	<u>\$ 147,971</u>	<u>\$ 7,428</u>	<u>\$ 381</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ 345,165</u>
<u>2018</u>							
Opening net book amount as at January 1	\$ 186,563	\$ 147,971	\$ 7,428	\$ 381	\$ -	\$ 2,822	\$ 345,165
Additions	-	1,779	3,064	1,040	-	215	6,098
Disposals (cost)	-	( 480)	( 264)	( 720)	-	( 324)	( 1,788)
Disposals (accumulated depreciation)	-	480	264	720	-	324	1,788
Reclassifications	-	-	-	-	-	1,125	1,125
Depreciation charge	-	( 8,153)	( 2,212)	( 383)	-	( 903)	( 11,651)
Closing net book amount as at December 31	<u>\$ 186,563</u>	<u>\$ 141,597</u>	<u>\$ 8,280</u>	<u>\$ 1,038</u>	<u>\$ -</u>	<u>\$ 3,259</u>	<u>\$ 340,737</u>
<u>At December 31, 2018</u>							
Cost	\$ 186,563	\$ 194,953	\$ 14,478	\$ 2,468	\$ 2,868	\$ 6,046	\$ 407,376
Accumulated depreciation	-	( 53,356)	( 6,198)	( 1,430)	( 2,868)	( 2,787)	( 66,639)
	<u>\$ 186,563</u>	<u>\$ 141,597</u>	<u>\$ 8,280</u>	<u>\$ 1,038</u>	<u>\$ -</u>	<u>\$ 3,259</u>	<u>\$ 340,737</u>

	Land	Buildings and structures	Machinery	Computers and communication equipment	Transportation equipment	Others	Total
<u>At January 1, 2017</u>							
Cost	\$ 193,370	\$ 197,567	\$ 11,008	\$ 2,251	\$ 6,368	\$ 3,888	\$ 414,452
Accumulated depreciation	-	(44,110)	(5,589)	(1,448)	(6,321)	(1,429)	(58,897)
	<u>\$ 193,370</u>	<u>\$ 153,457</u>	<u>\$ 5,419</u>	<u>\$ 803</u>	<u>\$ 47</u>	<u>\$ 2,459</u>	<u>\$ 355,555</u>
<u>2017</u>							
Opening net book amount as at January 1	\$ 193,370	\$ 153,457	\$ 5,419	\$ 803	\$ 47	\$ 2,459	\$ 355,555
Additions	-	3,958	3,662	-	-	1,231	8,851
Disposals (cost)	-	(4,816)	(2,992)	(103)	(3,500)	(89)	(11,500)
Disposals (accumulated depreciation)	-	4,816	2,992	103	3,500	89	11,500
Reclassifications	(6,807)	(1,502)	-	-	-	-	(8,309)
Depreciation charge	-	(7,942)	(1,653)	(422)	(47)	(868)	(10,932)
Closing net book amount as at December 31	<u>\$ 186,563</u>	<u>\$ 147,971</u>	<u>\$ 7,428</u>	<u>\$ 381</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ 345,165</u>
<u>At December 31, 2017</u>							
Cost	\$ 186,563	\$ 193,654	\$ 11,678	\$ 2,148	\$ 2,868	\$ 5,030	\$ 401,941
Accumulated depreciation	-	(45,683)	(4,250)	(1,767)	(2,868)	(2,208)	(56,776)
	<u>\$ 186,563</u>	<u>\$ 147,971</u>	<u>\$ 7,428</u>	<u>\$ 381</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ 345,165</u>

A. The property, plant and equipment did not have borrowing costs capitalised.

B. The significant components of the Company's buildings and structures, include main construction, steel structure and related equipment of underground which are depreciated 50 years and 15 years, respectively.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.



(7)Investment property

	<u>2018</u>	<u>2017</u>
At January 1	\$ 1,568,993	\$ 1,531,698
Reclassifications	-	37,415
Net gains (loss) from fair value adjustment	<u>7,912</u>	<u>(120)</u>
At December 31	<u>\$ 1,576,905</u>	<u>\$ 1,568,993</u>

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

	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Rental income from investment property	<u>\$ 64,491</u>	<u>\$ 60,855</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 9,835</u>	<u>\$ 10,452</u>

B. The measurement of investment property at fair value.

The fair value of the investment property held by the Company as at December 31, 2018 and 2017 was \$1,567,905 and \$1,568,993, respectively, which was valued by independent appraisers. Valuations were made using the income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

- (a) Investment property is Taiwan-computer segment, the lease terms of investment property for different segments are approximately 2 to 5 years. The comparison information between local rent and similar objective property rent is provided in the ‘Summary of fair value disclosure on investment property’ (referred herein as “the following table”).
- (b) Movements of average occupancy rates in the prior year and earnings in prior years are provided in the following table.
- (c) The Company adopts the discounted cash flow analysis under income approach. The estimation process of the appraisal method is subject to the determination of the annual rent growth rate range using the comparison information between local rent and similar objective property rent, and takes into consideration vacancy loss to estimate net rent income over the next ten years as future cash inflow and discounted to the date of appraisal with the discount rate described in (d). In addition, considering the ending balance of disposal value of the objective property is calculated based on the operating revenue over the next year starting from the disposal date to estimate remaining lives of the use right at the disposal date, which will be capitalised based on the estimated discount rate and annual rent growth rate as well as discounted to the appraisal date. The market value is calculated based on the ending disposal value plus the present value of rent for each period.

Future cash outflow consists expenses directly and necessarily related to leasing such as related fees, utilities and promotion costs; and operating expenses necessarily related to

operations (i.e. repair expenses), taxes, insurance fees, and capital expenditures. The rates of changes used in the estimation of future movements are in accordance with the rent growth rate used in the imputed rent income.

- (d) The information on the range of discount rates is provided in the following table. The discount rates are determined to take into consideration the interest rate of Chunghwa post's board interest rate for two-year time deposit plus 3 point (current is 1.845%), as well as the Company's liquidity, risk, value-added and degree of difficulty of management.
- (e) The appraisal reports adopted by the Company is certified by the real estate appraiser, Charlie Yang from Cushman & Wakefield Limited (referred herein as "Cushman & Wakefield"), respectively. The appraisal dates are January 1, 2019 and 2018.

Summary of fair value disclosure on investment property:

	Year ended December 31, 2018	Year ended December 31, 2017
Comparison information between local rent and similar objective property rent (dollar / square or square meter /	\$550~\$650	\$550~\$650
Movements of earnings in the prior year	\$66,907	\$70,251
Average occupancy rates	100%	100%
	December 31, 2018	December 31, 2017
Discount rate	3.65%	3.65%

C. The fair value information about the investment property is provided in Note 12(3).

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

(8) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2018</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ <u>3,594,790</u>	0.95% ~ 1.25%	Promised note
<u>Type of borrowings</u>	<u>December 31, 2017</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ <u>3,702,000</u>	0.90% ~ 1.19%	Promised note

(9) Bonds payable

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Secured bonds payable	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

On August 12, 2015, Clevo Co. issued \$5,000,000 secured bonds, as approved by the regulatory authority. For the year ended December 31, 2018, the outstanding bonds payable was \$5,000,000.

The terms of the secured bonds are as follows:

Type of Bonds	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>	<u>Security</u>
Secured bonds payable	2015/8/28	5 years	\$5,000,000	Not exceeding fixed rate of 1.5%	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement

(10) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2018
Unsecured borrowings	Borrowing period is from September 28, 2018 to March 16, 2023; interest is payable monthly, principal is payable at maturity date.	0.911% ~ 1.4%	Promissory note	\$ 7,655,000
Unsecured borrowings	Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable at maturity date.	1.309% ~ 1.797%	Promissory note	6,000,000
Secured borrowings	Borrowing period is from March 20, 2018 to March 20, 2023; interest is payable monthly, principal is payable at maturity date.	1.33%	Property, plant and equipment and investment property	1,250,000
Secured borrowings	Borrowing period is from July 27, 2016 to July 27, 2021; interest is payable monthly, principal is payable at maturity date.	1.60%	Investment property	1,300,000
Secured borrowings	Borrowing period is from July 27, 2016 to July 27, 2021; interest is payable monthly, principal is payable at maturity date.	1.60%	Investment property	1,350,000
				<hr/> 17,555,000
Less: Current portion of long-term loans				-
				<hr/> <u>\$ 17,555,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2017
Unsecured borrowings	Borrowing period is from July 22, 2015 to May 8, 2020; interest is payable monthly, principal is payable at maturity date.	1.15% ~ 1.40%	Promissory note	\$ 4,650,000
Unsecured borrowings	Borrowing period is from June 30, 2014 to June 28, 2019; interest is payable monthly, principal is payable at maturity date.	1.36% ~ 1.80%	Promissory note	4,660,000
Secured borrowings	Borrowing period is from November 17, 2015 to November 12, 2018; interest is payable monthly, principal is payable at maturity date.	1.34%	Property, plant and equipment and investment property	1,010,000
Secured borrowings	Borrowing period is from September 23, 2015 to March 9, 2021; interest is payable monthly, principal is payable at maturity date.	1.00% ~ 1.60%	Investment property	2,201,539
Secured borrowings	Borrowing period is from July 27, 2016 to July 27, 2021; interest is payable monthly, principal is payable at maturity date.	1.60%	Investment property	1,700,000
				14,221,539
Less: Current portion of long-term loans				( 820,000)
				\$ 13,401,539

The Company's liquidity risks are described in Note 12(3)3.

(11) Pensions

A. Defined benefit pension plan

- (a) The Company have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company

would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Present value of defined benefit obligations	\$ 398,118	\$ 386,348
Fair value of plan assets	( 313,572)	( 298,507)
Net defined benefit liability	<u>\$ 84,546</u>	<u>\$ 87,841</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2018</u>			
Balance at January 1	\$ 386,348	(\$ 298,507)	\$ 87,841
Current service cost	837	-	837
Interest expense (income)	<u>5,370</u>	<u>( 4,150)</u>	<u>1,220</u>
	<u>392,555</u>	<u>( 302,657)</u>	<u>89,898</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	220	-	220
Change in financial assumptions	16,328	-	16,328
Experience adjustments	<u>( 2,210)</u>	<u>( 7,753)</u>	<u>( 9,963)</u>
	<u>14,338</u>	<u>( 7,753)</u>	<u>6,585</u>
Pension fund contribution	-	( 11,937)	( 11,937)
Paid pension	<u>( 8,775)</u>	<u>8,775</u>	<u>-</u>
Balance at December 31	<u>\$ 398,118</u>	<u>(\$ 313,572)</u>	<u>\$ 84,546</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2017</u>			
Balance at January 1	\$ 384,147	(\$ 287,132)	\$ 97,015
Current service cost	1,075	-	1,075
Interest expense (income)	5,762	( 4,307)	1,455
	<u>390,984</u>	<u>( 291,439)</u>	<u>99,545</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)			
Change in demographic assumptions	( 309)	-	( 309)
Change in financial assumptions	6,051	-	6,051
Experience adjustments	( 2,120)	1,324	( 796)
	<u>3,622</u>	<u>1,324</u>	<u>4,946</u>
Pension fund contribution	-	( 16,650)	( 16,650)
Paid pension	( 8,258)	8,258	-
Balance at December 31	<u>\$ 386,348</u>	<u>(\$ 298,507)</u>	<u>\$ 87,841</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2018 and 2017 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Discount rate	1.08%	1.39%
Future salary increases	2.50%	2.50%
Return rate on plan assets	1.08%	1.39%

Future mortality rate was estimated based on 90% of the 5th Taiwan Standard Ordinary Experience Mortality Table in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2018</u>				
Effect on present value of defined benefit obligation	(\$ 25,931)	\$ 28,250	\$ 27,701	(\$ 25,707)
<u>December 31, 2017</u>				
Effect on present value of defined benefit obligation	(\$ 26,501)	\$ 29,045	\$ 28,571	(\$ 26,354)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2019 amount to \$11,937.

(g) As of December 31, 2018, the weighted average duration of the retirement plan is 14 years. The analysis of timing of the future pension payment was as follows:

Within 2 years	\$ 227,933
2-5 years	95,676
Over 5 years	44,456
	<u>\$ 368,065</u>

#### B. Defined contribution plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.



(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2018 and 2017 were \$35,687 and \$33,609, respectively.

(12) Provisions

	<u>Warranty</u>
At January 1, 2018	\$ 50,523
Additional provisions	57,316
Used during the year	( 57,316)
At December 31, 2018	<u>\$ 50,523</u>

Analysis of total provisions:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Current	<u>\$ 50,523</u>	<u>\$ 52,523</u>

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

(13) Other non-current liabilities

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Other financial liabilities-non-current	\$ 120,049	\$ 1,488,772
Accrued pension liability	84,546	87,841
	<u>\$ 204,595</u>	<u>\$ 1,576,613</u>

(14) Share capital

A. As of December 31, 2018, the Company's authorised capital was \$7,500,000, consisting of 750 million shares of ordinary stock, and the paid-in capital was \$6,797,630, consisting of 679,763 thousand shares with a par value of \$10 (in dollars) per share. On June 15, 2012, the Board of Directors resolved to increase the Company's authorised capital in the Articles of Incorporation to \$9,000,000, consisting of 900 million shares of ordinary stock, with a par value of \$10 (in dollars) per share. The foregoing includes 20 million shares reserved for employee stock options with a par value of \$10 (in dollars) per share, which the Board of Directors are authorised to issue depending on actual demand.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	<u>2018</u>	<u>2017</u>
At January 1	683,163	683,163
Capital reduction by treasury stock	( 3,400)	-
At December 31	<u>679,763</u>	<u>683,163</u>

B. Treasury shares

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

		December 31, 2018	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	35,300 thousand	\$ 1,079,740
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,305
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,183

		December 31, 2017	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	13,400 thousand	\$ 421,858
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,305
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,183

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(15)Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16)Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. According to the law or the authority, the special surplus reserve shall be set or reversed. If there is still surplus, the Board of Directors shall draft the allocation resolved by the shareholders' meeting.
- B. The Company belongs to high tech and electronics industry. As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans, based on vision of industrial development, capital expenditure demand, sound financial plan and protecting the rights and interests of investors. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. Special reserve
- (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- (c) According to Jin-Guan-Zheng-Fa-Zi Letter No.1030006415, dated March 18, 2014, investment properties are initially and subsequently measured using fair value model. Changes of value due to appreciation as of December 31, 2013 are reflected in the increase

of Appropriated Retained Earnings. The Company will recognise the reversal of earnings upon subsequent disposal or decrease of the investment properties.

E. The appropriations of 2017 and 2016 earnings had been resolved at the stockholders' meeting on June 15, 2018 and June 15, 2017, respectively. Details are summarised below:

	2017		2016	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 71,778		\$ 59,482	
Special reserve	1,008,166		201,696	
Cash dividends	-	\$ -	478,214	\$ 0.70
	<u>\$ 1,079,944</u>		<u>\$ 739,392</u>	

The Company appropriated cash from capital surplus as resolved at the stockholders' meeting on June 15, 2018. The dividends per share is NTD 0.8, and the total amount is \$546,530.

