

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2018 AND 2017
(STOCK CODE:2362)

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 18004683

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 consolidated financial statements of the year 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s consolidated financial statements for the year ended December 31, 2018 were as follows:

Valuation of investment properties

Description

Refer to Note 4(17) 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(8) for details of investment properties. As at December 31, 2018, the Group’s investment properties at fair value amounted to NT\$65,426,212 thousand.

The Group 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.

Existence of booth rental revenue

Description

Refer to Note 4(33) for accounting policies on revenue recognition and Note 6(21) for details of operating revenue. As at December 31, 2018, the Group’s rental revenue amounted to NT\$3,720,007 thousand.

One of the operating revenue in the Group is to earn booth rental income by holding investment

properties. After customers sign the contracts, the Group allocates and recognises booth rental revenue based on the period of realisation of agreements.

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

How our audit addressed the matter

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

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

Valuation of inventories

Description

Refer to Note 4(13) for accounting policy on the evaluation 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\$7,983,465 thousand and NT\$89,434 thousand, respectively.

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

The Group recognises inventories at the lower of cost and net realisable value, and the net realisable value is estimated based on the age and the damage of inventory. The allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as

obsolete or damaged. As the amounts of inventories are material, the types of inventories vary, and the estimation of net realisable value is subject to management's judgment, we consider the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

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

4. Ensured consistent application of accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
5. Obtained the listings of lower of cost or net realisable value and obsolescence losses amount, sampled and inspected related supporting documents. Calculated the accuracy and assessed the reasonableness of the estimation of net realisable value.
6. 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.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Clevo Co. as at and for the years ended December 31, 2018 and 2017.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the

Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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:

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

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

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

Assets	Notes	December 31, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 7,796,543	7	\$ 7,522,579	7
1110	Financial assets at fair value	6(2) and 12(4)				
	through profit or loss - current		1,322,990	1	1,000,504	1
1125	Available-for-sale financial assets	12(4)				
	- current		-	-	400,754	-
1136	Financial assets at amortised cost	6(1)				
	- current		4,749,768	4	-	-
1150	Notes receivable, net	6(3)	-	-	1,127	-
1170	Accounts receivable, net	6(3)	1,623,861	2	1,911,346	2
1180	Accounts receivable - related	6(3) and 7				
	parties		3,166	-	1,813	-
1220	Current income tax assets		9,984	-	6,009	-
130X	Inventories	6(4) and 8	7,896,031	7	7,495,871	7
1410	Prepayments		674,364	1	463,898	-
1470	Other current assets	6(1)(5), 7 and 8	1,514,472	1	4,017,078	3
11XX	Total current assets		<u>25,591,179</u>	<u>23</u>	<u>22,820,979</u>	<u>20</u>
Non-current assets						
1535	Financial assets at amortised cost	6(1)				
	- non-current		115,850	-	-	-
1550	Investments accounted for the	6(6)				
	equity method		2,518,217	2	2,561,215	2
1600	Property, plant and equipment	6(7) and 8	9,970,165	9	8,474,857	8
1760	Investment property, net	6(8) and 8	65,426,212	58	69,922,175	62
1780	Intangible assets	6(9)	21,311	-	31,042	-
1840	Deferred income tax assets	6(27)	214,011	-	207,609	-
1920	Refundable deposits		113,106	-	116,554	-
1985	Long-term prepaid rents	6(10) and 8	6,675,527	6	6,822,488	6
1990	Other non-current assets	8	1,814,279	2	1,510,319	2
15XX	Total non-current assets		<u>86,868,678</u>	<u>77</u>	<u>89,646,259</u>	<u>80</u>
1XXX	Total assets		<u>\$ 112,459,857</u>	<u>100</u>	<u>\$ 112,467,238</u>	<u>100</u>

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CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2018		December 31, 2017		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(11)	\$ 8,426,966	8	\$ 6,221,472	5
2130	Contract liabilities, current	6(21)	3,146,037	3	-	-
2150	Notes payable		15,135	-	15,236	-
2170	Accounts payable		1,590,415	1	1,852,899	2
2180	Accounts payable - related parties	7	262,229	-	269,209	-
2200	Other payables		2,008,965	2	2,303,738	2
2230	Current income tax liabilities	6(27)	170,192	-	83,953	-
2250	Provisions	6(16)	50,523	-	50,523	-
2320	Long-term liabilities, current portion	6(14)	2,747,011	2	7,352,876	7
2399	Other current liabilities	6(12) and 7	646,170	1	3,744,259	3
21XX	Total current liabilities		<u>19,063,643</u>	<u>17</u>	<u>21,894,165</u>	<u>19</u>
Non-current liabilities						
2530	Corporate bonds payable	6(13)	5,000,000	5	5,000,000	4
2540	Long-term borrowings	6(14)	31,837,471	28	28,052,753	25
2570	Deferred income tax liabilities	6(27)	12,380,424	11	12,444,243	11
2670	Other non-current liabilities	6(6)(15) and 7	2,321,189	2	2,776,042	3
25XX	Total non-current liabilities		<u>51,539,084</u>	<u>46</u>	<u>48,273,038</u>	<u>43</u>
2XXX	Total liabilities		<u>70,602,727</u>	<u>63</u>	<u>70,167,203</u>	<u>62</u>
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(17)	6,797,630	6	6,831,630	6
Capital surplus						
3200	Capital surplus	6(18)	982,539	1	1,581,974	1
Retained earnings						
3310	Legal reserve	6(19)	1,578,852	1	1,507,074	2
3320	Special reserve		34,937,216	31	33,929,051	30
3350	Unappropriated retained earnings		1,547,516	1	1,079,944	1
Other equity interest						
3400	Other equity interest	6(20)	(2,720,683)	(2)	(2,020,190)	(2)
3500	Treasury stocks	6(17)	(1,283,228)	(1)	(625,346)	-
31XX	Equity attributable to owners of the parent		<u>41,839,842</u>	<u>37</u>	<u>42,284,137</u>	<u>38</u>
36XX	Non-controlling interest		<u>17,288</u>	<u>-</u>	<u>15,898</u>	<u>-</u>
3XXX	Total equity		<u>41,857,130</u>	<u>37</u>	<u>42,300,035</u>	<u>38</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 112,459,857</u>	<u>100</u>	<u>\$ 112,467,238</u>	<u>100</u>