The appropriations of 2017 and 2016 earnings above are the same with the amounts proposed by the Board of Directors.

F. The resolution of the appropriations of 2018 net income was approved by the Board of Directors during its meeting on March 27, 2019 as follows:

	2018	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 145,490	
Special reserve	1,194,446	
Cash dividends	128,453	\$ 0.20
	<u>\$ 1,468,389</u>	

The Company appropriated cash from capital surplus as resolved at the Board of Directors' meeting on March 27, 2019. The dividends per share is NTD 0.8, and the total amount is \$513,810.

F. For the information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(23).

(17) Other equity items

	2018			
	Available-for- sale investment	Currency translation	Revaluation	Total
At January 1	\$ 97,879	(\$ 2,138,991)	\$ 20,922	(\$ 2,020,190)
Effect of retrospective application and retrospective restatement	( 97,879)	-	-	( 97,879)
Currency translation differences: –The Company and subsidiaries	-	( 602,614)	-	( 602,614)
At December 31	<u>\$ -</u>	<u>(\$ 2,741,605)</u>	<u>\$ 20,922</u>	<u>(\$ 2,720,683)</u>

	2017			
	Available-for- sale investment	Currency translation	Revaluation	Total
At January 1	\$ 157,857	(\$ 916,916)	\$ -	(\$ 759,059)
Revaluation				
–The Company	( 60,061)	-	-	( 60,061)
–Subsidiaries	83	-	-	83
Currency translation differences: –The Company and subsidiaries	-	( 1,222,075)	-	( 1,222,075)
Revaluation:				
–The Company	-	-	20,922	20,922
At December 31	<u>\$ 97,879</u>	<u>(\$ 2,138,991)</u>	<u>\$ 20,922</u>	<u>(\$ 2,020,190)</u>

(18) Operating revenue

	Year ended December 31, 2018
Revenue from contracts with customers	<u>\$ 14,560,392</u>

A. Disaggregation of revenue from contracts with customers

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

<u>2018</u>	<u>China computer products</u>	<u>Japan computer products</u>	<u>Other computer products</u>	<u>Total</u>
Total segment revenue	\$ 7,861,439	\$ 2,081,629	\$ 7,774,117	\$ 17,717,185
Inter-segment revenue	( 3,156,793)	-	-	( 3,156,793)
Revenue from external customer contracts	<u>\$ 4,704,646</u>	<u>\$ 2,081,629</u>	<u>\$ 7,774,117</u>	<u>\$ 14,560,392</u>
Timing of revenue recognition				
At a point in time	<u>\$ 4,704,646</u>	<u>\$ 2,081,629</u>	<u>\$ 7,774,117</u>	<u>\$ 14,560,392</u>

B. Contract assets and liabilities

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

	<u>December 31, 2018</u>
Contract liabilities:	
Contract liabilities – Advance sales receipts	<u>\$ 24,382</u>

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

	<u>Year ended December 31, 2018</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	
Advance real estate receipts	<u>\$ 538,338</u>

D. Related disclosures on operating revenue for 2017 are provided in Note 12(5).

(19) Other income

	Year ended December 31, 2018	Year ended December 31, 2017
Rent income	\$ 64,491	\$ 60,855
Interest income:		
Interest income from bank deposits	101,050	61,402
Other interest income	31	3,167
Dividend income	30,702	42,836
Other income, others	151,602	177,117
	<u>\$ 347,876</u>	<u>\$ 345,377</u>

(20) Other gains and losses

	Year ended December 31, 2018	Year ended December 31, 2017
Losses on financial assets and liabilities at fair value through profit or loss	(\$ 124,827)	(\$ 25,421)
Foreign exchange gains (losses)	213,570	( 484,209)
Gains on disposals of property, plant and equipment	-	476
Gains (losses) on fair value adjustment, investment property	7,912	( 120)
Gains (losses) on disposals of investments	( 13,410)	113,160
Other losses	( 9,835)	( 10,452)
	<u>\$ 73,410</u>	<u>(\$ 406,566)</u>

(21) Finance costs

	Year ended December 31, 2018	Year ended December 31, 2017
Interest expense:		
Bank borrowing	\$ 260,387	\$ 253,273
Other interest expense	130,638	138,567
Financial costs	<u>\$ 391,025</u>	<u>\$ 391,840</u>

(22) Expenses by nature

	Year ended December 31, 2018	Year ended December 31, 2017
Employee benefit expense	\$ 976,967	\$ 1,013,972
Depreciation charges on property, plant and equipment	11,651	10,932
Amortisation charges on intangible assets	5,819	7,441
	<u>\$ 994,437</u>	<u>\$ 1,032,345</u>

(23) Employee benefit expense

	Year ended December 31, 2018	Year ended December 31, 2017
Wages and salaries	\$ 832,854	\$ 879,607
Labour and health insurance fees	57,191	57,887
Pension costs	37,744	36,139
Other personnel expenses	49,178	40,339
	<u>\$ 976,967</u>	<u>\$ 1,013,972</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, shall be distributed as employees 'compensation and directors' and supervisors' remuneration. The ratio shall be 5%~15% for employees' compensation and shall not be higher than 1% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2018 and 2017, employees' compensation was accrued at \$95,600 and \$65,700, respectively; while directors' and supervisors' remuneration was accrued at \$12,300 and \$9,300, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 5%~15% and not higher than 1% of distributable profit of current year for the year ended December 31, 2018. The employees' compensation and directors' and supervisors' remuneration as resolved by the Board of Directors were in agreement with those amounts recognised in the 2018 financial statements, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration for 2017 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2017 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.



(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2018	Year ended December 31, 2017
Current tax:		
Current tax on profits for the year	\$ 13,879	\$ 14,099
Prior year income tax overestimation	-	(3,389)
Total current tax	<u>13,879</u>	<u>10,710</u>
Deferred tax:		
Origination and reversal of temporary differences	10,471	133,955
Impact of change in tax rate	<u>71,400</u>	-
Total deferred tax	<u>81,871</u>	<u>133,955</u>
Income tax expense	<u>\$ 95,750</u>	<u>\$ 144,665</u>

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

	Year ended December 31, 2018	Year ended December 31, 2017
Currency translation differences	( 7,663)	( 12,156)
Remeasurement of defined benefit obligations	1,317	841
Increase in revaluation	-	( 4,285)
	<u>(\$ 6,346)</u>	<u>(\$ 15,600)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2018	Year ended December 31, 2017
Tax calculated based on profit before tax and statutory tax rate	\$ 310,131	\$ 146,616
Effect from expenses disallowed by tax regulation	(285,781)	1,438
Prior year income tax overestimation	-	(3,389)
Effect from changes in tax regulation	<u>71,400</u>	-
Income tax expense	<u>\$ 95,750</u>	<u>\$ 144,665</u>

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

	2018			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealised sales gain	\$ 268	(\$ 268)	\$ -	\$ -
Allowance for spare valuation losses	1,298	229	-	1,527
Allowance for inventory valuation losses	1,989	269	-	2,258
Allowance for bad debts	19,840	(6,468)	-	13,372
Unused compensated absences	4,341	724	-	5,065
Accrued pension liability	14,934	659	1,317	16,910
Currency translation differences	185	-	(185)	-
Tax losses	89,250	10,750	-	100,000
	<u>132,105</u>	<u>5,895</u>	<u>1,132</u>	<u>139,132</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	( 25,828)	14,019	-	( 11,809)
Foreign investment income using equity method	(485,759)	(84,124)	-	(569,883)
Unrealised sales losses	-	13	-	13
Rent by straight-line method	(390)	(69)	-	(459)
Currency translation differences	(5,906)	-	(7,478)	(13,384)
Increase in revaluation	(4,285)	-	-	(4,285)
Fair value adjustment, investment property	(104,572)	(17,605)	-	(122,177)
	<u>( 626,740)</u>	<u>( 87,766)</u>	<u>( 7,478)</u>	<u>( 721,984)</u>
	<u>(\$ 494,635)</u>	<u>(\$ 81,871)</u>	<u>(\$ 6,346)</u>	<u>(\$ 582,852)</u>

2017

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealised exchange gain	\$ 23,761	(\$ 23,761)	\$ -	\$ -
Unrealised sales gain	-	268	-	268
Allowance for spare valuation losses	2,421	( 1,123)	-	1,298
Allowance for inventory valuation losses	1,852	137	-	1,989
Allowance for bad debts	19,400	440	-	19,840
Unused compensated absences	2,542	1,799	-	4,341
Accrued pension liability	16,493	(2,400)	841	14,934
Currency translation differences	13,297	-	(13,112)	185
Tax losses	23,862	65,388	-	89,250
	<u>103,628</u>	<u>40,748</u>	<u>(12,271)</u>	<u>132,105</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange gain	-	( 25,828)	-	( 25,828)
Foreign investment income using equity method	(337,740)	(148,019)	-	(485,759)
Unrealised sales losses	(196)	196	-	-
Rent by straight-line method	(390)	-	-	(390)
Currency translation differences	(6,862)	-	956	(5,906)
Increase in revaluation	-	-	(4,285)	(4,285)
Fair value adjustment, investment property	(103,520)	(1,052)	-	(104,572)
	<u>( 448,708)</u>	<u>( 174,703)</u>	<u>( 3,329)</u>	<u>( 626,740)</u>
	<u>(\$ 345,080)</u>	<u>(\$ 133,955)</u>	<u>(\$ 15,600)</u>	<u>(\$ 494,635)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2018					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2016	\$ 156,511	\$ 129,493	\$ -	2026	
2017	898,310	898,310	447,143	2027	

  

December 31, 2017					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2016	\$ 140,363	\$ 140,363	\$ -	2026	
2017	847,650	847,650	463,013	2027	

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2018 and 2017, the amounts of temporary differences unrecognised as deferred tax liabilities were \$1,633,198 and \$754,777, respectively.

F. The Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.

G. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China in February, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Company has assessed the impact of the change in income tax rate.

(25) Earnings per share

Year ended December 31, 2018			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,454,904</u>	<u>628,146</u>	<u>\$ 2.32</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,454,904	628,146	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>4,087</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,454,904</u>	<u>632,233</u>	<u>\$ 2.30</u>
Year ended December 31, 2017			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 717,784</u>	<u>642,716</u>	<u>\$ 1.12</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	717,784	642,716	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>2,549</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 717,784</u>	<u>645,265</u>	<u>\$ 1.11</u>

(26) Operating leases

The Company leases investment property to others under non-cancellable operating lease agreements. These leases have terms expiring between 2007 and 2020, and all these lease agreements are not renewable at the end of the lease period. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	December 31, 2018	December 31, 2017
Not later than one year	\$ 32,290	\$ 30,522
Later than one year but not later than five years	10,290	42,580
	<u>\$ 42,580</u>	<u>\$ 73,102</u>

(27) Supplemental cash flow information

Investing and financing activities with partial cash payments

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of property, plant and equipment	\$ 6,098	\$ 8,851
Add: Opening balance of other payables	-	5,481
Less: Ending balance of other payables	-	-
Cash paid during the year	<u>\$ 6,098</u>	<u>\$ 14,332</u>
Disposal of available-for-sale financial assets	\$ -	\$ 505,730
Less: Ending balance of receivables	-	(44,115)
Cash paid during the year	<u>\$ -</u>	<u>\$ 461,615</u>
Purchase of treasury stocks	\$ 767,537	\$ -
Add: Opening balance of payables	-	-
Less: Ending balance of payables	(17,458)	-
Cash paid during the year	<u>\$ 750,079</u>	<u>\$ -</u>

(28) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Corporate bonds payable	Liabilities from financing activities- gross
At January 1, 2018	\$ 3,702,000	\$ 14,221,539	\$ 5,000,000	\$ 22,923,539
Changes in cash flow from financing activities	(107,210)	3,333,461	-	3,226,251
At December 31, 2018	<u>\$ 3,594,790</u>	<u>\$ 17,555,000</u>	<u>\$ 5,000,000</u>	<u>\$ 26,149,790</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Clevo (Cayman Islands) Holding Company	The Company's subsidiary
Kapok Computer (Samoa) Corporation	The Company's subsidiary
Clevo Computer Singapore Pte Ltd.	The Company's subsidiary
Kapok Computer Co., Ltd.	The Company's subsidiary
Clevo Investment Co., Ltd.	The Company's subsidiary
Kapok Computer (Kunshan) Co., Ltd.	The Company is the ultimate parent
Buynow (Xian) Industry Co., Ltd.	The Company is the ultimate parent
Buynow (Chengdu) Electronic Information Co., Ltd.	The Company is the ultimate parent
Buynow (Chongqing) Industry Co., Ltd.	The Company is the ultimate parent
Tianjin Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Shantou Buynow Mall Co., Ltd.	The Company is the ultimate parent
Anshan Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Taizhou Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Suzhou Jinzuo Industry Co., Ltd.	The Company is the ultimate parent
Dezhou Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Buynow (Jinzhou) Industry Co., Ltd.	The Company is the ultimate parent
Chicony Electronics Co., Ltd.	Other related party
Chicony Square (Wuhan) Inc.	Associate

### (2) Significant related party transactions

#### A. Operating revenue

	Year ended December 31, 2018	Year ended December 31, 2017
Sales of products:		
Kapok Computer (Kunshan) Co., Ltd.	\$ 3,156,793	\$ 2,785,740

- (a) The products sold to subsidiaries are not sold to other customers. The sales price cannot be compared with others. The payment terms are 180 days, and the general customers are within 1~2 months.
- (b) The Company sells materials (LCD) and semi-finished goods to subsidiaries to manufacture laptops, and the Company buys back those laptops, which will be sold to customers under a triangle trade. Materials and semi-finished goods sold to subsidiaries amounted to \$3,156,793 and \$2,788,216 for the years ended December 31, 2018 and 2017, respectively. The purchases and sales are offset and shown at net in the financial statements.

## B. Purchases

	Year ended December 31, 2018	Year ended December 31, 2017
Purchases of goods:		
Kapok Computer (Kunshan) Co., Ltd.	\$ <u>11,011,330</u>	\$ <u>10,209,423</u>

As the goods purchased from the subsidiary are unique, the purchase prices cannot be compared with other items. The payment term is 30 days Against Monthly Statement and the debit and credit is offset. The Company may prepay if there is demand for funds to prepare materials. The payment terms of general customers are within 1~5 months.

## C. Receivables from related parties

	December 31, 2018	December 31, 2017
Accounts receivable:		
Kapok Computer (Kunshan) Co., Ltd.	\$ <u>818,974</u>	\$ <u>536,019</u>

Receivables from related parties arise mainly from selling products and the receivables do not bear interest and no collaterals were pledged. There are no provisions held against receivables from related parties.

## D. Prepayments

	December 31, 2018	December 31, 2017
Prepayments:		
Kapok Computer (Kunshan) Co., Ltd.	\$ <u>1,121,012</u>	\$ <u>-</u>

## E. Prepayments for investments

As of December 31, 2018 and 2017, the prepayments for investments of Clevo (Cayman Islands) Holding Company are \$4,425,325 and \$5,860,760, respectively.

## F. Loans from related parties

(a) Other financial liabilities (shown as other financial liabilities – current)

	December 31, 2018	December 31, 2017
Subsidiaries		
Kapok Computer Co., Ltd.	\$ 50,000	\$ 45,000
Clevo Investment Co., Ltd.	<u>41,000</u>	<u>40,000</u>
	<u>\$ 91,000</u>	<u>\$ 85,000</u>

The loans from subsidiaries are payable at maturity 1 year after the loan is made and carry interest at 1.04% per annum for the years ended December 31, 2018 and 2017. The amount of interest payable (recognised as other payable) for the years ended December 31 2018 and 2017 was \$249 and \$259, respectively. Additionally, interest expense recognised in 2018 and 2017 was \$880 and \$1,002, respectively.



(b) Other financial liabilities (shown as other non-current liabilities)

	December 31, 2018	December 31, 2017
Subsidiaries		
Clevo (Cayman Islands) Holding Company	\$ -	\$ 332,897
Clevo Computer Singapore Pte Ltd.	120,049	115,885
Chicony Square (Wuhan) Inc.	-	1,039,990
	<u>\$ 120,049</u>	<u>\$ 1,488,772</u>

The loans from subsidiaries are payable at maturity within 2~4 years after the loan is made and carry interest at 0% and 0%~2.4% per annum for the years ended December 31, 2018 and 2017, respectively. The amount of interest payable (recognised as other payable) for the years ended December 31, 2018 and 2017 was \$0 and \$7,580, respectively. Additionally, interest expense recognised in 2018 and 2017 was \$0 and \$11,704, respectively

G. Endorsements and guarantees provided to related parties

The amount of endorsements and guarantees provided to subsidiaries in 2018 and 2017 are as follows:

	December 31, 2018	December 31, 2017
Clevo (Cayman Islands) Holding Co.,	\$ 4,925,120	\$ 4,457,100
Kapok Computer (Samoa) Corporation	1,077,370	1,218,274
Shantou Buynow Mall Co., Ltd.	-	2,273,750
Subsidiaries	<u>3,432,595</u>	<u>1,481,953</u>
	<u>\$ 9,435,085</u>	<u>\$ 9,431,077</u>

H. Others

- (a) The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu in 2018 and 2017.
- (b) For the year ended December 31, 2018, the Company pledged time deposits to financial institutions as collateral for the borrowings made by the Company's subsidiaries, Taizhou Buynow Electronic Information Co., Ltd., Suzhou Jinzuo Industry Co., Ltd., Buynow (Jinzhou) Industry Co., Ltd. and Anshan Buynow Electronic Information Co., Ltd.. For the year ended December 31, 2017, the Company pledged time deposits to financial institutions as collateral for the borrowings made by the Company's subsidiary, Shantou Buynow Mall Co., Ltd..

(3) Key management compensation

	<u>Year ended December 31, 2018</u>		<u>Year ended December 31, 2017</u>	
Salaries and other short-term employee benefits	\$	48,723	\$	41,806
Post-employment benefits		1,427		1,668
	\$	<u>50,150</u>	\$	<u>43,474</u>

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2018</u>	<u>December 31, 2017</u>	
Restricted assets (non-current)	\$ 3,409,922	\$ 3,084,800	STANDBY L/C 、 Long-term borrowings
Property, plant and equipment	328,160	334,534	Long-term borrowings
Investment property and long-term prepaid rents	<u>1,576,905</u>	<u>1,568,993</u>	Long-term borrowings
	<u>\$ 5,314,987</u>	<u>\$ 4,988,327</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2018 and 2017, the Company has issued guarantee notes amounting to \$22,216,186 and \$25,107,372, respectively, for bank repayment and forward exchange trading.

B. On December 28, 2018, the Company entered into a syndicated loan agreement with 9 banks including Taiwan Cooperative Bank amounting to \$6,000,000 and provided equal amount of guarantee notes. The Company and the Chairman of the Company are the joint guarantor and co-issuer of the guarantee notes.

C. On May 20, 2015, the Company's consolidated subsidiary, Clevo (Cayman Islands) Holding Company, entered into a syndicated loan agreement with 7 banks including Land Bank of Taiwan amounting to USD 120 million and provided equal amount of guarantee notes. The Company, the Company's consolidated subsidiary, Clevo (Cayman Islands) Holding Company, and the Chairman of the Company are the joint guarantor and co-issuer of the guarantee notes.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors has resolved the appropriation of 2018 earnings on March 27, 2019. Details are provided in Note 6(19) F.

## 12. OTHERS

### (1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During the year ended December 31, 2018, the Company's strategy, which was unchanged from 2017, was to maintain the gearing ratio under 50%. The gearing ratios at December 31, 2018 and 2017 were as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Total borrowings	\$ 26,149,790	\$ 22,923,539
Less: Cash and cash equivalents	( 4,775,480)	( 5,016,809)
Net debt	21,374,310	17,906,730
Total equity	<u>41,839,842</u>	<u>42,284,137</u>
Total capital	<u>\$ 63,214,152</u>	<u>\$ 60,190,867</u>
Gearing ratio	34%	30%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 655,929	\$ -
Financial assets held for trading	-	179,568
	<u>\$ 655,929</u>	<u>\$ 179,568</u>
Available-for-sale financial assets		
Available-for-sale financial assets	\$ -	\$ 384,117
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	\$ 4,775,480	\$ 5,016,809
Financial assets at amortised cost - current	3,409,922	-
Accounts receivable	1,418,908	1,692,558
Accounts receivable - related parties	818,974	536,019
Guarantee deposits paid	7,985	7,965
Other financial assets - current	-	3,084,800
	<u>\$ 10,431,269</u>	<u>\$ 10,338,151</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 3,594,790	\$ 3,702,000
Notes payable	15,070	15,236
Accounts payable	270,965	443,784
Other payables	363,089	333,785
Other financial liabilities - current	91,000	85,000
Corporate bonds payable	5,000,000	5,000,000
Long-term borrowings (including current portion)	17,555,000	14,221,539
Guarantee deposits received	11,548	9,948
Other financial liabilities - non-current	120,049	1,488,772
	<u>\$ 27,021,511</u>	<u>\$ 25,300,064</u>

Note: Financial assets measured at amortised cost include cash and cash equivalents, accounts and notes receivable (including related parties), other receivables (including related parties), refundable deposits and financial assets measured at amortised cost – current. Financial liabilities measured at amortised cost include short-term borrowings, accounts and notes payable (including related parties), other payables, corporate bonds payable, long-term

borrowings (including those maturing within one year or one business cycle), guarantee deposits received and other financial liabilities.

#### B. Financial risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk.

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.
- iii. To deduct the risk of fair value from exchange rate fluctuation and the risk of cash flow, the Company hedges foreign assets and liabilities or expected transaction that are probably by using financial derivatives such as forward exchange contracts. The Company monitors the exchange rate fluctuation at any time, and sets stop loss limit.
- iv. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2018			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 294,819	30.78	\$ 9,074,529
RMB:NTD	308,494	4.49	1,385,138
HKD:NTD	37,042	3.93	145,575
JPY:NTD	139,333	0.28	39,013
<u>Investments accounted for under the equity method</u>			
USD:NTD	1,334,449	30.78	41,074,350
JPY:NTD	6,051,557	0.28	1,694,436
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	12,578	30.78	387,151
JPY:NTD	11,400	0.28	3,192

December 31, 2017			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 284,620	29.71	\$ 8,456,060
RMB:NTD	273,746	4.55	1,245,544
HKD:NTD	19,793	3.80	75,213
JPY:NTD	10,275	0.26	2,672
<u>Investments accounted for under the equity method</u>			
USD:NTD	1,565,816	29.71	46,520,398
JPY:NTD	5,993,031	0.26	1,558,188
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	60,029	29.71	1,783,462
JPY:NTD	3,462,179	0.26	900,167

vii. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2018 and 2017, amounted to \$213,570 and (\$484,209), respectively.

viii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		Year ended December 31, 2018		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 75,319	\$ -
	RMB:NTD	1%	11,497	-
	HKD:NTD	1%	1,208	-
	JPY:NTD	1%	324	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	3,213	-
	JPY:NTD	1%	26	-
		Year ended December 31, 2017		
		Sensitivity analysis		
		Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
	USD:NTD	1%	\$ 70,185	\$ -
	RMB:NTD	1%	10,338	-
	HKD:NTD	1%	624	-
	JPY:NTD	1%	22	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
	USD:NTD	1%	14,803	-
	JPY:NTD	1%	7,471	-

### Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2018 and 2017 would have increased/decreased by \$6,559 and \$1,796, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$0 and \$3,841, respectively, as a result of other comprehensive income classified as available-for-sale equity investment.

### Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2018 and 2017, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2018 and 2017 would have decreased/increased by \$169,198 and \$148,765, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

### (b) Credit risk

#### Effective 2018

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management of credit manage. The utilisation of credit limits is regularly



monitored.

- iv. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- v. For banks and financial institutions, only independently rated parties with a best rating are accepted.
- vi. The Company adopts the following assumption under IFRS 9: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- vii. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are reclassified to overdue receivables as the Company expects them to be uncollectible.
- viii. The Company classifies customer's accounts receivable in accordance with customer types. The Company applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- ix. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2018, the provision matrix is as follows:

	Not past due	1~90 days past due	91~180 days past due
<u>At December 31, 2018</u>			
Expected loss rate	0.05%	0.27%	98.74%
Total book value	\$ 1,837,907	\$ 401,600	\$ 39
Loss allowance	( 557)	( 1,068)	( 39)
	181~270 days past due	Over 270 days past due	Total
Expected loss rate	100%	100%	
Total book value	\$ 6	\$ 12,617	\$ 2,252,169
Loss allowance	( 6)	( 12,617)	( 14,287)

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

	2018
	Accounts receivable
At January 1_IAS 39	\$ 64,546
Adjustments under new standards	-
At January 1_IFRS 9	64,546
Write-offs	( 50,259)
At December 31	\$ 14,287

- xii. Credit risk information for 2017 is provided in Note 12(4)

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

<u>December 31, 2018</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 3,633,525	\$ -	\$ -	\$ -
Notes payable	15,070	-	-	-
Accounts payable	270,965	-	-	-
Other payables	363,089	-	-	-
Other financial liabilities - current	91,946	-	-	-
Bonds payable	75,000	5,075,000	-	-
Long-term borrowings (including current portion)	-	5,045,790	12,907,489	-
Guarantee deposits	-	11,548	-	-
Other financial liabilities - non-current	-	120,050	-	-
Financial guarantee contracts	4,763,969	1,231,280	-	-

December 31, 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Short-term borrowings	\$ 3,741,446	\$ -	\$ -	\$ -
Notes payable	15,236	-	-	-
Accounts payable	443,784	-	-	-
Other payables	333,785	-	-	-
Other financial liabilities - current	85,884	-	-	-
Bonds payable	75,000	75,000	5,075,000	-
Long-term borrowings (including current portion)	1,023,765	9,443,555	4,209,461	-
Guarantee deposits	-	9,948	-	-
Other financial liabilities - non-current	117,616	1,364,171	159,253	-
Financial guarantee contracts	4,457,791	1,426,272	653,708	-

iii. The Company does not expect the maturity date will be early, or the actual amount will be different.

### (3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks and beneficiary certificates is included in Level 1

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in off-the-run beneficiary certificates, bank debentures, convertible bonds and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in investment property is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, short-term borrowings, notes payable, accounts

payable (including related parties), other payables, corporate bonds payable, long-term borrowings (including current portion) and other financial liabilities. are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2018 and 2017 is as follows:

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

<u>December 31, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 655,929	\$ -	\$ -	\$ 655,929
Investment property (Note )	-	-	1,576,905	1,576,905
	<u>\$ 655,929</u>	<u>\$ -</u>	<u>\$ 1,576,905</u>	<u>\$ 2,232,834</u>

<u>December 31, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 179,568	\$ -	\$ -	\$ 179,568
Debt securities	-	-	-	-
Available-for-sale equity securities				
Equity securities	384,117	-	-	384,117
Investment property (Note )	-	-	1,568,993	1,568,993
	<u>\$ 563,685</u>	<u>\$ -</u>	<u>\$ 1,568,993</u>	<u>\$ 2,132,678</u>

Note: Investment property measured at fair value.

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

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>	<u>Open-end fund / Debt securities</u>
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in

substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
  - iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
  - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
  - vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- E. For the years ended December 31, 2018 and 2017, there was no transfer between Level 1 and Level 2.
- F. The movement of Level 3 for the years ended December 31, 2018 and 2017 are provided in Note 6(7)
- G. For the years ended December 31, 2018 and 2017, there was no transfer into or out from Level 3.
- H. Financial and Administrative segment is in charge of valuation procedures for fair value measurements being categorised within Level 3 (investment property), which is based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer. The Company set up valuation policies, valuation processes and rules for measuring fair value of investment property and ensure compliance with the related requirements in IFRS.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 1,576,905	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note 1)	The higher the long- term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

Note 1: The range of long-term rent revenue growth rate is 1%; the range of discount rate is provided in Note 6(7).

	Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 1,568,993	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note 1)	The higher the long- term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

Note 1: The range of long-term rent revenue growth rate is 1%; the range of discount rate is provided in Note 6(7).

(4) Effects on initial application of IFRS 9 and information on application of IAS 39 in 2017

A. Summary of significant accounting policies adopted in 2017:

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

i. They are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

(i) Hybrid (combined) contracts; or

(ii) They eliminate or significantly reduce a measurement or recognition inconsistency; or

- (iii) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
  - ii. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
  - iii. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.
- (b) Available for sale financial assets
- i. They are non-derivatives that are either designated in this category or not classified in any of the other categories.
  - ii. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.
  - iii. They are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income.
- (c) Notes receivable, accounts receivable and other receivables
- Notes receivable and accounts receivable are created by the entity by selling goods or providing services to customers in the ordinary course of business. Other receivables are other receivables not belong note receivable and accounts receivable. Note receivable, accounts receivable and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- (d) Impairment of financial assets
- i. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
  - ii. The criteria that the Company uses to determine whether there is objective evidence of an impairment loss is as follows:
    - (i) Significant financial difficulty of the issuer or debtor;
    - (ii) A breach of contract, such as a default or delinquency in interest or principal payments;
    - (iii) The Company, for economic or legal reasons relating to the borrower’s financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
    - (iv) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

- (v) The disappearance of an active market for that financial asset because of financial difficulties;
- (vi) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
- (vii) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;
- (viii) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

iii. When the Company assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

- (i) Financial assets at amortised cost (including note receivable, accounts receivable and other receivables)

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

- (iii) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting



the carrying amount of the asset through the use of an impairment allowance account.

B. The reconciliations of carrying amount of financial assets transferred from December 31, 2017, IAS 39, to January 1, IFRS 9, were as follows:

	Available-for-sale-equity		Effects		
	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income-equity	Total	Retained earnings	Other equity
<b>IAS 39</b>	\$ 179,568	\$ 384,117	\$ 563,685	\$ 1,079,944	(\$ 2,020,190)
Transferred into and measured at fair value through profit or loss	384,117	( 384,117)	-	97,879	( 97,879)
<b>IFRS 9</b>	<u>\$ 563,685</u>	<u>\$ -</u>	<u>\$ 563,685</u>	<u>\$ 1,177,823</u>	<u>(\$ 2,118,069)</u>

Under IAS 39, the equity instruments, which were classified as available-for-sale financial assets, amounting to \$384,117 were reclassified as "financial assets at fair value through profit or loss" amounting to \$384,117. Accordingly, retained earnings was increased and other equity interest was decreased in the amounts of \$97,878 and \$97,878 under IFRS 9, respectively.