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

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Years ended December 31,			
		2018		2017	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 19,796,072	100	\$ 20,876,980	100
5000 Operating costs	6(4)(25)(26) and 7	(14,515,709)	(73)	(16,098,384)	(77)
5900 Net operating margin		<u>5,280,363</u>	<u>27</u>	<u>4,778,596</u>	<u>23</u>
Operating expenses	6(25)(26)				
6100 Selling expenses		(1,365,770)	(7)	(1,332,439)	(6)
6200 General and administrative expenses		(1,901,144)	(9)	(2,237,922)	(11)
6300 Research and development expenses		(528,608)	(3)	(520,312)	(3)
6450 Expected credit losses	12(2)	(17,992)	-	-	-
6000 Total operating expenses		<u>(3,813,514)</u>	<u>(19)</u>	<u>(4,090,673)</u>	<u>(20)</u>
6900 Operating profit		<u>1,466,849</u>	<u>8</u>	<u>687,923</u>	<u>3</u>
Non-operating income and expenses					
7010 Other income	6(22)	616,195	3	620,998	3
7020 Other gains and losses	6(23) and 7	1,174,967	6	748,491	4
7050 Finance costs	6(24) and 7	(878,327)	(4)	(1,035,543)	(5)
7060 Share of (loss) profit of associates and joint ventures accounted for under equity method	6(6)	(24,009)	-	481,087	2
7000 Total non-operating income and expenses		<u>888,826</u>	<u>5</u>	<u>815,033</u>	<u>4</u>
7900 Profit before income tax		<u>2,355,675</u>	<u>13</u>	<u>1,502,956</u>	<u>7</u>
7950 Income tax expense	6(27)	(899,316)	(5)	(782,298)	(4)
8200 Profit for the year		<u>\$ 1,456,359</u>	<u>8</u>	<u>\$ 720,658</u>	<u>3</u>

(Continued)

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED 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	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Loss on remeasurements on defined benefit plans	6(15)	(\$ 6,585)	-	(\$ 4,946)	-
8312	Gain on revaluation	6(20)	-	-	25,207	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)				
			<u>1,317</u>	<u>-</u>	<u>(3,444)</u>	<u>-</u>
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		<u>(5,268)</u>	<u>-</u>	<u>16,817</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(20)	(544,392)	(3)	(1,323,231)	(6)
8362	Unrealized loss on valuation of available-for-sale financial assets	6(20) and 12(4)	-	-	(59,978)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	6(20)	(49,680)	-	112,960	-
8399	Income tax related to the components of other comprehensive income	6(27)	(7,663)	-	(12,156)	-
8360	Other comprehensive loss that will be reclassified to profit or loss		<u>(601,735)</u>	<u>(3)</u>	<u>(1,282,405)</u>	<u>(6)</u>
8300	Total other comprehensive loss for the year		<u>(\$ 607,003)</u>	<u>(3)</u>	<u>(\$ 1,265,588)</u>	<u>(6)</u>
8500	Total comprehensive income (loss) for the year		<u>\$ 849,356</u>	<u>5</u>	<u>(\$ 544,930)</u>	<u>(3)</u>
Net income attributable to:						
8610	Owners of the parent		<u>\$ 1,454,904</u>	<u>8</u>	<u>\$ 717,784</u>	<u>3</u>
8620	Non-controlling interest		<u>\$ 1,455</u>	<u>-</u>	<u>\$ 2,874</u>	<u>-</u>
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		<u>\$ 847,022</u>	<u>5</u>	<u>(\$ 547,452)</u>	<u>(3)</u>
8720	Non-controlling interest		<u>\$ 2,334</u>	<u>-</u>	<u>\$ 2,522</u>	<u>-</u>
Earnings per share						
9750	Basic earnings per share	6(28)	<u>\$ 2.32</u>		<u>\$ 1.12</u>	
9850	Diluted earnings per share		<u>\$ 2.30</u>		<u>\$ 1.11</u>	

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

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												Non-controlling interests	Total equity
	Capital surplus			Retained earnings			Other equity interest							
	Notes	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) on available-for-sale financial assets	Asset revaluation increment	Treasury stocks	Total		
Year ended December 31, 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	\$ 14,355	\$ 43,304,846
		-	-	-	-	-	717,784	-	-	-	-	717,784	2,874	720,658
		-	-	-	-	-	(4,105)	(1,222,075)	(59,978)	20,922	-	(1,265,236)	(352)	(1,265,588)
		-	-	-	-	-	713,679	(1,222,075)	(59,978)	20,922	-	(547,452)	2,522	(544,930)
	6(19)	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	59,482	(59,482)	-	-	-	-	-	-	-	-
		-	-	-	-	201,696	(201,696)	-	-	-	-	-	-	-
		-	-	-	-	-	(478,214)	-	-	-	(478,214)	-	(478,214)	
		-	-	19,312	-	-	-	-	-	-	19,312	-	19,312	
		-	-	-	-	-	-	-	-	-	-	(979)	(979)	
		\$ 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	\$ 15,898	\$ 42,300,035
Year ended December 31, 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	\$ 15,898	\$ 42,300,035
	3(1) and 12(4)	-	-	-	-	-	97,879	-	(97,879)	-	-	-	-	-
		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	15,898	42,300,035
		-	-	-	-	-	1,454,904	-	-	-	-	1,454,904	1,455	1,456,359
		-	-	-	-	-	(5,268)	(602,614)	-	-	-	(607,882)	879	(607,003)
		-	-	-	-	-	1,449,636	(602,614)	-	-	-	847,022	2,334	849,356
	6(19)	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	71,778	(71,778)	-	-	-	-	-	-	-	-
		-	-	-	-	1,008,165	(1,008,165)	-	-	-	-	-	-	-
	6(19)	-	(546,530)	-	-	-	-	-	-	-	(546,530)	-	(546,530)	
	6(17)	-	-	-	-	-	-	-	-	(657,882)	(657,882)	-	(657,882)	
	6(17)	(34,000)	-	(75,655)	-	-	-	-	-	-	(109,655)	-	(109,655)	
		-	-	22,750	-	-	-	-	-	-	22,750	-	22,750	
		-	-	-	-	-	-	-	-	-	-	(944)	(944)	
		\$ 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	\$ 17,288	\$ 41,857,130

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

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31,	
		2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		2,355,675	1,502,956
Adjustments			
Adjustments to reconcile profit(loss)			
Depreciation	6(7)(25)	154,122	169,655
Amortisation	6(9)(10)(25)	18,930	26,095
Provision for bad debts expense		-	14,726
Expected credit loss	12(2)	17,992	-
Loss on financial assets at fair value through profit or loss	6(23)	405,608	198,520
Interest expense	6(24)	878,327	1,035,543
Interest income	6(22)	130,921	85,274
Dividend income	6(22)	33,114	45,386
Share of loss (profit) of associates and joint ventures accounted for under the equity method	6(6)	24,009	481,087
Loss on disposal of property, plant and equipment	6(7)(23)	1,490	3,508
Gain on disposal of investments	6(23)	928,375	114,666
Gain on adjustments of investment properties at fair value	6(8)(23)	913,763	682,125
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		350,522	283,759
Notes receivable, net		1,127	3,291
Accounts receivable		270,992	72,100
Inventories		289,080	2,402,551
Capitalisation of interest (inventories)	6(4)	111,080	163,911
Prepayments		210,596	45,432
Other current assets		182,366	5,853
Changes in operating liabilities			
Contract liabilities - current		52,018	-
Notes payable		-	1,134
Accounts payable		262,484	540,146
Accounts payable - related parties		6,980	119,463
Other payables		204,811	31,936
Provisions		-	2,966
Other current liabilities		560	83,177
Other non-current liabilities		1,249	19,847
Cash inflow generated from operations		920,241	3,210,079
Interest received		128,788	78,461
Dividends received		33,114	45,386
Interest paid		847,665	1,015,242
Income taxes paid		285,814	361,178
Net cash flows (used in) from operating activities		<u>51,336</u>	<u>1,957,506</u>