C. The significant accounts as of December 31, 2017 are as follows:

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

Items	December 31, 2017
Current items:	
Financial assets held for trading	
Stocks	\$ 219,033
Valuation adjustment	( 39,465)
	<u>\$ 179,568</u>

- i. The Company recognised net loss amounting to \$23,174 on financial assets held for trading for the year ended December 31, 2017.
- ii. The counterparties of the Company's investments in debt instruments have good credit quality (the ratings are tw BBB+).
- iii. The Company has no financial assets at fair value through profit or loss pledged to others.

(b) Available-for-sale financial assets

Items	December 31, 2017
Current items:	
Listed stocks	\$ 288,711
Valuation adjustment	95,406
	<u>\$ 384,117</u>

- i. The Company recognised (\$60,061) in other comprehensive income for fair value change for the year ended December 31, 2017.
- ii. The Company recognised net profit amounting to \$110,913 on available-for-sale financial assets in current profit and loss for the year ended December 31, 2017.
- iii. Due to the global financial storm in 1998, the listed stocks classified as financial assets at fair value through profit or loss would be reclassified as available-for-sale financial assets amounting to \$2,070,713, according to IAS 39.50(C). The information are as follows:

(i) The information about the balance of above reclassified assets which were not deducted:

Items	Book value / Fair value December 31, 2017
Listed stocks	\$ 346,363

- (ii) The listed stocks recognised \$0 and (\$81,099) in current profit or loss and other comprehensive income for fair value change for the year ended December 31, 2017.
- (iii) The listed stocks recognised in current profit or loss, if the listed stocks would not be reclassified as available-for-sale financial assets on October 1 1998:

	Year ended December 31, 2017
Listed stocks	(\$ 81,909)

- (iv) The listed stocks from subsidiaries recognised \$0 in current profit or loss, if the listed stocks would not be reclassified as available-for-sale financial assets on October 1, 1998.

E. Credit risk information for the year ended December 31, 2017 is as follows:

- (a) Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and promised transactions.

- (b) For the year ended December 31, 2017, no credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.
- (c) The Company's accounts receivable that are neither past due nor impaired are fully performing in line with the credit standards prescribed:

	<u>December 31, 2017</u>	
Group 1	\$	302,692
Group 2		1,034,384
Group 3		-
	<u>\$</u>	<u>1,337,076</u>

Group 1: The payment term is L/C.

Group 2: The payment term is O/A and have accounts receivable insurance.

Group 3: The payment term is O/A and have no accounts receivable insurance.

- (d) The ageing analysis of financial assets that were past due but not impaired is as follows:

	<u>December 31, 2017</u>	
<u>Accounts receivable</u>		
Up to 30 days	\$	345,762
31 to 90 days		10,174
91 to 180 days		-
Over 180 days		2,622
	<u>\$</u>	<u>358,558</u>

The ageing analysis is based on due dates.

- (e) The movement analysis of impaired financial assets are as follows:

- i. The Company's impaired accounts receivable individually amounted to \$61,470 on December 31, 2017.
- ii. Movements in the provision for impairment of accounts receivable are as follows:

	<u>2017</u>		
	<u>Individual provision</u>	<u>Group provision</u>	<u>Total</u>
At January 1	\$ 61,470	\$ 3,076	\$ 64,546
Provision for impairment	-	-	-
At December 31	<u>\$ 61,470</u>	<u>\$ 3,076</u>	<u>\$ 64,546</u>

(5) Effects of initial application of IFRS 15 and information on application of IAS 11 and IAS 18 in 2017

- A. The significant accounting policies applied on revenue recognition for the year ended December 31, 2017 are set out below.

Sales of goods

The Company manufactures and sells video display unit and computer and design of computer peripheral device products. Revenue is measured at the fair value of the consideration received

or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

- B. The revenue recognised by using above accounting policies for the year ended December 31, 2017 are as follows:

	<u>Year ended December 31, 2017</u>
Sales revenue of computer products	<u>\$ 14,131,684</u>

- C. The effects and description of current balance sheet and comprehensive income statement if the Company continues adopting above accounting policies are as follows:

		<u>December 31, 2018</u>		
		Balance by using		
<u>Balance sheet items</u>	<u>Description</u>	<u>Balance by using IFRS 15</u>	<u>previous accounting policies</u>	<u>Effects from changes in accounting policy</u>
Contract liabilities		\$ 24,382	\$ -	\$ 24,382
Other current assets				
-Advance sales receipts		-	24,382	( 24,382)

Explanation : According to IFRS 15, the advance sales receipts (previously shown as other current liabilities) related to contracts is shown as contract liabilities in the balance sheet.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.

- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 7.
- I. Trading in derivative instruments undertaken during the reporting period: As of December 31, 2018, the Company did not have open interest derivative instruments. The Company recognised net profit amounting to \$669 on derivative instruments in 2018.
- J. Significant inter-company transactions during the reporting period: Please refer to table 8.

(2) Information on investees

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

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 10.
- B. Ceiling on investments in Mainland China: Please refer to table 10.
- C. Significant transactions, price, payment term and unrealised gain or loss, either directly or indirectly through a third area, with investee companies in the Mainland Area: Significant sales (purchases), property transactions, accounts receivable (payable), provision of endorsements and guarantees from notes or provides collaterals and accommodation of funds, either directly or indirectly through a third area, with investee companies in the Mainland Area: Provided in Note13(1) A, B, E, G, H, J.

14. SEGMENT INFORMATION

None.

CLEVO CO. and Subsidiaries  
Loans to others  
For the year ended December 31, 2018

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Kapok Computer Co., Ltd.	The Company	Other current financial assets	Yes	\$ 50,000	\$ 50,000	\$ 50,000	1.04%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
2	Clevo Investment Co., Ltd.	The Company	Other current financial assets	Yes	41,000	41,000	41,000	1.04%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
3	Clevo Computer Singapore Ptd Ltd.	The Company	Other non-current financial assets	Yes	120,050	120,050	120,050	0.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	The Company	Other non-current financial assets	Yes	831,114	-	-	bank loan interest rate	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Kapok Computer (Samoa) Corporation	Other non-current financial assets	Yes	892,678	892,678	523,294	3 months LIBOR+1.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow Electronic Information (Hangzhou) Co., Ltd	Other current financial assets	Yes	138,519	138,519	138,519	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Other current financial assets	Yes	138,519	138,519	138,519	6 months LIBOR+1.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	61,564	61,564	61,564	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Other current financial assets	Yes	90,807	90,807	90,807	6 months LIBOR+1.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	92,346	92,346	92,346	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	92,346	92,346	92,346	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
4	Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Other current financial assets	Yes	200,083	200,083	200,083	6 months LIBOR+2%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
4	Clevo (Cayman Islands) Holding Company	Kunshan Kaishuo Trading Co., Ltd.	Other non-current financial assets	Yes	\$ 448,509	\$ 161,463	\$ 161,463	3.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	134,104	134,104	134,104	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	74,004	62,791	62,791	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	17,940	17,940	17,940	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	141,729	141,729	141,729	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	29,153	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	130,068	65,034	65,034	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Yingkou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	16,954	16,954	16,954	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	125,583	49,785	49,785	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	126,031	126,031	126,031	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	56,064	33,638	33,638	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	\$ 26,462	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	29,153	29,153	29,153	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	242,195	242,195	242,195	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	240,984	106,880	106,880	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	386,754	283,597	283,597	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	5,831	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	31,844	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	65,931	65,931	65,931	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd	Other current financial assets	Yes	68,308	68,308	68,308	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	309,292	207,032	207,032	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	237,082	237,082	237,082	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8



NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 41,487	\$ 41,487	\$ 41,487	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	11,437	11,437	11,437	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	44,402	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	11,661	5,158	5,158	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	157,158	152,000	152,000	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	22,650	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	50,726	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	2,243	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	32,741	32,741	32,741	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	66,469	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 130,965	\$ 130,965	\$ 130,965	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	130,068	113,921	113,921	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	115,940	115,940	115,940	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	57,813	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	116,433	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	20,183	14,801	14,801	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	91,586	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	592,032	210,799	210,799	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	406,215	406,215	406,215	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	134,956	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	559,605	559,605	559,605	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
8	Kapok Computer (Kunshan) Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	\$ 171,330	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	74,677	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	736,093	736,093	736,093	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	85,217	85,217	85,217	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	446,267	446,267	446,267	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	568,261	568,261	568,261	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	214,522	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	84,320	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	12,334	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	248,698	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	260,135	260,135	260,135	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	227,932	227,932	227,932	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	451,649	64,810	64,810	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	230,758	70,864	70,864	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	\$ 79,700	\$ 64,451	\$ 64,451	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	229,457	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	8,970	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	4,485	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	149,981	149,981	149,981	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shanghai Buynow Computer Market Management Co., Ltd.	Other current financial assets	Yes	31,396	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	146,304	146,304	146,304	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	53,238	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	105,848	43,057	43,057	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd	Other current financial assets	Yes	45,748	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	91,047	91,047	91,047	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	\$ 4,485	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	26,014	26,014	26,014	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	86,876	86,876	86,876	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	21,080	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	54,718	37,899	37,899	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	15,249	15,249	15,249	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	51,579	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
11	Buynow (Guangzhou) Corporation	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	153,910	153,910	153,910	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	158,996	103,381	103,381	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	21,892	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	13,680	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 29,153	\$ 29,153	\$ 29,153	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	136,840	136,840	136,840	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	6,189	6,189	6,189	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	17,268	17,268	17,268	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	26,955	26,955	26,955	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	7,894	7,894	7,894	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	74,004	74,004	74,004	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	2,691	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	63,688	57,006	57,006	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	129,126	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	6,728	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	\$ 136,123	\$ 136,123	\$ 136,123	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	80,732	80,732	80,732	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	255,381	255,157	255,157	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	48,215	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd	Other current financial assets	Yes	55,032	55,032	55,032	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	135,311	110,643	110,643	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	29,602	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	31,844	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	62,298	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	84,634	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	114,370	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	\$ 89,702	\$ 85,217	\$ 85,217	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Xiamen Lejing Internet Bar Co., Ltd.	Other current financial assets	Yes	897	449	449	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	121,097	35,881	35,881	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	155,812	155,812	155,812	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	37,630	36,284	36,284	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	170,653	111,899	111,899	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	143,828	143,828	143,828	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	13,455	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd	Other current financial assets	Yes	4,485	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	22,425	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	87,459	16,415	16,415	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	78,489	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	132,938	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8



NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
15	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 4,485	\$ 4,485	\$ 4,485	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	32,696	32,696	32,696	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	46,241	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	32,382	28,346	28,346	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	4,485	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	64,361	48,663	48,663	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	63,150	49,695	49,695	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	6,728	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	49,336	49,336	49,336	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	77,233	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	22,425	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	9,867	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
17	Quality Trust Property Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 4,485	\$ 4,485	\$ 4,485	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	2,243	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	58,306	38,123	38,123	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	1,794	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	19,062	13,455	13,455	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	40,814	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	36,329	36,329	36,329	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	76,605	76,605	76,605	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	8,970	8,970	8,970	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
17	Quality Trust Property Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	35,881	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
18	Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	92,346	92,346	92,346	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	108,629	108,629	108,629	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	5,382	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	\$ 216,868	\$ 9,028	\$ 9,028	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	3,140	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	120,649	120,649	120,649	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Shanghai Buynow Computer Market Management Co., Ltd.	Other current financial assets	Yes	17,940	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	31,396	31,396	31,396	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	26,911	26,911	26,911	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd	Other current financial assets	Yes	28,705	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	87,459	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	47,093	41,711	41,711	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	39,469	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	37,226	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 159,705	\$ 159,705	\$ 159,705	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	4,485	4,485	4,485	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	37,361	15,698	15,698	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Quality Trust Property Management Co., Ltd.	Other current financial assets	Yes	3,588	3,588	3,588	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	3,588	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	9,867	9,867	9,867	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	2,691	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	7,176	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	38,123	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	20,631	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	90,868	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	62,612	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	223,985	218,603	218,603	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
21	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	\$ 2,691	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	344,455	179	179	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	251,075	52,386	52,386	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	38,168	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	188,374	75,798	75,798	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	12,558	12,558	12,558	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	159,445	45,748	45,748	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	168,146	159,176	159,176	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Tianjin Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	58,306	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	82,750	35,881	35,881	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd	Other current financial assets	Yes	118,406	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	\$ 7,176	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	401,416	401,416	401,416	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	178,596	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	49,336	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	397,155	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	4,485	4,485	4,485	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	51,579	51,579	51,579	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	47,093	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Other current financial assets	Yes	20,183	20,183	20,183	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	177,610	81,629	81,629	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	154,736	154,736	154,736	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	147,559	84,768	84,768	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
23	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	\$ 265,338	\$ 188,194	\$ 188,194	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	47,800	36,329	36,329	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	154,870	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	125,941	125,941	125,941	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	116,612	116,612	116,612	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	36,329	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	74,453	74,453	74,453	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	84,275	70,820	70,820	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	14,352	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
23	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	38,123	11,213	11,213	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
24	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	22,425	22,425	22,425	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
24	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	31,396	31,396	31,396	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
24	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	\$ 499,415	\$ 499,415	\$ 499,415	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
24	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	130,068	130,068	130,068	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
24	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	25,341	25,341	25,341	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
25	Beijing Clevo Investment Management Consultant Co.,Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	222,461	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
25	Beijing Clevo Investment Management Consultant Co.,Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	227,439	227,439	227,439	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
25	Beijing Clevo Investment Management Consultant Co.,Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	179,583	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
25	Beijing Clevo Investment Management Consultant Co.,Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd	Other current financial assets	Yes	197,344	197,344	197,344	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
25	Beijing Clevo Investment Management Consultant Co.,Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	175,098	173,752	173,752	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	304,313	304,313	304,313	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	308,350	308,350	308,350	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8



NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
26	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 59,652	\$ 59,652	\$ 59,652	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	210,799	197,344	197,344	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	134,956	134,956	134,956	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	7,849	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	141,774	137,333	137,333	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	11,258	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	342,212	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd	Other current financial assets	Yes	192,769	192,769	192,769	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	210,118	210,118	210,118	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	17,043	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	337,279	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
26	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 192,410	\$ 156,530	\$ 156,530	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	29,467	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	382,489	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	257,996	246,783	246,783	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
26	Guangdong Buynow Real Estate Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	123,340	123,340	123,340	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
27	Clevo (China) Investment Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	6,728	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
27	Clevo (China) Investment Co., Ltd.	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	85,217	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
27	Clevo (China) Investment Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	8,970	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
27	Clevo (China) Investment Co., Ltd.	Shanghai Buynow Online Information Technology Co., Ltd.	Other current financial assets	Yes	10,316	10,316	10,316	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
27	Clevo (China) Investment Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	11,869	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
27	Clevo (China) Investment Co., Ltd.	Shanghai Huihei Advertisement Co., Ltd.	Other current financial assets	Yes	13,455	6,728	6,728	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
27	Clevo (China) Investment Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Other current financial assets	Yes	\$ 15,249	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
28	Suzhou Jinzuo Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	62,522	26,641	26,641	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
28	Suzhou Jinzuo Industry Co., Ltd.	Suzhou Buynow Department Store Co., Ltd.	Other current financial assets	Yes	449	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
29	Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	200,083	200,083	200,083	6 months LIBOR+2.5 %	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
30	Taizhou Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	186,131	134,553	134,553	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
30	Taizhou Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	11,213	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
31	Dezhou Buynow Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	38,123	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
31	Dezhou Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	242,195	242,195	242,195	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
32	Quanzhou Buynow Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co.,Ltd.	Other current financial assets	Yes	29,153	29,153	29,153	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
33	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	233,853	126,928	126,928	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8
33	Kunshan Kaishuo Trading Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	59,652	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2018 (Note 3)	Balance at December 31, 2018 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
33	Kunshan Kaishuo Trading Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	\$ 52,027	\$ -	\$ -	5.00%	2	\$ -	additional operating capital	\$ -	-	\$ -	\$ 16,735,937	\$ 41,839,842	Note 8
34	Shanghai Huihei Advertisement Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	6,728	-	-	5.00%	2	-	additional operating capital	-	-	-	16,735,937	41,839,842	Note 8

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during year ended December 31, 2018.