(Continued)

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31.	
		2018	2017
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of available-for-sale financial assets	6(30)	-	461,615
Repayment of disposal of available-for-sale financial assets	6(30)	44,115	-
Increase in financial assets at amortised cost - current		1,465,783	-
Increase in financial assets at amortised cost - non-current		22,574	-
Proceeds from disposal of subsidiaries	6(30)	994,893	-
Acquisition of property, plant and equipment	6(30)	938,533	844,450
Proceeds from disposal of property, plant and equipment		11,464	16,587
Decrease in refundable deposits paid		1,163	152,842
Acquisition of intangible assets	6(9)	2,158	7,973
Acquisition of investment properties	6(30)	198,729	188,739
Proceeds from disposal of investment properties	6(8)	3,864	3,818
Interest paid (capitalisation of interest)	6(8)	397,441	312,216
Increase in other current assets		-	49,176
Increase in other non-current assets		374,166	160,260
Increase in long-term prepaid rent		12,881	-
Net cash flows used in investing activities		<u>2,356,766</u>	<u>927,952</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(31)	72,058,041	50,216,018
Repayments of short-term borrowings	6(31)	69,856,355	50,815,932
Proceeds from long-term borrowings	6(31)	52,017,987	23,458,421
Repayments of long-term borrowings	6(31)	50,267,748	22,747,220
Increase in guarantee deposit		866,522	7,630
Increase in other financial liabilities - current		6,728	-
Payment of cash dividends	6(19)	546,530	478,214
Decrease in other financial liabilities - non-current		585,947	1,645,562
Acquisition of treasury stock	6(30)	750,079	-
Changes in non-controlling interests		944	979
Net cash flows from financing activities		<u>2,941,675</u>	<u>1,285,286</u>
Effect of changes in exchange rates		259,609	302,623
Net increase in cash and cash equivalents		273,964	2,012,217
Cash and cash equivalents at beginning of year		<u>7,522,579</u>	<u>5,510,362</u>
Cash and cash equivalents at end of year		<u>7,796,543</u>	<u>7,522,579</u>

CLEVO CO. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED 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 and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in the design, manufacture and sales of VDUs, computers and peripheral devices, and the leasing business of Buynow.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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	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 Group’s financial condition and financial performance based on the Group’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 Group 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' and amendments

- (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 Group 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 Group changed the presentation of certain accounts in the balance sheet as follows:

Under IFRS 15, liabilities in relation to computer products and real estate sales contracts are recognised as contract liabilities, but were previously presented as advance sales receipts and advance real estate receipts (shown as 'other current liabilities') in the balance sheet. As of January 1, 2018, the balance amounted to \$3,094,019.

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 Group 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 Group

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

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

IFRS 16, 'Leases'

IFRS 16, 'Leases', replaces IAS 17, 'Leases' and related interpretations and SICs. The standard requires lessees to recognise a 'right-of-use asset' and a lease liability (except for those leases with terms of 12 months or less and leases of low-value assets). The accounting stays the same for lessors, which is to classify their leases as either finance leases or operating leases and account for those two

types of leases differently. IFRS 16 only requires enhanced disclosures to be provided by lessors. The Group expects to recognise the lease contract of lessees in line with IFRS 16. However, the Group does not intend to restate the financial statements of prior period (referred herein as the “modified retrospective approach”). On January 1, 2019, it is expected that ‘right-of-use asset’ and lease liability will be increased by \$7,009,111 and \$333,584, respectively, and long-term prepaid rents will be decreased by \$6,675,527.

(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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

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

- (a) Financial 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.
- C. In adopting IFRS 9 and IFRS 15 effective January 1, 2018, the Group 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 11 ('IAS 11'), 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) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
The Company	Clevo Computer Singapore Pte Ltd.	Management and advisory of computers	100	100	
The Company	Clevo (Cayman Islands) Holding Company	Investing	100	100	
The Company	Kapok Computer (Samoa) Corporation	Investing	100	100	
The Company	Kapok Computer Co., Ltd.	Design and sale of computers and computer peripherals	100	100	
The Company	Clevo Investment Co., Ltd.	Investing	100	100	
The Company	Buynow On-line Holding Corporation	Investing	100	100	
The Company	Lunaria Investment GK	Building leasing	98.99	98.99	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (Cayman Islands) Holding Company	Buynow Global Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Hangzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Zhengzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow Group (Changsha) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Nanchang) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Flying Wolf Investment Limited	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (Cayman Islands) Holding Company	Buynow (Xiamen) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow Group (Xian) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Changchun) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Wuhan) Corporation	Investing	-	100	(Note 1)
Clevo (Cayman Islands) Holding Company	Buynow Group (Qingdao) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Wuxi) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (Cayman Islands) Holding Company	Flying International Investment Limited	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Chongqing) Limited	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Daqing) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Zibo) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Beijing) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Yangcheng) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Skill Develop International Limited	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (Cayman Islands) Holding Company	Buynow (Yingkou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Anshan) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Huizhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Guiyang) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Dezhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Luoyang) Corporation	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (Cayman Islands) Holding Company	Smarter Capital Limited	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Fujian Quanzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Jinzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Clevo (China) Investment Co., Ltd.	Investing in companies, setting up R&D department and consultation service	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Shantou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Clevo (HK) Investment Holding Limited	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (HK) Investment Holding Limited	Clevo Japan GK	Investing	100	100	
Buynow On-line Holding Corporation	Buynow On-line Limited	Investing	100	100	
Skill Develop International Limited	Well Asia Investment Limited	Investing	100	100	
Clevo Computer Singapore Pte Ltd.	Buynow (Chengdu) Corporation Co., Ltd.	Investing	100	100	
Clevo Computer Singapore Pte Ltd.	Buynow (Nanjing) Facility Leasing and Management Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for relating electronics	100	100	
Clevo Computer Singapore Pte Ltd.	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for relating electronics	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo Computer Singapore Pte Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals; Display, advisory and after-sales service of digital products; Property management of self-owned buildings	8.82	8.82	(Note 2)
Buynow Group (Qingdao) Corporation	Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals; Display, advisory and after-sales service of digital products; Property management of self-owned buildings	20.59	20.59	(Note 2)
Kapok Computer (Samoa) Corporation	Kapok Computer (Kunshan) Co., Ltd.	Manufacturing, sale, research and development and maintenance service of computers, notebooks, tablets, information and communication products and computer components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow Global Corporation	Shanghai Buynow Electronic Information Co., Ltd.	Rental of exhibition, advisory, maintenance service and property management of computer and related electronics products	21.21	21.21	(Note 2)
Buynow Global Corporation	Kalor Trade (Shanghai) 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 and advisory services	-	30	(Note 3)
Buynow Global Corporation	Quality Trust Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow Global Corporation	Kunshan Kaishuo Trading Co., Ltd.	Mechanical equipment and accessories, wire and cable, air conditioning equipment, building and decoration material, lighting equipment, Kitchen appliance, water cleaner, pipeline and accessories, fire safety equipment, compressor and accessories, wholesale of elevators and appliances, import and export and advisory services	100	100	
Buynow (Hangzhou) Corporation	Buynow (Hangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, research and development and after-sales service of computers and computer peripherals; Property management of buildings	100	100	
Buynow Group (Xian) Corporation	Buynow (Xian) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow Group (Changsha) Corporation	Buynow (Changsha) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	100	100	
Buynow (Zhengzhou) Corporation	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Nanchang) Corporation	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	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Guangzhou) Corporation	Buynow (Guangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Xiamen) Corporation	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Changchun) Corporation	Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	95.24	95.24	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Flying Wolf Investment Limited	Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	4.76	4.76	(Note 2)
Flying Wolf Investment Limited	Buynow Electronic Information (Shenyang) Co., Ltd.	Research and development of computers and computer peripherals and electronic products; Advisory services of economic information	100	100	
Flying Wolf Investment Limited	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	28.57	28.57	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Wuxi) Corporation	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	71.43	71.43	(Note 2)
Buynow (Wuhan) Corporation	Buynow (Wuhan) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products, and property management of buildings	-	100	(Note 1)
Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Chengdu) Corporation	Buynow (Chengdu) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and property management of buildings	100	100	
Flying International Investment Limited	Tianjin Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Chongqing) Limited	Buynow (Chongqing) Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals (not including electronic publishing), shopping mall management, wholesale and retail of electronic products, property management and parking lot service	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow On-line Limited	Shanghai Buynow Online Information Technology Co., Ltd.	Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products; Development, technology transfer, advisory, service and training for internet, computer software and hardware and communication equipment	100	100	
Buynow (Daqing) Corporation	Daqing Buynow Electronic Information Co., Ltd.	Manufacturing, retail and wholesale of computers and computer peripherals; Electronic information shopping mall management	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Well Asia Investment Limited	Guangdong Buynow Real Estate Management Co., Ltd.	Self-owned property management and leasing; Manufacturing, sale, research and development of computer software and hardware and digital products	65	65	(Note 2)
Buynow (Zibo) Corporation	Zibo Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products; Advisory services for business management; Leasing of self-owned buildings, parking lot management, shopping mall management and property management	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Beijing) Corporation	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	100	100	(Note 6)
Buynow (Yancheng) Corporation	Buynow (Yancheng) Electronic Information Technology Development Co. Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	100	100	
Buynow (Huizhou) Corporation	Buynow (Hangzhou) Electronic Information Co., Ltd.	Industrial investment, management advisory of business, property management, computer network workshop and advertisement production	40	40	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Yingkou) Corporation	Yingkou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and business management advisory services	100	100	
Buynow (Anshan) Corporation	Anshan Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and business management advisory services	100	100	
Buynow (Guiyang) Corporation	Guiyang Buynow Electronic Information Co., Ltd.	Research and development of computers and computer peripherals and electronic products, and business management advisory services	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products, and business management advisory services	100	100	
Smarter Capital Limited	Buynow SZ. Corporation	Investing	100	100	
Buynow SZ. Corporation	Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	100	100	
Buynow (Dezhou) Corporation	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; Business management advisory services and shopping mall management	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Luoyang) Corporation	Luoyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; Business management advisory services and shopping mall management	100	100	
Buynow (Fujian Quanzhou) Corporation	Quanzhou Buynow Industry Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; Business management advisory services and shopping mall management	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Jinzhou) Corporation	Buynow (Jinzhou) Industry Co., Ltd.	Manufacturing of computer software and hardware and consumer electronic products; Business management advisory services and shopping mall management	100	100	
Buynow (Shantou) Corporation	Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory services	100	100	
Kapok Computer Co., Ltd.	Kunshan Kaiming Trading Co., Ltd.	Provide market management services for operators of laptop computers, tablets, desktop computers, palmtop computers, information and communication products and computer components	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Shanghai Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	100	100	
Shanghai Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of computers and computer peripherals	-	100	(Note 8)
Shanghai Buynow Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	-	100	(Note 4)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Shanghai Buynow Electronic Information Co., Ltd.	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 services, information advisory service, maintenance of computer and computer peripherals	-	3.125	(Note 2、Note 7)
Shanghai Buynow Electronic Information Co., Ltd.	Kalor Trade (Shanghai) 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	-	70	(Note 3)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Restaurant Management Co., Ltd.	Catering business management, sale of household appliances, clothing, shoes and hats, and electronic products	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huihei Advertisement Co., Ltd.	Advertising design and marketing	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	80	80	(Note 5)
Quality Trust Property Management Co., Ltd.	Wuxi Quantai Property Management Co., Ltd.	Property management, real estate advisory services, building leasing, housekeeping service, parking lot service, car wash service and business service	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Wuxi) Corporation	Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	100	100	
Buynow (Wuxi) Corporation	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	10	-	(Note 4)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Fujian) Electronic Co., Ltd.	Xiamen Lejing Internet Bar Co., Ltd.	Internet café and internet message service	100	100	
Buynow Electronic Information Co., Ltd.	Guandong Huijing Real Estate Development Co., Ltd.	Self-owned property management and leasing. manufacturing, sale, research and development of computer software and hardware and digital products	35	35	(Note 2)
Buynow Electronic Information Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	Industrial investment, business management advisory services, property management, computer network workshop and advertisement production	60	60	(Note 2)
Clevo (China) Investment Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	20	20	(Note 5)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Clevo (China) Investment Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Leasing of exhibition space for computer and electronic products, information advisory, maintenance service and property management	78.79	78.79	(Note 2)
Clevo (China) Investment Co., Ltd.	Qingdao Buynow Technology Industrial Co., Ltd.	Leasing of exhibition space for computer and electronic products, information advisory, maintenance service and property management	70.59	70.59	(Note 2)
Guangdong Buynow Real Estate Management Co., Ltd.	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	-	96.875	(Note 2、Note 7)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Suzhou Jinzuo Corporation Limited	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	100	100	
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	-	(Note 4)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow Electronic Information (Zhengzhou)	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	-	(Note 4)
Buynow (Changchun) Industry Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	-	(Note 4)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Buynow (Hangzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	-	(Note 4)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Tianjin Buynow Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology-extension services, computer maintenance, public parking lot service for motorcycle, property management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	10	-	(Note 4)
Daqing Buynow Corporation	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	5.42	-	(Note 6)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
Zibo Buynow Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	6.97	-	(Note 6)
Shanghai Buynow Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	11.61	-	(Note 6)