Note 4: The nature of loans :

(1)Related to business transactions is "1".

(2)short-term financing is "2".

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: According to the Company's "Procedures for Provision of Loans"

(1)the ceiling on loans granted by the Company to other shall not be more than 40% of the Company's net asstes.

(2)The limit on loans granted by the Company tp a single party shall not be more than 30% of the Company's net assets.

Note 8:According to the Subsidiaries' "Procedures for Provision of Loans"

(1)The limit on loans granted by a subsidiary to a single party in which the Company directly and indirectly holds 100%of the voting shares shall not be more than 40% of the Company's net assets.

(2)The ceiling on loans to others in which the Company directly and indirectly holds 100% of the voting shares shall not be more than 100% of the Company's net assets,and limit to other single party is 40% of the subsidiary's net assets.

Note 9: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

CLEVO CO. and Subsidiaries  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2018

Table 2

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/g uarantees secured with collateral	Ratio of accumulated endorsement/gua rantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/gua rantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	Clevo (Cayman Islands) Holding Co.	2	\$ 41,839,842	\$ 4,925,120	\$ 4,925,120	\$ 2,955,072	\$ -	11.77	\$ 83,679,684	Y	N	N	-
0	The Company	Kapok Computer (Samoa) Corporation	2	41,839,842	1,262,062	1,077,370	95,561	-	2.57	83,679,684	Y	N	N	-
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	3	41,839,842	153,910	153,910	153,910	-	0.37	83,679,684	Y	N	Y	-
0	The Company	Buynow (Xian) Industry Co., Ltd.	3	41,839,842	240,100	129,284	129,284	-	0.31	83,679,684	Y	N	Y	-
0	The Company	Tianjin Buynow Electronic Information Co., Ltd.	3	41,839,842	453,586	446,858	446,858	-	1.07	83,679,684	Y	N	Y	-
0	The Company	Shantou Buynow Mall Co., Ltd.	3	41,839,842	2,691,060	448,510	-	-	1.07	83,679,684	Y	N	Y	-
0	The Company	Buynow (Chongqing) Industry Co., Ltd.	3	41,839,842	130,824	123,128	123,128	-	0.29	83,679,684	Y	N	Y	-
0	The Company	Buynow (Chengdu) Electronic Information Co., Ltd.	3	41,839,842	430,948	400,166	400,166	-	0.96	83,679,684	Y	N	Y	-
0	The Company	Buynow Electronic Information (Hangzhou) Co., Ltd	3	41,839,842	95,424	-	-	-	0.00	83,679,684	Y	N	Y	-

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/g uarantees secured with collateral	Ratio of accumulated endorsement/gua rantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/gua rantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements /guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	Anshan Buynow Electronic Information Co., Ltd.	3	\$ 41,839,842	\$ 513,152	\$ 513,152	\$ 513,152	\$ -	1.23	\$ 83,679,684	Y	N	Y	-
0	The Company	Dezhou Buynow Electronic Information Co., Ltd.	3	41,839,842	230,865	230,865	230,865	-	0.55	83,679,684	Y	N	Y	-
0	The Company	Taizhou Buynow Electronic Information Co., Ltd.	3	41,839,842	313,957	313,957	313,957	313,957	0.75	83,679,684	Y	N	Y	-
0	The Company	Suzhou Jinzuo Industry Co., Ltd.	3	41,839,842	224,255	224,255	224,255	224,255	0.54	83,679,684	Y	N	Y	-
0	The Company	Buynow (Jinzhou) Industry Co., Ltd.	3	41,839,842	448,510	448,510	409,041	448,510	1.07	83,679,684	Y	N	Y	-
1	Clevo (Cayman Islands) Holding Co.	Zibo Buynow Electronic Information Co., Ltd.	3	41,839,842	224,255	-	-	-	0.00	41,839,842	N	N	Y	-
2	Changsha Hungyu Business Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	41,839,842	313,957	313,957	209,454	313,957	0.75	41,839,842	N	N	Y	-
3	Buynow Electronic Information (Hangzhou) Co., Ltd	Zibo Buynow Electronic Information Co., Ltd.	3	41,839,842	210,800	210,800	167,384	210,800	0.50	41,839,842	N	N	Y	-
3	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Xian) Industry Co., Ltd.	3	41,839,842	89,702	89,702	89,702	89,702	0.21	41,839,842	N	N	Y	-
4	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	41,839,842	2,242,550	2,242,550	1,273,867	2,242,550	5.36	41,839,842	N	N	Y	-

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/g uarantees secured with collateral	Ratio of accumulated endorsement/gua rantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/gua rantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
4	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	\$ 41,839,842	\$ 448,510	\$ 448,510	\$ 408,144	\$ -	1.07	\$ 41,839,842	N	N	Y	-
4	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,839,842	224,255	224,255	197,344	-	0.54	41,839,842	N	N	Y	-
5	Buynow (Zhengzhou) Electronic Information Co., Ltd.	The Company	3	41,839,842	1,785,356	-	-	-	0.00	41,839,842	N	N	N	-
5	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	41,839,842	1,614,636	1,614,636	1,614,636	1,614,636	3.86	41,839,842	N	N	Y	-
6	Buynow Electronic Information (Shenyang) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	41,839,842	897,020	897,020	125,484	-	2.14	41,839,842	N	N	Y	-
7	Buynow (Fujian) Electronic Technology development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	41,839,842	717,616	717,616	136,513	-	1.72	41,839,842	N	N	Y	-
8	Buynow (Xian) Industry Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	41,839,842	717,616	717,616	561,983	-	1.72	41,839,842	N	N	Y	-
9	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shanghai Buynow Computer Market Management Co., Ltd.	3	41,839,842	291,532	291,532	95,833	291,532	0.70	41,839,842	N	N	Y	-

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/g uarantees secured with collateral	Ratio of accumulated endorsement/gua rantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/gua rantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
10	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	\$ 41,839,842	\$ 866,844	\$ 866,844	\$ 832,524	\$ 866,844	2.07	\$ 41,839,842	N	N	Y	-
11	Daqing Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	41,839,842	627,914	-	-	-	0.00	41,839,842	N	N	Y	-
12	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	41,839,842	1,121,275	-	-	-	0.00	41,839,842	N	N	Y	-
13	Guangdong Buynow Real Estate Management Co., Ltd.	The Company	3	41,839,842	3,000,000	3,000,000	2,650,000	3,000,000	7.17	41,839,842	N	N	N	-
14	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	41,839,842	224,255	224,255	197,344	224,255	0.54	41,839,842	N	N	Y	-
15	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	3	41,839,842	672,765	-	-	-	0.00	41,839,842	N	N	Y	-
16	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	41,839,842	941,871	941,871	866,521	941,871	2.25	41,839,842	N	N	Y	-
17	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	3	41,839,842	89,702	-	-	-	0.00	41,839,842	N	N	Y	-
17	Buynow (Nanchang) Industry Co., Ltd.	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	3	41,839,842	103,157	-	-	-	0.00	41,839,842	N	N	Y	-



Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2018 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2018 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/g uarantees secured with collateral	Ratio of accumulated endorsement/gua rantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/gua rantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsement s/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
18	Taizhou Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	\$ 41,839,842	\$ 538,212	\$ 538,212	\$ 538,212	\$ 538,212	1.29	\$ 41,839,842	N	N	Y	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1)Having business relationship.

(2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed company.

(5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: In accordance with Company's procedures of endorsements and guarantees, limit on the Company's total guarantee amount is 200% of the Company's net assets, and the limit on endorsement/guarantee to a single party is 100% of the aforementioned total amount. The limit on total guarantee amount and the endorsement/guarantee to a single party of the subsidiaries owned directly or indirectly 100% voting shares by the Company are both 200% of the Company's net assets. The limit on total guarantee amount and the endorsement/guarantee to a single party of the subsidiaries owned directly or indirectly 100% voting shares by the Company are both 200% of the Company's net assets.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8 : The limit on the Company and the subsidiaries' total endorsement/guarantee amount is 300% of the Company's net assets.

Note 9 : The limit on endorsement/guarantee to a single party of the Company and the subsidiaries is 100% of the Company's net assets.

Note 10 : When the total guarantee amount of the Company and the subsidiaries reached 50% of the Company's net assets, it is necessary to explain the necessity and reasonableness at the shareholders' meeting.

Note 11 : In accordance with Article 5 of the Company's procedures of endorsements and guarantees, Due to the endorsement of the business relationship, the limit on endorsement/guarantee to a single party due to business relationship shall not exceed the limit mentioned in Note 3 and the actual sales amount between of the single enterprise and the guarantee company within the last year.

CLEVO CO. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
For the year ended December 31, 2018

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2018				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership	Fair value	
	Stocks							
The Company	AU Optronics Corp.	-	Current financial assets measured at fair value through profit or loss	1,092,989	\$ 13,444	0.01%	\$ 13,444	-
The Company	Chicony Electronics Co., Ltd.	Same chairman as the Company	Current financial assets measured at fair value through profit or loss	4,757,367	297,811	0.65%	297,811	-
The Company	Innolux Corporation	-	Current financial assets measured at fair value through profit or loss	51,219	498	0.00%	498	-
The Company	Net Publishing Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	336,000	21,403	0.80%	21,403	-
The Company	Taiwan Business Bank, Ltd.	-	Current financial assets measured at fair value through profit or loss	13,681,933	141,608	0.21%	141,608	-
The Company	Da Lue International Holding Co Ltd.	-	Current financial assets measured at fair value through profit or loss	1,783,283	19,259	4.95%	19,259	-
The Company	Sunny Optical Technology (Group) Company Limited	-	Current financial assets measured at fair value through profit or loss	20,000	5,471	0.00%	5,471	-
The Company	PING AN INSURANCE (GROUP) CO. OF CHINA, LTD.	-	Current financial assets measured at fair value through profit or loss	300,000	81,528	0.00%	81,528	-
The Company	Sanan Optoelectronics Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	160,000	8,116	0.00%	8,116	-
The Company	Boe Technology Group Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	375,000	4,423	0.00%	4,423	-
The Company	Hangzhou Hikvision Digital Technology Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	300,000	34,661	0.00%	34,661	-
The Company	ChinaAMC CSI 300 Index ETF	-	Current financial assets measured at fair value through profit or loss	200,000	27,707	0.05%	27,707	-
	Stocks							
Kapok Computer Co., Ltd.	Chicony Electronics Co., Ltd.	Same chairman as the Company	Current financial assets measured at fair value through profit or loss	40,862	2,558	0.00%	2,558	-
Kapok Computer Co., Ltd.	CLEVO CO.	The Company	Non-current financial assets measured at fair value through other comprehensive income	16,966,596	516,633	2.50%	516,633	-
	Stocks							
Clevo Investment Co., Ltd.	Chicony Electronics Co., Ltd.	Same chairman as the Company	Current financial assets measured at fair value through profit or loss	182,072	11,398	0.02%	11,398	-
Clevo Investment Co., Ltd.	CLEVO CO.	The Company	Non-current financial assets measured at fair value through other comprehensive income	10,080,669	306,956	1.48%	306,956	-
	Beneficiary certificate							
Clevo Investment Co., Ltd.	Neuberger Berman High Yield Bond Fund USD T Monthly Distributing	-	Current financial assets measured at fair value through profit or loss	48,850	14,497	-	14,497	-
	Beneficiary certificate							
Clevo (Cayman Islands) Holding Company	Greater China Multi-Strategy Fund	-	Current financial assets measured at fair value through profit or loss	124,095	214,489	-	214,489	-

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2018				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership	Fair value	
Clevo (Cayman Islands) Holding Company	UG Hidden Dragon Special Opportunity Fund	-	Current financial assets measured at fair value through profit or loss	266,378	\$ 198,380	-	\$ 198,380	-
	Stocks							
Kapok Computer (Kunshan) Co., Ltd.	Hangzhou Hikvision Digital Technology Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	857,065	99,022	0.01%	99,022	-
Kapok Computer (Kunshan) Co., Ltd.	Wangsu Science & Technology Co., Ltd	-	Current financial assets measured at fair value through profit or loss	617,667	21,691	0.03%	21,691	-
Kapok Computer (Kunshan) Co., Ltd.	East Money Information Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	1,926,997	104,577	0.05%	104,577	-
	Beneficiary certificate							
Beijing Kaiye Electronic Technology Co., Ltd.	CR Yuanta Cash Income Money Market Fund A	-	Current financial assets measured at fair value through profit or loss	112,571	449	-	449	-

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

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

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

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

Table 3

CLEVO CO. and Subsidiaries  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
For the year ended December 31, 2018

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities ( Note 1 )	General ledger account	Counterparty ( Note 2 )	Relationship with the investor (Note 2)	Balance as at January 1,2018		Addition ( Note 3 )		Disposal ( Note 3 )				Balance as at December 31, 2018	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Clevo (Cayman Islands) Holding Co.	Buynow (Wuhan) Corporation	Investment accounted for under equity method	Chicony Industry (Wuhan) Co.,Ltd.	The Company as the ultimate parent company	15,000,000	\$ 1,053,115	-	\$ -	15,000,000	\$ 2,013,423	\$ 1,068,447	\$ 944,976	-	\$ -

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

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

CLEVO CO. and Subsidiaries  
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more  
For the year ended December 31, 2018