Note 1: Clevo (Cayman Islands) Holding Company sold 100% of shares in subsidiary Buynow (Wuhan) Corporation in March, 2018, and accordingly, the Group lost its control over the subsidiaries, Buynow (Wuhan) Corporation and Buynow (Wuhan) Industry Co., Ltd.

Note 2: The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 3: Kalor Trade (Shanghai) Co., Ltd. was liquidated and dissolved on February 12, 2018.

Note 4: Buynow (Wuxi) Electronic Technology Development Co., Ltd., Kalor Buynow (Heifei) Electronic Information Co., Ltd., Buynow (Zhengzhou) Electronic Information Co., Ltd., Buynow (Changchun) Industry Co., Ltd., and Buynow (Hangzhou) Electronic Information Co., Ltd. acquired 10%, 20%, 20%, 20%, and 20% of the shares of Beijing Kaiye Electronic Technology Co., Ltd., respectively. Additionally, Shanghai Buynow Electronic Information Co., Ltd. sold 100% of shares in Beijing Kaiye Electronic Technology Co., Ltd. to Tianjin Buynow Electronic Information Co., Ltd. on April 30, 2018. The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 5: Shanghai Buynow Electronic Products Market Management Co., Ltd. acquired 80% of the shares of Shanghai Huizhuan Restaurant Management Co., Ltd. on September 7, 2017. Clevo (China) Investment Co., Ltd.'s shareholding ratio dropped from 100% to 20%. The parent company of the Group held 100% of the shares in these subsidiaries, and the

subsidiaries were included in the consolidated financial statements.

Note 6: Buynow (Beijing) Corporation sold 24% of share in Beijing Clevo Investment Management Consulsant Co., Ltd. to Daqing Buynow Electronic Information Co., Ltd., Zibo Buynow Electronic Information Co., Ltd., and Shanghai Buynow Electronic Information Co., Ltd. on September 10, 2018. Daqing Buynow Electronic Information Co., Ltd., Zibo Buynow Electronic Information Co., Ltd., and Shanghai Buynow Electronic Information Co., Ltd. acquired 5.42%, 6.97% and 11.61% of the shares, respectively. The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 7: Changzhou Jiuzhou Buynow Computer Mall Co., Ltd. liquidated and dissolved on July 5, 2018.

Note 8: Shanghai Buynow Computer Market Management Co., Ltd. liquidated and dissolved on October 22, 2018.

C. Subsidiaries not included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2018	December 31, 2017	
The Company	Clevo France Sarl	Design and sale of computers and computer peripherals	100	100	(Note)

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet

date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- iii. All resulting exchange differences are recognised in other comprehensive income.

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

- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be 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.

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at 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 Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

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

(9)Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group 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.

(10)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 and lease receivables at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11)Derecognition of financial assets

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

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

(12)Lease receivables/ 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.

(13)Inventories

- A. Inventories, that including construction in progress, buildings and land held for sale, are measured at acquired cost and capitalize borrowing costs incurred during the period of construction.
- B. The lands use rights of house construction and the superficies rights of acquiring specific lands the Group acquired for construction developing and leasing are in accordance with paragraph 6 and 8 of IAS2, therefore, the acquired costs of lands use rights are recognised as inventories.
- C. The cost of the computers and peripheral products is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs.
- D. Inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated

selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method / associates

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

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Buildings and structures	2 ~ 50 years
Machinery and equipment	3 ~ 5 years
Molding equipment	1 ~ 3 years
Computer and communication Equipment	3 ~ 5 years
Transportation equipment	1 ~ 5 years
Office equipment	3 ~ 5 years
Other equipment	3 ~ 5 years
Leasehold assets	5 ~ 30 years

(16) Operating leases (lessee)

Payments made under an operating lease (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the lease term.

(17) Investment property

- A. The investment property is to earn rental revenue or for capital appreciation or both instead of non-owner-occupied property held by the Group.
- B. The Group acquired the specific land superficies and its right to use of the constructed buildings on the land. Due to the development of the construction plans, the Group leased the land as the investing properties and recognised the acquired historical cost of the land use rights as the basis.
- C. An investment property is stated initially at its cost and measured subsequently using the fair value model. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss.

(18) Intangible assets

- A. Computer software

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

- B. Goodwill

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

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by

which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for 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.

- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

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

(21) Notes and accounts payable

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

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

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

(23) Bonds payable

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

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

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

(26) Non-hedging derivatives

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

(27) Provisions

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

(28) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent

of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

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

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

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business

combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is 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.

(30) Share capital

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

(31) Dividends

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

(32) Revenue recognition

- A. Sales of goods
 - (a) The Group designs, manufactures and sells a range of video display devices, computers and peripheral products. Sales are recognised when control of the products has transferred, being

when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- (b) The computers are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts and sales discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected volume discounts and sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 days to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Booth rental revenue

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

C. Land development and resale

- (a) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.
- (b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred.

D. Hotel revenue

- (a) The main services the Group provides are food services and accommodations.
- (b) Food services revenue is recognised at a point in time when the products are sold to the

customers and the payments are charged immediately. The Group's sales policy offers customers the rights of return within a certain time period. The estimate of sales return is evaluated with expected method based on historical experiences at the time of sale, and accumulated revenue the Group recognised shall not be reversed in the following years according to historical experiences. The validity of this assumption and estimated amount of returns are reassess at each reporting date.

E. Incremental costs of obtaining a contract

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

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to property, plant and equipment are recognised as non-current liabilities and are amortised to profit or loss over the estimated useful lives of the related assets using the straight-line method.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

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

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

Investment property

The Group uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions cannot be sold separately and cannot be leased out separately under a finance lease, the property is classified as investment property only if the own-use portion accounts for an insignificant part of the property.

(2)Critical accounting estimates and assumptions

A. Evaluation of inventories

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

As of December 31, 2018, the carrying amount of inventories was \$7,896,031.

B. Investment property measured at fair value

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

As of December 31, 2018, the carrying amount of investment property was \$65,426,212.

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	\$ 5,604	\$ 2,365
Checking accounts and demand deposits	3,736,018	7,220,310
Time deposits	4,054,921	299,904
	<u>\$ 7,796,543</u>	<u>\$ 7,522,579</u>

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

B. Cash and cash equivalents amounting to \$4,865,618 and \$3,475,674 were pledged to others as collateral, and were classified as other financial assets at amortised cost on 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	\$ 977,886
Beneficiary certificates	<u>477,229</u>
	1,455,115
Valuation adjustment	(<u>132,125</u>)
	<u>\$ 1,322,990</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	
Equity instruments	(\$ 192,845)
Beneficiary certificates	(<u>229,362</u>)
	<u>(\$ 422,207)</u>

B. The Group 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(3).

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

(3) Notes and accounts receivable

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Notes receivable	\$ -	<u>\$ 1,127</u>
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Accounts receivable	\$ 1,679,433	\$ 2,009,050
Accounts receivable - related parties	3,166	1,813
Less: Allowance for uncollectible accounts	(<u>55,572</u>)	(<u>97,704</u>)
	<u>\$ 1,627,027</u>	<u>\$ 1,913,159</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>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 1,022,099	\$ -	\$ 1,338,889	\$ 1,127
Up to 30 days	474,839	-	440,458	-
31 to 90 days	89,944	-	78,355	-
91 to 180 days	32,332	-	32,805	-
Over 180 days	63,385	-	120,356	-
	<u>\$ 1,682,599</u>	<u>\$ -</u>	<u>\$ 2,010,863</u>	<u>\$ 1,127</u>

The above ageing analysis was based on past due date.

B. The Group has no notes receivable or 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 Group's notes and accounts receivable were \$1,627,027 and \$1,913,159, respectively.

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

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

(4) Inventories

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,052,170	\$ (47,274)	\$ 2,004,896
Work in progress	145,171	(3,419)	141,752
Finished goods	126,648	(618)	126,030
Merchandise inventory	36,988	-	36,988
Inventory in transit	2,942	-	2,942
	<u>2,363,919</u>	<u>(51,311)</u>	<u>2,312,608</u>
Construction in progress	4,874,213	-	4,874,213
Buildings and land held for sale	747,333	(38,123)	709,210
	<u>5,621,546</u>	<u>(38,123)</u>	<u>5,583,423</u>
	<u>\$ 7,985,465</u>	<u>(\$ 89,434)</u>	<u>\$ 7,896,031</u>
	December 31, 2017		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,359,296	\$ (48,110)	\$ 1,311,186
Work in progress	114,983	(3,426)	111,557
Finished goods	187,829	(743)	187,086
Merchandise inventory	9,355	-	9,355
Inventory in transit	45,077	-	45,077
	<u>1,716,540</u>	<u>(52,279)</u>	<u>1,664,261</u>
Construction in progress	4,423,579	-	4,423,579
Buildings and land held for sale	1,468,557	(60,526)	1,408,031
	<u>5,892,136</u>	<u>(60,526)</u>	<u>5,831,610</u>
	<u>\$ 7,608,676</u>	<u>(\$ 112,805)</u>	<u>\$ 7,495,871</u>

- A. The cost of inventories recognised as expense for the years ended December 31, 2018 and 2017, was \$14,515,709 and \$16,098,384, respectively, including the amount of \$22,389 that the Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold due to the sales of building and land held for sale in 2018. In 2017, the Group wrote down from cost to net realisable value accounted for as cost of goods sold.
- B. The amount of capitalised borrowings cost for the years ended December 31, 2018 and 2017 was \$111,080 and \$163,911, respectively, and the capitalised rate in 2018 and 2017 was 3.95%~5.94% and 3.26%~6.72%, respectively.
- C. As of December 31, 2018, inventories pledged are described in Note 8.

(5) Other current assets

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Other receivables	\$ 242,716	\$ 309,045
Other receivables - related parties	961,722	-
Other financial assets	-	3,358,797
Other current assets	<u>310,034</u>	<u>349,236</u>
	<u>\$ 1,514,472</u>	<u>\$ 4,017,078</u>

(6) Investments accounted for using equity method

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Chicony Square (Wuhan) Inc.	\$ 2,482,777	\$ 2,528,016
Chicony Square (Cayman) Inc.	-	-
Chicony Chengdu International Inc.	<u>35,440</u>	<u>33,199</u>
	<u>\$ 2,518,217</u>	<u>\$ 2,561,215</u>
Other non-current liabilities		
	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Chicony Square (Cayman) Inc.	<u>\$ 48,753</u>	<u>\$ 35,244</u>

- A. The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>December 31, 2018</u>	<u>December 31, 2017</u>		
Chicony Square (Wuhan) Inc.	China (Note 2)	30% (Note 4)	30% (Note 4)	Significant influence associate	Equity method
Chicony Square (Cayman) Inc.	China (Note 3)	30%	30%	Significant influence associate	Equity method
Chicony Chengdu International Inc.	China (Note 2)	3.75% (Note 1)	3.75% (Note 1)	Significant influence associate	Equity method

Note 1: The Group held 30% of shares in these subsidiaries.

Note 2: The registration is British Virgin Islands, and the principal place of business is China.

Note 3: The registration is Cayman Islands, and the principal place of business is China.

Note 4: The board of directors of Chicony Square (Wuhan) INC. has resolved to disinvest and return the capital to Chicony Square (Cayman) INC. Therefore, the shareholding ratio has increased from 6.67% to 30%.

B. The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Chicony Square (Wuhan) Inc.	
	December 31, 2018	December 31, 2017
Current assets	\$ 1,817,711	\$ 4,218,416
Non-current assets	7,457,179	5,488,650
Current liabilities	(9,989,644)	(1,280,345)
Total net assets	<u>(\$ 714,754)</u>	<u>\$ 8,426,721</u>
Carrying amount of the associate	<u>\$ 2,482,777</u>	<u>\$ 2,528,016</u>

	Chicony Square (Cayman) Inc.	
	December 31, 2018	December 31, 2017
Current assets	\$ 2,376	\$ 1,318,198
Non-current assets	2,273,678	923,207
Current liabilities	(129,914)	(130,335)
Non-current liabilities	(2,308,650)	(2,228,550)
Total net assets	<u>(\$ 162,510)</u>	<u>(\$ 117,480)</u>
Carrying amount of the associate	<u>(\$ 48,753)</u>	<u>(\$ 35,244)</u>

	Chicony Chengdu International Inc.	
	December 31, 2018	December 31, 2017
Current assets	\$ 33	\$ 32
Non-current assets	945,023	885,268
Total net assets	<u>\$ 945,056</u>	<u>\$ 885,300</u>
Carrying amount of the associate	<u>\$ 35,440</u>	<u>\$ 33,199</u>