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Buynow (Xian) Industry Co., Ltd.	Construction in Progress 、 Prepayments and Land Use Right	2005~ Fourth Quarter of 2018	\$ 1,122,247	\$ 654,052	Xi'an Xinxiaozhai Old Village Reconstruction and Construction Development Co., Ltd. etc.	-	-	-	-	\$ -	mutual agreement	department store ; under construction	-
Shantou Buynow Mall Co., Ltd.	Buildings and Land Held for Sale 、 Construction in Progress and Land Use Right	Second Quarter of 2011~ Fourth Quarter of 2018	5,051,901	4,864,242	Bureau of Land Resources and Housing Administration of Shantou City etc.	-	-	-	-	-	mutual agreement	department store ; under construction	-
Yingkou Buynow Electronic Information Co., Ltd.	Construction in Progress and Land Use Right	Second Quarter of 2011~ Fourth Quarter of 2018	762,122	743,882	Bureau of Land and Resources of Yingkou City etc.	-	-	-	-	-	mutual agreement	department store ; under construction	-
Anshan Buynow Electronic Information Co., Ltd.	Buildings and Land Held for Sale 、 Construction in Progress and Land Use Right	Second Quarter of 2011~ Fourth Quarter of 2018	3,111,806	2,903,176	Bureau of Land and Resources of Anshan City etc.	-	-	-	-	-	mutual agreement	department store ; under construction	-
Guiyang Buynow Electronic Information Co., Ltd.	Construction in Progress and Land Use Right	Fourth Quarter of 2011~ Fourth Quarter of 2018	1,434,977	1,362,851	Guiyang Municipal Bureau of Land and Resources etc.	-	-	-	-	-	mutual agreement	department store ; under construction	-
Buynow (Jinzhou) Industry Co., Ltd.	Buildings and Land Held for Sale 、 Construction in Progress and Land Use Right	Second Quarter of 2013~ Fourth Quarter of 2018	1,776,878	1,764,355	Jinzhou Municipal Bureau of Land and Resources etc.	-	-	-	-	-	mutual agreement	department store ; under construction	-

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

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

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

CLEVO CO. and Subsidiaries  
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more  
For the year ended December 31, 2018

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases(sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
The Company	Kapok Computer (Kunshan) Co., Ltd.	The Company as the ultimate parent company	Purchases	\$ 11,011,330	66.72%	Open account 30 days and offset between creditor's rights and debt obligation. Prepayment is allowed when there is fund demand.	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions.	1~5 months for normal customers due to fund demands.	\$ -	-	-
The Company	Kapok Computer (Kunshan) Co., Ltd.	The Company as the ultimate parent company	Sales	( 3,156,793)	17.82%	180 days	The goods are not sold to other customers, so the prices cannot be compared.	1~2 months for normal customers due to fund demands.	818,974	36.60%	-
Kapok Computer (Kunshan) Co., Ltd.	The Company	The Company as the ultimate parent company	Sales	( 11,011,330)	100.00%	Open Account 30 Days	It is the only customer, so the price cannot be compared.	-	-	-	-
Kapok Computer (Kunshan) Co., Ltd.	The Company	The Company as the ultimate parent company	Purchases	3,156,793	30.61%	180 days	It is the only customer, so the price cannot be compared.	-	( 818,974)	29.40%	-
Kapok Computer (Samoa) Corporation	Kapok Computer (Kunshan) Co., Ltd.	The Company as a subsidiary	Sales	( 955,192)	100.00%	Open Account 180 Days	It is the only customer, so the price cannot be compared.	-	538,342	100.00%	-
Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	The Company as a subsidiary	Purchases	955,192	9.31%	180 days	It is the only customer, so the price cannot be compared.	-	( 538,342)	19.32%	-

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

CLEVO CO. and Subsidiaries  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 December 31,2018

Table 7

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2018 ( Note 1 )	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
The Company	Kapok Computer (Kunshan) Co., Ltd.	The transaction object is a subsidiary of the company.	\$ 818,974	4.66	\$ -	Change into other current financial assets	\$ 1,230	\$ -
Kapok Computer (Samoa) Corporation	Kapok Computer (Kunshan) Co., Ltd.	The transaction object is a subsidiary of the company	538,342	19.56	-	Change into other current financial assets	40,037	-
Clevo (Cayman Islands) Holding Co.	Chicony Square (Wuhan) Inc.	The transaction object is the affiliate of the company	961,722	-	-	Change into other current financial assets	-	-

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties....

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

CLEVO CO. and Subsidiaries  
Significant inter-company transactions during the reporting period  
For the year ended December 31, 2018

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

NO. ( Note 1 )	Company name	Counterparty	Relationship ( Note 2 )	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	1	Purchases	\$ 11,011,330	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions. The payment period is open account 30 days.	55.62%
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	1	Sales	3,156,793	It is the only customer, so the price cannot be compared. The payment period is 180 days.	15.95%
001	Kapok Computer Co., Ltd.	The Company	2	Other current financial assets	50,000	1.04%	0.04%
003	Clevo Computer Singapore Ptd Ltd.	The Company	3	Other non-current financial assets	120,050	-	0.11%
009	Clevo (Cayman Islands) Holding Company	Kapok Computer (Samoa) Corporation	3	Other non-current financial assets	523,294	3 months LIBOR+1.5%	0.47%
009	Clevo (Cayman Islands) Holding Company	Buynow Electronic Information (Hangzhou) Co., Ltd	3	Other current financial assets	138,519	6 months LIBOR+2.5%	0.12%
009	Clevo (Cayman Islands) Holding Company	Buynow(Guangzhou) Corporation	3	Other current financial assets	138,519	6 months LIBOR+1.5%	0.12%
009	Clevo (Cayman Islands) Holding Company	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	61,564	6 months LIBOR+2.5%	0.05%
009	Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	3	Other current financial assets	90,807	6 months LIBOR+1.5%	0.08%
009	Clevo (Cayman Islands) Holding Company	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	92,346	6 months LIBOR+2.5%	0.08%
009	Clevo (Cayman Islands) Holding Company	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	92,346	6 months LIBOR+2.5%	0.08%
009	Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	3	Other current financial assets	200,083	6 months LIBOR+2%	0.18%
009	Clevo (Cayman Islands) Holding Company	Kunshan Kaishuo Trading Co., Ltd.	3	Other non-current financial assets	161,463	3.00%	0.14%
020	Buynow Electronic Information (Hangzhou) Co., Ltd	Changsha Hungyu Business Management Co., Ltd.	3	Other current financial assets	134,104	5%	0.12%
020	Buynow Electronic Information (Hangzhou) Co., Ltd	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	62,791	5%	0.06%



NO. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
020	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	\$ 141,729	5%	0.13%
020	Buynow Electronic Information (Hangzhou) Co., Ltd	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	65,034	5%	0.06%
020	Buynow Electronic Information (Hangzhou) Co., Ltd	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	126,031	5%	0.11%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	242,195	5%	0.22%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other current financial assets	106,880	5%	0.10%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	3	Other current financial assets	283,597	5%	0.25%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	65,931	5%	0.06%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd	3	Other current financial assets	68,308	5%	0.06%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	207,032	5%	0.18%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	237,082	5%	0.21%
023	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Non-operating Receivables-Related Parties	95,577	-	0.08%
025	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	152,000	5%	0.14%
025	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	130,965	5%	0.12%
025	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	113,921	5%	0.10%
025	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	115,940	5%	0.10%
026	Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	3	Purchases	955,192	The goods are not sold to other customers, so the prices cannot be compared.	4.83%
026	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other current financial assets	210,799	5%	0.19%
026	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	406,215	5%	0.36%
026	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	559,605	5%	0.50%

NO. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
026	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	\$ 736,093	5%	0.65%
026	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	85,217	5%	0.08%
026	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	446,267	5%	0.40%
026	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	568,261	5%	0.51%
026	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Non-operating Receivables-Related Parties	227,249	-	0.20%
026	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Non-operating Receivables-Related Parties	76,784	-	0.07%
026	Kapok Computer (Kunshan) Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Non-operating Receivables-Related Parties	150,064	-	0.13%
026	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Non-operating Receivables-Related Parties	158,968	-	0.14%
026	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	113,353	-	0.10%
026	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	74,743	-	0.07%
026	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	51,689	-	0.05%
026	Kapok Computer (Kunshan) Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	3	Non-operating Receivables-Related Parties	57,164	-	0.05%
026	Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	3	Accounts Payable-Related Parties	538,342	-	0.48%
026	Kapok Computer (Kunshan) Co., Ltd.	The Company	2	Accounts Payable-Related Parties	818,974	-	0.73%
028	Buynow (Nanchang) Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other current financial assets	260,135	5%	0.23%
028	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	227,932	5%	0.20%
028	Buynow (Nanchang) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	64,810	5%	0.06%
028	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other current financial assets	70,864	5%	0.06%

NO. ( Note 1 )	Company name	Counterparty	Relationship ( Note 2 )	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
029	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other current financial assets	\$ 64,451	5%	0.06%
029	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	149,981	5%	0.13%
029	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	3	Other current financial assets	146,304	5%	0.13%
029	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	91,047	5%	0.08%
029	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	86,876	5%	0.08%
037	Buynow (Guangzhou) Corporation	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other current financial assets	153,910	6 months LIBOR+2.5%	0.14%
040	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other current financial assets	103,381	5%	0.09%
040	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	136,840	5%	0.12%
040	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	66,771	-	0.06%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	74,004	5%	0.07%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other current financial assets	57,006	5%	0.05%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	136,123	5%	0.12%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	3	Other current financial assets	80,732	5%	0.07%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	255,157	5%	0.23%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other current financial assets	55,032	5%	0.05%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	110,643	5%	0.10%
042	Buynow (Fujian) Electronic Technology development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	Other current financial assets	85,217	5%	0.08%
048	Buynow (Changchun) Industry Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	155,812	5%	0.14%
048	Buynow (Changchun) Industry Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	111,899	5%	0.10%
048	Buynow (Changchun) Industry Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	143,828	5%	0.13%

NO. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
053	Quality Trust Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	\$ 76,605	5%	0.07%
056	Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	92,346	6 months LIBOR+2.5%	0.08%
060	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	108,629	5%	0.10%
060	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	120,649	5%	0.11%
060	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	159,705	5%	0.14%
065	Buynow (Chongqing) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	218,603	5%	0.19%
065	Buynow (Chongqing) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	66,731	-	0.06%
068	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other current financial assets	52,386	5%	0.05%
068	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	3	Other current financial assets	75,798	5%	0.07%
068	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	159,176	5%	0.14%
068	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	401,416	5%	0.36%
068	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	Other current financial assets	51,579	5%	0.05%
068	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Non-operating Receivables-Related Parties	67,148	-	0.06%
077	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	81,629	5%	0.07%
077	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	3	Other current financial assets	154,736	5%	0.14%
077	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	84,768	5%	0.08%
077	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other current financial assets	188,194	5%	0.17%
077	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	125,941	5%	0.11%
077	Tianjin Buynow Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	116,612	5%	0.10%
077	Tianjin Buynow Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	74,453	5%	0.07%

NO. ( Note 1 )	Company name	Counterparty	Relationship ( Note 2 )	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
077	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	\$ 70,820	5%	0.06%
077	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	54,418	-	0.05%
082	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	499,415	5%	0.44%
082	Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	130,068	5%	0.12%
084	Beijing Clevo Investment Management Consultant Co.,Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other current financial assets	227,439	5%	0.20%
084	Beijing Clevo Investment Management Consultant Co.,Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd	3	Other current financial assets	197,344	5%	0.18%
084	Beijing Clevo Investment Management Consultant Co.,Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	173,752	5%	0.15%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	304,313	5%	0.27%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other current financial assets	308,350	5%	0.27%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	3	Other current financial assets	59,652	5%	0.05%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	3	Other current financial assets	197,344	5%	0.18%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other current financial assets	134,956	5%	0.12%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	137,333	5%	0.12%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd	3	Other current financial assets	192,769	5%	0.17%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	210,118	5%	0.19%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	156,530	5%	0.14%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	246,783	5%	0.22%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	Other current financial assets	123,340	5%	0.11%
086	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	52,059	-	0.05%

NO. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
086	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Non-operating Receivables-Related Parties	\$ 89,000	-	0.08%
098	Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	200,083	6 months LIBOR+2.5%	0.18%
099	Taizhou Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	134,553	5%	0.12%
101	Dezhou Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	242,195	5%	0.22%
110	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	126,928	0.05	0.11%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction:

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

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

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

CLEVO CO. and Subsidiaries  
Information on investees  
For the year ended December 31, 2018

Table 9

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2(3))	Footnote
				Balance at December 31, 2018	Balance at December 31, 2017	Number of shares	Ownership (%)	Book value			
The Company	Clevo Computer Singapore Pte Ltd.	Singapore	Management and advisory of computers	\$ 529,638	\$ 529,638	27,544,070	100.00	\$ 7,635,730	\$ 124,875	\$ 124,875	The subsidiary of the Company
The Company	Clevo (Cayman Islands) Holding Company	Cayman Islands	Investment	11,329,649	12,765,084	220,730,000	100.00	40,033,064	1,691,900	1,691,900	The subsidiary of the Company
The Company	Kapok Computer (Samoa) Corporation	Samoa	Investment	232,643	232,643	7,000,000	100.00	1,047,215	( 203,174)	( 203,161)	The subsidiary of the Company
The Company	Buynow On-Line Holding Corporation	Samoa	Investment	35,513	35,513	1,100,000	100.00	( 5,929)	( 4,426)	( 4,426)	The subsidiary of the Company
The Company	Clevo Investment Co., Ltd.	Taiwan	Investment	140,000	140,000	14,000,000	100.00	67,982	6,814	( 1,665)	The subsidiary of the Company
The Company	Kapok Computer Co., Ltd.	Taiwan	Design and sale of computers and computer peripherals	80,000	80,000	8,000,000	100.00	53,576	14,279	8	The subsidiary of the Company
The Company	Lunaria Investment Gk	Japan	Investment	1,172,094	1,196,654	-	98.99	1,694,435	144,039	142,584	The subsidiary of the Company
Clevo Computer Singapore Pte Ltd.	Buynow (Chengdu) Corporation	Samoa	Investment	278,468	278,468	7,000,000	100.00	3,514,525	83,968	83,968	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Global Corporation	British Virgin Islands	Investment	118,490	118,490	2,600,000	100.00	848,998	42,675	42,675	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Hangzhou) Corporation	British Virgin Islands	Investment	173,107	173,107	5,000,000	100.00	3,205,507	338,138	338,138	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2(3))	Footnote
				Balance at December 31, 2018	Balance at December 31, 2017	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Zhengzhou) Corporation	Samoa	Investment	\$ 103,185	\$ 103,185	3,000,000	100.00	\$ 3,175,913	\$ 67,704	\$ 67,704	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Group (Changsha) Corporation	British Virgin Islands	Investment	136,180	136,180	4,000,000	100.00	226,436	5,267	5,267	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Nanchang) Corporation	Samoa	Investment	104,484	104,484	3,000,000	100.00	2,031,979	720,965	720,965	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Samoa	Investment	161,745	161,745	5,000,000	100.00	2,403,408	47,291	47,291	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Flying Wolf Investment Limited	British Virgin Islands	Investment	96,141	96,141	3,000,000	100.00	3,079,924	( 4)	( 4)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Xiamen) Corporation	Samoa	Investment	95,502	95,502	3,000,000	100.00	1,869,588	41,295	41,295	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Group (Xian) Corporation	Samoa	Investment	96,543	96,543	3,000,000	100.00	766,928	32,784	32,784	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Changchun) Corporation	Samoa	Investment	64,064	64,064	2,000,000	100.00	2,857,581	109,389	109,389	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Wuhan) Corporation	Samoa	Investment	-	448,211	-	0.00	-	16,528	16,528	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Group (Qingdao) Corporation	Samoa	Investment	115,648	115,648	3,500,000	100.00	117,432	3,117	3,117	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Chongqing) Limited	Hong Kong	Investment	169,140	169,140	5,000,000	100.00	1,094,930	8,462	8,462	The Company as the ultimate parent company



Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2(3))	Footnote
				Balance at December 31, 2018	Balance at December 31, 2017	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Flying International Investment Limited	Samoa	Investment	\$ 178,968	\$ 178,968	3,000,000	100.00	\$ 2,374,832	(\$ 42,517)	(\$ 42,517)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Samoa	Investment	64,054	64,054	2,000,000	100.00	1,216,613	41,214	41,214	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Samoa	Investment	99,012	99,012	3,000,000	100.00	188,597	( 135,096)	( 135,096)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Daqing) Corporation	Samoa	Investment	96,894	96,894	3,000,000	100.00	( 48,120)	8,321	8,321	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Zibo) Corporation	Samoa	Investment	95,805	95,805	3,000,000	100.00	( 91,558)	( 19,958)	( 19,958)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Beijing) Corporation	Samoa	Investment	244,256	244,256	6,000,000	100.00	1,701,741	65,837	65,837	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Skill Develop International Limited	Samoa	Investment	581,916	581,916	9,350,000	100.00	5,142,994	139,037	139,037	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Yancheng) Corporation	Samoa	Investment	931,920	931,920	31,500,000	100.00	759,909	6	6	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Huizhou) Corporation	Samoa	Investment	200,737	200,737	1,500,000	100.00	( 58,539)	( 2,446)	( 2,446)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Yingkou) Corporation	Samoa	Investment	434,082	434,082	15,000,000	100.00	427,164	( 383)	( 383)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Anshan) Corporation	Samoa	Investment	1,119,393	1,119,393	38,000,000	100.00	1,244,161	( 2,664)	( 2,664)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2(3))	Footnote
				Balance at December 31, 2018	Balance at December 31, 2017	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Guiyang) Corporation	Samoa	Investment	\$ 301,236	\$ 240,132	10,000,000	100.00	\$ 269,436	(\$ 319)	(\$ 319)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Chicony Industry (Wuhan) Co.,Ltd.	British Virgin Islands	Investment	123,204	123,204	3,600,000	30.00	2,482,778	( 87,046)	( 26,167)	Investment accounted for under equity method
Clevo (Cayman Islands) Holding Company	Chicony Square (Cayman) Inc.	Cayman Islands	Investment	86,886	86,886	3,000,000	30.00	( 48,753)	( 1,865)	( 560)	Investment accounted for under equity method
Clevo (Cayman Islands) Holding Company	Chicony Chengdu International Inc.	British Virgin Islands	Investment	362,866	362,866	1,500,000	3.75	35,440	70,978	2,662	Investment accounted for under equity method
Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Samoa	Investment	505,786	505,786	17,000,000	100.00	322,278	( 22,517)	( 22,517)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Smarter Capital Limited	Samoa	Investment	1,013,693	1,013,693	14,900,000	100.00	974,878	12,119	12,119	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Dezhou) Corporation	Samoa	Investment	881,914	881,914	30,000,000	100.00	762,415	( 161,906)	( 161,906)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Luoyang) Corporation	Samoa	Investment	894,346	894,346	30,000,000	100.00	535,328	( 18,896)	( 18,896)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Fujian Quanzhou) Corporation	Samoa	Investment	446,195	446,195	15,000,000	100.00	471,923	( 2,205)	( 2,205)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Jinzhou) Corporation	Samoa	Investment	448,081	448,081	15,000,000	100.00	422,905	( 9,956)	( 9,956)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at December 31, 2018			Net profit (loss) of the investee for the year ended December 31, 2018 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2(3))	Footnote
				Balance at December 31, 2018	Balance at December 31, 2017	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Shantou) Corporation	Samoa	Investment	\$ 578,224	\$ 578,224	19,200,000	100.00	\$ 930,960	(\$ 78,561)	(\$ 78,561)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Clevo(Hk) Investment Holding Limited	Hong Kong	Investment	3,138	3,138	100,000	100.00	3,293	( 3)	( 3)	The Company as the ultimate parent company
Clevo (Hk)Investment Holding Limited	Clevo Japan Gk	Japan	Investment	2,817	2,817	-	100.00	3,639	124	124	The Company as the ultimate parent company
Skill Develop International Limited	Well Asia Investment Limited	Hong Kong	Investment	277,817	277,817	9,200,000	100.00	5,142,994	139,037	139,037	The Company as the ultimate parent company
Smarter Capital Limited	Buynow SZ. Corporation	Samoa	Investment	452,081	452,081	14,900,000	100.00	974,878	12,119	12,119	The Company as the ultimate parent company
Buynow On-Line Holding Corporation	Buynow On-Line Limited	Hong Kong	Investment	35,483	35,483	1,100,000	100.00	( 5,929)	( 4,426)	( 4,426)	The Company as the ultimate parent company

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at June 30, 2015' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2)The 'Net profit (loss) of the investee for the six-month period ended June 30, 2015' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the six-month period ended June 30, 2015' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: Prepaid long-term investment funds is included.

CLEVO CO. and Subsidiaries  
Information on investments in Mainland China  
For the year ended December 31, 2018

Table 10

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee as of December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Buynow (Chengdu) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings.	\$ 278,468	2	\$ 278,468	-	-	\$ 278,468	\$ 83,968	100	\$ 83,968	\$ 3,514,525	-	-
Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for relating electronics	58,159	2	37,522	-	-	37,522	( 15,168)	100	( 15,168)	1,961,912	-	-
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for relating electronics	69,491	2	-	-	-	-	50,639	100	50,639	2,117,803	-	-
Kapok Computer (Kunshan) Co., Ltd.	Manufacturing, sale, research and development and maintenance service of computer, notebook, tablet, information and communication products and computer components	238,599	2	238,599	-	-	238,599	( 175,679)	100	( 175,679)	1,219,226	-	-
Kunshan Kaiming Trading Co., Ltd.	Provide market management services for operators of laptop computer, tablet, desktop computer, palmtop computer, information and communication products and computer component.	17,746	3	-	-	-	-	( 2,615)	100	( 2,615)	1,261	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1,2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Net income of investee as of December 31,2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31,2018 ( Note 2 )	Book value of investments in Mainland China as of December 31,2018	Accumulated amount of investment income remitted back to Taiwan as of December 31,2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chicony Industry (Wuhan) Co.,Ltd.	Development, production and sales of computer software and hardware, electronic products ; sales services, non-staple food, ; coffee shop operations ; venue rental	\$ 1,927,049	2 CHICONY SQUARE (WUHAN)INC.	\$ 526,552	-	-	\$ 526,552	\$ 181,977	30	\$ 54,593	\$ 1,040,452	-	-
Wuhan Qunbai Industry Co., Ltd.	Development and sales of computer software,hardware and electronic products; sales services	58,904	3	-	-	-	-	6,404	30	1,921	638,347	-	-
Chicony Square (Wuhan) Management Co., Ltd.	Sales of service and non-staple food;cafe operation;venue rental	14,414	3	-	-	-	-	8,062	25	2,015	27,628	-	-
Qunguang Industrial (Xi'An) Co., Ltd.	Development of computer software and hardware, electronic products	4,053,756	3	-	-	-	-	( 946,123)	30	( 283,837)	775,426	-	-
Buynow Electronic Information (Hangzhou) Co., Ltd	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings.	198,848	2	198,848	-	-	198,848	338,138	100	338,138	3,205,507	-	-
Shanghai Buynow Electronic Information Co., Ltd.	Rental of the display venues of computer and related electronic product ; information consultation ; maintenance services ; property management	521,418	2.3	56,778	-	-	56,778	59,012	100	59,012	2,923,677	-	-
Quality Trust Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	24,975	2	21,645	-	-	21,645	21,270	100	21,270	193,561	-	-
Wuxi Quntai Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	2,402	3	-	-	-	-	3,036	100	3,036	19,670	-	-
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products.	504,484	3	-	-	-	-	74,618	100	74,618	4,642,577	-	-
Shanghai Buynow Computer Market Management Co., Ltd.	Market management services	173,902	3	-	-	-	-	59,857	100	59,857	-	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1,2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Net income of investee as of December 31,2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31,2018 ( Note 2 )	Book value of investments in Mainland China as of December 31,2018	Accumulated amount of investment income remitted back to Taiwan as of December 31,2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
SHANGHAI RESTAURANT MANAGEMENT CO., LTD.	Catering business management, sale of daily appliance, clothing, shoes and hats, and electronic products.	\$ 472	3	\$ -	-	-	\$ -	\$ 1,145	100	\$ 1,145	\$ -	-	-
Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic and daily appliance.	231,961	3	-	-	-	-	1,274	100	1,274	( 307,569)	-	-
Changzhou Jiuzhou Buynow Computer Mall Co., Ltd.	Leasing of facility, market management service, sale of computer and computer peripherals, electronic products, digital products, internet technology service, information advisory service, maintenance of computer and computer peripherals.	152,885	3	-	-	-	-	2,435	100	2,435	-	-	-
Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings.	119,297	2	119,297	-	-	119,297	720,965	100	720,965	2,031,979	-	-
Changsha Hungyu Business Management Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings.	119,297	2	119,297	-	-	119,297	5,267	100	5,267	226,436	-	-
Buynow (Zhengzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products.	119,123	2	119,123	-	-	119,123	67,704	100	67,704	3,175,913	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1,2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Net income of investee as of December 31,2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31,2018 ( Note 2 )	Book value of investments in Mainland China as of December 31,2018	Accumulated amount of investment income remitted back to Taiwan as of December 31,2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Buynow(Guangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products.	\$ 198,670	2	\$ 198,670	-	-	\$ 198,670	\$ 46,573	100	\$ 46,573	\$ 2,340,694	-	-
Tianjin Buynow Electronic Information Co., Ltd.	Development,production and sales of computer hardware and software and electronic digital technology products	224,794	2	206,061	-	-	206,061	( 48,691)	100	( 48,691)	2,365,453	-	-
Beijing Clevo Investment Management Consultant Co.,Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management.	305,459	2	314,567	-	-	314,567	74,615	100	74,615	2,239,134	-	-
Buynow (Yancheng) Electronoc Information Technology Development Co. Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management.	942,511	2	942,511	-	-	942,511	5	100	5	759,909	-	-
Buynow (Xian) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products.	116,528	2	116,528	-	-	116,528	32,784	100	32,784	766,928	-	-
Buynow (Fujian) Electronic Technology development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products.	119,117	2	119,117	-	-	119,117	41,295	100	41,295	1,869,588	-	-
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Developing and manufacturing computers, hardware, electronic products ; production and sales of cosmetics and daily necessities ; rental business	2,291,275	2 CHICONY CHENGDU INTERNATIO NAL INC.	687,382	-	-	687,382	70,978	30	21,293	283,507	-	-
Buynow Electronic Information (Shenyang) Co., Ltd.	Research and development of computers and computer peripherals and electronic products, and advisory of economic information	119,298	2	119,298	-	-	119,298	( 21,886)	100	( 21,886)	2,445,761	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee as of December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Guangdong Buynow Real Estate Management Co., Ltd.	Self-owned property management and leasing. manufacturing, sale, research and development of computer software and hardware and digital products.	\$ 442,167	2.3	\$ 363,300	-	-	\$ 363,300	\$ 214,084	100	\$ 214,084	\$ 7,910,979	-	-
Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings.	81,539	2	77,656	-	-	77,656	114,856	100	114,856	3,000,400	-	-
Buynow (Wuhan) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products, and property management of buildings.	468,580	2 BUYNOW (WUHAN) CORPORATI ON	468,580	-	( 468,580)	-	( 130,378)	30	( 27,543)	272,926	-	註4
Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals. Display, advisory and after-sales service of digital products. Property management of self-owned buildings.	551,402	2.3	133,021	-	-	133,021	15,139	100	15,139	570,336	-	-
Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	106,622	2	76,158	-	-	76,158	57,698	100	57,698	1,703,224	-	-
Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management.	2,454	3	-	-	-	-	19	100	19	2,397	-	-
Buynow (Harbin) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products.	111,364	2	111,364	-	-	111,364	( 135,421)	100	( 135,421)	185,455	-	-



Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1,2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Net income of investee as of December 31,2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31,2018 ( Note 2 )	Book value of investments in Mainland China as of December 31,2018	Accumulated amount of investment income remitted back to Taiwan as of December 31,2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Buynow (Chongqing) Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals(not including electronic publishing), shopping mall management, wholesale and retail of electronic products, property management and parking lot service.	\$ 164,167	2	\$ 164,167	-	-	\$ 164,167	\$ 8,462	100	\$ 8,462	\$ 1,094,928	-	-
Shanghai Buynow Online Information Technology Co., Ltd.	Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products. Development, technology transfer, advisory, service and training of Internet, computer software and hardware and communication equipment.	32,630	2	32,630	-	-	32,630	( 4,507)	100	( 4,507)	( 8,890)	-	-
Daqing Buynow Electronic Information Co., Ltd.	Manufacturing, retail and wholesale of computers and computer peripherals, and electronic information shopping mall management.	98,158	2	98,158	-	-	98,158	8,321	100	8,321	( 48,120)	-	-
Buynow Electronic Information (Huizhou) Co., Ltd	Manufacturing, sale, research and development and after-sales service of computers and computer peripherals. Property management of buildings.	120,115	2.3	211,996	-	-	211,996	( 6,116)	100	( 6,116)	( 146,348)	-	-
Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service.	574,562	2	574,562	-	-	574,562	( 78,561)	100	( 78,561)	930,960	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2018	Net income of investee as of December 31, 2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2018 (Note 2)	Book value of investments in Mainland China as of December 31, 2018	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Zibo Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products. Advisory of business management, leasing of self-owned buildings, parking lot management, shopping mall management and property management.	\$ 98,012	2	\$ 98,012	-	-	\$ 98,012	(\$ 19,958)	100	(\$ 19,958)	(\$ 91,558)	-	-
Yingkou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management.	464,194	2	464,194	-	-	464,194	( 383)	100	( 383)	427,163	-	-
Anshan Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management.	1,150,017	2	1,150,017	-	-	1,150,017	( 2,664)	100	( 2,664)	1,244,161	-	-
Clevo (China) Investment Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service.	897,135	2	897,135	-	-	897,135	( 44,879)	100	( 44,879)	2,565,508	-	-
Guiyang Buynow Electronic Information Co., Ltd.	Research and development of computers and computer peripherals and electronic products, and advisory service of business management.	303,271	2	241,587	61,684	-	303,271	( 319)	100	( 319)	269,435	-	-
Taizhou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management.	507,871	2	507,871	-	-	507,871	( 22,062)	100	( 22,062)	322,943	-	-
Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	480,460	2	1,008,954	-	-	1,008,954	12,119	100	12,119	974,878	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1,2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Net income of investee as of December 31,2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31,2018 ( Note 2 )	Book value of investments in Mainland China as of December 31,2018	Accumulated amount of investment income remitted back to Taiwan as of December 31,2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Suzhou Buynow Department Store Co., Ltd.	Wholesale and retail of daily goods, office supplies, shoes, hats and bags, household appliance, sporting goods, hardware electronic, watch and the first-class medical device.	\$ 519	3	\$ -	-	-	\$ -	\$ 1,615	100	\$ 1,615	\$ 169	-	-
Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products. Advisory service of business management and shopping mall management.	881,914	2	881,914	-	-	881,914	( 161,906)	100	( 161,906)	762,415	-	-
Luoyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products. Advisory service of business management and shopping mall management.	893,922	2	893,922	-	-	893,922	( 18,896)	100	( 18,896)	535,328	-	-
Quanzhou Buynow Industry Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products. Advisory service of business management and shopping mall management.	446,195	2	446,195	-	-	446,195	( 2,205)	100	( 2,205)	471,923	-	-
Buynow (Jinzhou) Industry Co., Ltd.	Manufacturing of computer software and hardware and consumer electronic products, advisory of business management and shopping mall management.	448,342	2	448,342	-	-	448,342	( 9,956)	100	( 9,956)	422,905	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method ( Note 1 )	Accumulated amount of remittance from Taiwan to Mainland China as of January 1,2018	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2018		Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Net income of investee as of December 31,2018	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31,2018 ( Note 2 )	Book value of investments in Mainland China as of December 31,2018	Accumulated amount of investment income remitted back to Taiwan as of December 31,2018	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Kunshan Kaishuo Trading Co., Ltd.	Mechanical equipment and accessories, wire and cable, air conditioning equipment, building and decoration material, lighting equipment, Kitchen appliance, water cleaner, pipeline and accessories, fire safety equipment, compressor and accessories, wholesale of elevators and appliances, import and export and advisory services	\$ 30,198	2	\$ 30,198	-	-	\$ 30,198	\$ 111	100	\$ 111	\$ 28,381	-	-
Shanghai Huihei Advertisement Co., Ltd.	Advertising design and marketing	4,850	3	-	-	-	-	639	100	639	5,474	-	-
Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	22,884	3	-	-	-	-	( 8,117)	100	( 8,117)	( 13,370)	-	-
Xiamen Lejing Internet Bar Co., Ltd.	Internet café and internet message service	465	3	-	-	-	-	( 525)	100	( 525)	( 3,815)	-	-