Statement of comprehensive income

	Chicony Square (Wuhan) Inc.	
	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Loss for the year from continuing operations	(\$ 887,046)	(\$ 16,151)
Other comprehensive loss, net of tax	(154,550)	(151,343)
Total comprehensive loss	<u>(\$ 1,041,596)</u>	<u>(\$ 167,494)</u>

	Chicony Square (Cayman) Inc.	
	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Loss for the year from continuing operations	(\$ 1,865)	(\$ 1,349,804)
Other comprehensive (loss) income, net of tax	(9,820)	556,958
Total comprehensive loss	<u>(\$ 11,685)</u>	<u>(\$ 792,846)</u>

	Chicony Chengdu International Inc.	
	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Profit (loss) for the year from continuing operations	\$ 70,978	(\$ 72,340)
Other comprehensive loss, net of tax	(11,223)	(23,476)
Total comprehensive income (loss)	<u>\$ 59,755</u>	<u>(\$ 95,816)</u>

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery	Molding equipment	Computers and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2018</u>											
Cost	\$ 186,563	\$ 1,421,798	\$ 338,697	\$ 14,688	\$ 107,701	\$ 52,598	\$ 175,550	\$ 124,628	\$ 51,987	\$ 6,934,525	\$ 9,408,735
Accumulated depreciation	-	(444,760)	(141,902)	(4,094)	(72,135)	(38,997)	(103,420)	(114,728)	(13,842)	-	(933,878)
	<u>\$ 186,563</u>	<u>\$ 977,038</u>	<u>\$ 196,795</u>	<u>\$ 10,594</u>	<u>\$ 35,566</u>	<u>\$ 13,601</u>	<u>\$ 72,130</u>	<u>\$ 9,900</u>	<u>\$ 38,145</u>	<u>\$ 6,934,525</u>	<u>\$ 8,474,857</u>
<u>2018</u>											
Opening net book amount as at January 1	\$ 186,563	\$ 977,038	\$ 196,795	\$ 10,594	\$ 35,566	\$ 13,601	\$ 72,130	\$ 9,900	\$ 38,145	\$ 6,934,525	\$ 8,474,857
Additions	-	-	99,372	-	12,387	2,365	19,936	-	7,904	1,088,628	1,230,592
Reclassifications	-	1,434,351	351,562	-	-	-	-	-	45	(1,241,008)	544,950
Disposals	-	-	(87)	-	(6,909)	(1,212)	(1,181)	(2,657)	(908)	-	(12,954)
Depreciation charge	-	(66,182)	(51,826)	(2,897)	(13,561)	(2,508)	(14,330)	(1,131)	(1,687)	-	(154,122)
Effect of changes between consolidation and entity (Note)	-	-	(13)	-	(206)	-	-	-	(19)	-	(238)
Net exchange differences	-	(11,369)	(2,709)	(145)	(328)	(904)	(1,119)	(601)	(626)	(95,119)	(112,920)
Closing net book amount as at December 31	<u>\$ 186,563</u>	<u>\$ 2,333,838</u>	<u>\$ 593,094</u>	<u>\$ 7,552</u>	<u>\$ 26,949</u>	<u>\$ 11,342</u>	<u>\$ 75,436</u>	<u>\$ 5,511</u>	<u>\$ 42,854</u>	<u>\$ 6,687,026</u>	<u>\$ 9,970,165</u>
<u>At December 31, 2018</u>											
Cost	\$ 186,563	\$ 2,851,422	\$ 783,110	\$ 14,487	\$ 99,556	\$ 46,106	\$ 187,216	\$ 124,842	\$ 58,751	\$ 6,687,026	\$ 11,039,079
Accumulated depreciation	-	(517,584)	(190,016)	(6,935)	(72,607)	(34,764)	(111,780)	(119,331)	(15,897)	-	(1,068,914)
	<u>\$ 186,563</u>	<u>\$ 2,333,838</u>	<u>\$ 593,094</u>	<u>\$ 7,552</u>	<u>\$ 26,949</u>	<u>\$ 11,342</u>	<u>\$ 75,436</u>	<u>\$ 5,511</u>	<u>\$ 42,854</u>	<u>\$ 6,687,026</u>	<u>\$ 9,970,165</u>

Note: Refer Note 6(30) 2. to effect of changes between consolidation and entity.

	Land	Buildings and structures	Machinery	Molding equipment	Computers and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2017</u>											
Cost	\$ 193,370	\$ 1,298,238	\$ 348,542	\$ 8,775	\$ 128,955	\$ 65,444	\$ 207,199	\$ 216,620	\$ 52,441	\$ 5,035,046	\$ 7,554,630
Accumulated depreciation	-	(376,807)	(105,877)	(1,599)	(88,506)	(49,878)	(119,679)	(202,830)	(12,517)	-	(957,693)
	<u>\$ 193,370</u>	<u>\$ 921,431</u>	<u>\$ 242,665</u>	<u>\$ 7,176</u>	<u>\$ 40,449</u>	<u>\$ 15,566</u>	<u>\$ 87,520</u>	<u>\$ 13,790</u>	<u>\$ 39,924</u>	<u>\$ 5,035,046</u>	<u>\$ 6,596,937</u>
<u>2018</u>											
Opening net book amount as at January 1	\$ 193,370	\$ 921,431	\$ 242,665	\$ 7,176	\$ 40,449	\$ 15,566	\$ 87,520	\$ 13,790	\$ 39,924	\$ 5,035,046	\$ 6,596,937
Additions	-	159,003	6,176	6,102	13,831	3,775	4,526	2,398	3,724	860,691	1,060,226
Reclassifications	(6,807)	(5,402)	-	-	-	-	-	5,201	1,152	1,157,777	1,151,921
Disposals	-	(470)	(92)	-	(3,976)	(2,675)	(3,667)	(8,536)	(679)	-	(20,095)
Depreciation charge	-	(81,006)	(46,853)	(2,531)	(14,059)	(2,928)	(14,429)	(2,656)	(5,193)	-	(169,655)
Net exchange differences	-	(16,518)	(5,101)	(153)	(679)	(137)	(1,820)	(297)	(783)	(118,989)	(144,477)
Closing net book amount as at December 31	<u>\$ 186,563</u>	<u>\$ 977,038</u>	<u>\$ 196,795</u>	<u>\$ 10,594</u>	<u>\$ 35,566</u>	<u>\$ 13,601</u>	<u>\$ 72,130</u>	<u>\$ 9,900</u>	<u>\$ 38,145</u>	<u>\$ 6,934,525</u>	<u>\$ 8,474,857</u>
<u>At December 31, 2017</u>											
Cost	\$ 186,563	\$ 1,421,798	\$ 338,697	\$ 14,688	\$ 107,701	\$ 52,598	\$ 175,550	\$ 124,628	\$ 51,987	\$ 6,934,525	\$ 9,408,735
Accumulated depreciation	-	(444,760)	(141,902)	(4,094)	(72,135)	(38,997)	(103,420)	(114,728)	(13,842)	-	(933,878)
	<u>\$ 186,563</u>	<u>\$ 977,038</u>	<u>\$ 196,795</u>	<u>\$ 10,594</u>	<u>\$ 35,566</u>	<u>\$ 13,601</u>	<u>\$ 72,130</u>	<u>\$ 9,900</u>	<u>\$ 38,145</u>	<u>\$ 6,934,525</u>	<u>\$ 8,474,857</u>