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2018' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements that are audited and attested by R.O.C. parent company's CPA.
  - C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: Buynow (Wuhan) Corporation was sold on March 31, 2007. However, the Company still indirectly holds 30% of the shares after the sale.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31,2018	Investment amount approvedby the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
CLEVO CO.	\$ 13,393,300 (USD 421,680 thousand of USD)	\$ 15,192,549 (USD 466,227 thousand of USD)	\$25,103,905

Note 1: According to the amended regulation, “The Principle of Investment and Technical Cooperation in China”, issued by Ministry of Economic Affairs on August 29, 2008(No. 09704604680), the investor can only make an investment toward China up to 60% of its individual or consolidated net worth, whichever is larger. The ultimate limit of investment is 60% of the consolidated net worth. (41,839,842 x 60% = 25,103,905)

Note 2: It has been liquidated as of December 31, 2018, and has been approved to invest US\$4,120,000 by the Ministry of Economic Affairs.

Note 3: As of December 31, 2018,the capital increased by the earnings extension has been approved by the Ministry of Economic Affairs for an investment of US\$9,750,000.

Note 4: Guiyang Buynow Electronic Information Co., Ltd. has been approved by the Ministry of Economic Affairs for an investment of US\$10,000,000. However, it remains unremitted until December 31, 2018.

CLEVO CO.  
Details of Cash and cash equivalents  
For the year ended December 31, 2018  
(Expressed in thousands of  
New Taiwan dollars)

Table 1

Items	Note	Amount
Cash on hand and petty cash		\$ 166
Deposit		
Check deposits		12,732
Demand deposits		99,863
Foreign exchange deposits	USD 54,026 in thousands, rate 30.782	1,663,042
	JPY 139,333 in thousands, rate 0.2777	38,693
	other currency	13,880
Cash equivalents		
Time deposits	USD 53,489 in thousands, rate 30.782	1,651,318
	RNB 288,909 in thousands, rate 4.4851	1,295,786
		<u>\$ 4,775,480</u>

CLEVO CO.  
DETAILS OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS-FLOW  
DECEMBER 31, 2018

Table 2 (Expressed in thousands of New Taiwan dollars)

Financial instrument name	Summary	Number of shares	Book value	Gross amount	Interest rate	Acquisition cost	Fair value		Remark
							unit price	Gross amount	
<u>Marketable securities</u>									
Taiwan Business Bank, Ltd.		13,681,933				\$100,783	\$ 10.35	\$ 141,608	
Chicony Electronics Co., Ltd.		4,757,367				209,993	62.6	297,811	
Da Lue International Holding Co Ltd.		1,783,283				118,250	10.80	19,259	
AU Optronics Corp.		1,092,989				37,671	12.30	13,444	
Innolux Corporation		51,219				2,205	9.72	498	
Net Publishing Co., Ltd.		336,000				38,842	63.70	21,403	
Sunny Optical Technology (Group) Company Limited		20,000				7,755	273.53	5,471	
PING AN INSURANCE (GROUP) CO. OF CHINA, LTD.		300,000				92,865	271.76	81,528	
ChinaAMC CSI 300 Index ETF		200,000				38,414	138.53	27,707	
Sanan Optoelectronics Co., Ltd.		160,000				16,908	50.78	8,116	
Boe Technology Group Co., Ltd.		375,000				9,433	11.81	4,423	
Hangzhou Hikvision Digital Technology Co., Ltd.		300,000				<u>51,696</u>	115.66	<u>34,661</u>	
						<u>\$724,815</u>		<u>\$ 655,929</u>	

CLEVO CO.  
Details of Account Receivables  
For the year ended December 31, 2018  
(Expressed in thousands of  
New Taiwan dollars)

Table 3

<u>Client Name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
<u>Account Receivables</u>			
Client A		\$ 167,730	
Client B		160,981	
Client C		113,920	
Client D		99,793	
Client E		97,923	
Client F		82,181	
Client G		76,996	
			Each individual customers balance did not exceed 5% of the account balance
Others		<u>633,671</u>	
		1,433,195	
Less: Allowance for doubtful accounts		( <u>14,287</u> )	
		<u>\$ 1,418,908</u>	
<u>Account Receivables-Related</u>			
Kapok Computer (Kunshan) Co., Ltd		<u>\$ 818,974</u>	



CLEVO CO.  
STATEMENTS OF INVENTORIES  
DECEMBER 31, 2018

Table 4

(Expressed in thousands of  
New Taiwan Dollars)

Items	Summary	Amount		Remark
		Costs	Net realisable value	
Raw materials		\$ 304,318	\$ 293,643	Inventories are stated at lower of cost and realisable value.
Finished goods		618	-	
		304,936	<u>\$ 293,643</u>	
Less : allowance for valuation		( 11,293)		
		<u>\$ 293,643</u>		

CLEVO CO.  
STATEMENTS OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT  
DECEMBER 31, 2018

Table 5 (Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Restricted Assets	Time Deposit	<u>\$ 3,409,922</u>	

CLEVO CO.  
MOVEMENT SCHEDULE OF RECOGNITION OF INVESTMENT UNDER EQUITY METHOD AND PREPAID INVESTMENT  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Expressed in thousands of New Taiwan Dollars )

Table 6

Name	Balance as at January 1, 2018		Additions		Deductions		Balance as at December 31, 2018			Market price or net in Gurante equity		Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	of share	Amount	Unit price	Gross price	
<u>Equity method</u>												
KAPOK COMPUTER CO. ,	8,000,000	\$ 50,650	-	2,926 (Note 1&2)	-	\$ -	8,000,000	100.00%	\$ 53,576	-	\$ 570,417	無
CLEVO INVESTMENT CO., LTD.	14,000,000	68,390	-	( 408) (Note 1&2)	-	-	14,000,000	100.00%	\$ 67,982	-	\$ 374,940	"
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	220,730,000	38,759,238	-	1,273,826 (Note 1)	-	-	220,730,000	100.00%	40,033,064	-	\$ 44,316,466	"
KAPOK COMPUTER (SAMOA) CORPORATION	7,000,000	1,260,126	-	( 212,911) (Note 1)	-	-	7,000,000	100.00%	1,047,215	-	\$ 1,047,259	"
CLEVO COMPUTER SINGAPORE PTE LTD.	27,544,070	7,762,822	-	( 127,092) (Note 1)	-	-	27,544,070	100.00%	7,635,730	-	\$ 7,768,854	"
BUYNOW ON-LINE HOLDING CORPORATION	1,100,000	( 1,662)	-	( 4,267) (Note 1)	-	-	1,100,000	100.00%	( 5,929)	-	(\$ 5,929)	"
LUNARIA INVESTMENT GK		<u>1,558,188</u>	-	<u>136,247</u> (Note 1&2)	-	-	-	98.99%	<u>1,694,435</u>	-	1,694,435	"
Totals		<u>\$ 49,457,752</u>		<u>\$ 1,068,321</u>		<u>\$ -</u>			<u>\$ 50,526,073</u>			
<u>Prepaid long-term investment</u>												
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	-	<u>\$ 5,860,760</u>	-	<u>\$ -</u>	-	<u>(\$ 1,435,435)</u> (Note 3)	-	-	<u>\$ 4,425,325</u>	-	<u>\$ 4,425,325</u>	"

Note 1: Indicating the recognition of investment income(loss), accumulated exchange adjustment, unrealized gains or losses of financial instrument and unrealized sales adjustment.

Note 2: Indicating the adjustment of the cash dividends distributed by investee company and the cash dividends distributed from parent company to subsidiary company.

Note 3: Indicating the prepaid investment and received investment.

Table 6

CLEVO CO.  
STATEMENTS OF ACCOUNTS PAYABLE  
For the year ended December 31, 2018  
 (Expressed in thousands of  
 New Taiwan Dollars )

Table 7

Name of Customer	Description	Amount	Remark
<u>Accounts payable</u>			
Company A		\$ 102,108	
Company B		52,615	
Company C		27,977	
Company D		22,700	
Company E		20,490	
Company F		18,449	
Others		26,626	None of the balances of each remaining accounts is greater than 5% of this
		<u>\$ 270,965</u>	

CLEVO CO.  
THE SCHEDULE OF BONDS PAYABLE  
DECEMBER 31, 2018

Table 8

(Expressed in thousands of New Taiwan Dollars )

Bonds	Fiduciary	Date of issuance	Date of interest paid	Coupon rate	Amount					Payment item	Gurantee	Remark
					Amount issued	Amount redemmed	Ending balance	Unamortized premium(discount)	Book value			
Secured bonds payable	JihSun Holding	2015/8/28	The bonds payable pays the intersts once a year through simple interest rate per predetermine d coupon rate since	1.50%	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorize Taiwan Cooperative Bank to execute cooperate bond gurantee according to the gurantee agreement.	

Table 8

CLEVO CO.  
STATEMENTS OF SALES REVENUE, NET  
FOR THE YEAR ENDED DECEMBER 31, 2018

Table 9

(Expressed in thousands of  
New Taiwan Dollars )

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Remark</u>
Sales revenue			
Net sales revenue	1,282,108 sets	<u>\$ 14,560,392</u>	Laptop

CLEVO CO.  
DETAILS OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Expressed in thousands of New Taiwan Dollars)

Table 10

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Materials at January 1		441, 974	
Add : Metarial at December 31		5, 951, 487	
Others		( 3, 830)	
Less : Metarials at December 31		( 304, 318)	
Transfer to operating expenses		( 21, 363)	
Cost of materials sold		( 3, 843, 701)	
Others		( 6, 664)	
Materials used in the period		2, 213, 585	
Manufacturing expenses		<u>121, 059</u>	
Manufacturing cost		<u>2, 334, 644</u>	
Cost of goods manufactured		2, 334, 644	
Add : Finished foods inventory at January 1		695	
Less : Finished goods inventory at December 31		( 618)	
Transfer to operating expenses		( 77)	
Total		2, 334, 644	
Cost of goods sold		7, 373, 591	
Cost of materials sold		3, 843, 701	
Loss on decline in market value		( 412)	
Operating cost		<u>\$ 13, 551, 524</u>	

CLEVO CO.  
DETAILS OF MARKETING COST  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Expressed in thousands of New Taiwan Dollars )

Table 11

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
After-sales service		\$ 57,316	
Wages and salaries		47,723	
Others		<u>16,020</u>	None of the balances of each remaining accounts is greater than 5% of this account balance.
		<u>\$ 121,059</u>	



CLEVO CO.  
Summary of Marketing Cost  
For the year ended December 31, 2018  
(Expressed in thousands of  
New Taiwan dollars)

Table 12

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Salary expense		\$ 83,351	
Travel expense		14,901	
Commision expense		19,955	
Import/ Export expense		34,472	
Royalty		22,528	
Others		<u>39,247</u>	account does not exceed 5% of total others amount.
		<u>\$ 214,454</u>	

CLEVO CO.  
GENERAL AND ADMINISTRATIVE EXPENSES  
For the year ended December 31, 2018

Table 13 (Expressed in thousands of New Taiwan Dollars )

<u>Items</u>	<u>Note</u>	<u>Amount</u>	<u>Remark</u>
Payroll expense		\$ 330,225	
Professional service fees		34,613	
Others		<u>132,201</u>	Each individual customers balance did not exceed 5% of the account balance
		<u>\$ 497,039</u>	

CLEVO CO.  
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

Table 14  
(Expressed in thousands of  
New Taiwan Dollars )

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Wages and salaries		\$ 371,555	
Development expenses		38,331	
Insurance expenses		28,199	
Other expenses		<u>90,523</u>	None of the balances of each remaining accounts is greater than 5% of this account balance.
		<u>\$ 528,608</u>	

CLEVO CO.  
SUMMARY OF EMPLOYEE BENEFIT, DEPRECIATION, DEPLETION, AND AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(Expressed in thousands of New Taiwan Dollars)

Table15

By nature \ By function	2018			2017		
	Direct Expense	Undirect Expense	Total	Direct Expense	Undirect Expense	Total
Employee benefit expenses						
Salary expense	\$ 47,723	\$ 772,831	\$ 820,554	\$ 52,408	\$ 817,899	\$ 870,307
Labor and health insurance	3,681	53,510	57,191	4,077	53,810	57,887
Retirement	2,314	35,430	37,744	2,399	33,740	36,139
Compensation of directors	-	12,300	12,300	-	9,300	9,300
Other Employee benefit	2,630	46,548	49,178	2,636	37,703	40,339
Depreciation Expense	361	11,290	11,651	498	10,434	10,932
Amortization Charge	208	5,611	5,819	831	6,610	7,441

Note : Employee numbers are 684 and 678 for this and last year respectively, excluding 5 and 4 Directors that are not employees.