- A. Refer Note 6(8) 4. to amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates.
- B. The significant components of the Group's buildings and structures, include main construction, steel structure and related equipment of underground mezzanine, which are depreciated from 2 to 15 years.
- C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(8) Investment property

	2018	2017
At January 1	\$ 69,922,175	\$ 72,190,951
Additions from subsequent expenditures	150,264	172,870
Disposals	(3,864)	(3,818)
Reclassifications	-	(1,455,562)
Effect of changes between consolidation and entity (Note)	(4,964,608)	-
Net gains from fair value adjustment	913,763	682,125
Net exchange differences	(591,518)	(1,664,391)
At December 31	<u>\$ 65,426,212</u>	<u>\$ 69,922,175</u>

Note: Refer Note 6(30) 2. to effect of changes between consolidation and entity.

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

	Year ended December 31, 2018	Year ended December 31, 2017
Rental income from investment property	<u>\$ 3,311,017</u>	<u>\$ 3,571,856</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 1,092,985</u>	<u>\$ 1,173,778</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ 131,369</u>	<u>\$ 197,345</u>

B. The measurement of investment property at fair value.

The fair value of the investment property held by the Group as at December 31, 2018 and 2017 was \$65,426,212 and \$69,922,175, 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 mainly divided into Taiwan-computer segment, China-Buynow plaza and Japan-investment property. Currently, the lease terms of investment property for different segments are: approximate 2 to 5 years of Taiwan-computer segment; 19 years (from 2007 to 2026) of Buynow (Changsha); 15 years (from 2007 to 2022) of Buynow (Nanchang); 20 years (from 2008 to 2028) of Beijing Clevo Investment; 18 years (from 2016 to 2034) of Buynow (Quanzhou); 10 years (from 2017 to 2027) of Suzhou Jinzuo; 15 years (from 2017 to 2023) of Buynow (Huizhou); 2 years of Japan-investment property, and 1 year of remaining segments. The comparison information between local rent and similar objective property rent is provided in the 'Summary of fair value disclosure on investment property' (referred herein as "the following table").
- (b) Movements of average occupancy rates in the prior year and earnings in prior years are provided in the following table.

(c) The Group adopts the discounted cash flow analysis under income approach. The estimation process of the appraisal method is subject to the determination of the annual rent growth rate range using the comparison information between local rent and similar objective property rent, and takes into consideration vacancy loss to estimate net rent income over the next ten years as future cash inflow and discounted to the date of appraisal with the discount rate described in (d). In addition, considering the ending balance of disposal value of the objective property is calculated based on the operating revenue over the next year starting from the disposal date to 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 time deposits or government bonds, as well as the Group's liquidity, risk, value-added and degree of difficulty of management.

(e) The fair values of investment property under construction at the appraisal date and income estimation process were first determined by considering the growth of rent income under the forecast market conditions when the construction was completed, and were discounted using expected rental growth rate and vacancy loss to the appraisal date with a 10-year estimation period. Subsequently, the aforementioned discounted values reduced the necessary engineering costs and expenses incurred from appraisal date to expected completion date plus the discounted estimated salvage values.

(f) The appraisal reports adopted by the Group are co-certified by the real estate appraisers, Charlie Yang and Jia-Hui Chen from Cushman & Wakefield Limited (referred herein as "Cushman & Wakefield") and Cushman & Wakefield Limited (HK). The appraisal dates are January 1, 2019 and 2018.

(g) The appraisal reports adopted by Japan-investment property of the Group are co-certified by the real estate appraisers, Charlie Yang and Yoji Kawakami from Cushman & Wakefield Limited and Cushman & Wakefield Limited (Japan). The appraisal dates are December 31, 2018 and 2017.

Summary of fair value disclosure on investment property:

2018	Computer segment	Buynow plaza	Japan-investment property
Comparison information between local rent and similar objective property rent (dollar / square or square meter / month)	\$646~\$682	\$137~\$5,597	\$3,548~\$4,094
Movements of earnings in the prior year	\$66,907	\$29,711~\$419,157	\$22,498~\$69,542
Average occupancy rates	100%	88%	98%
2017	Computer segment	Buynow plaza	Japan-investment property
The comparison information between local rent and similar objective property rent (dollar / square or square meter / month)	\$570~\$720	\$135~\$5,516	\$3,255~\$3,798
Movements of earnings in the prior year	\$70,251	\$23,644~\$370,446	\$22,381~\$67,569
Average occupancy rates	100%	82%	94%
Discount rate	<u>December 31, 2018</u>	<u>December 31, 2017</u>	
-Computer segment	3.65%	3.65%	
-Buynow plaza	4.75%~6.75%	4.75%~6.75%	
-Japan-investment property	3.8%~3.9%	3.8%~3.9%	

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

D. Amount of borrowing costs capitalised as part of investment property and the range of the interest rates for such capitalisation are as follows:

	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Amount capitalised	\$397,441	\$312,216
Range of the interest rates for capitalisation	3.95%~5.94%	3.26%~6.72%

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

(9) Intangible assets

	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2018</u>			
Cost	\$ 20,214	\$ 10,828	\$ 31,042
Accumulated amortisation and impairment	-	-	-
	<u>\$ 20,214</u>	<u>\$ 10,828</u>	<u>\$ 31,042</u>
<u>2018</u>			
At January 1	\$ 20,214	\$ 10,828	\$ 31,042
Additions	2,158	-	2,158
Effect of changes between consolidation and entity (Note)	(65)	-	(65)
Amortisation charge	(11,635)	-	(11,635)
Net exchange differences	(40)	(149)	(189)
December 31	<u>\$ 10,632</u>	<u>\$ 10,679</u>	<u>\$ 21,311</u>
<u>At December 31, 2018</u>			
Cost	\$ 10,632	\$ 10,679	\$ 21,311
Accumulated amortisation and impairment	-	-	-
	<u>\$ 10,632</u>	<u>\$ 10,679</u>	<u>\$ 21,311</u>

Note: Refer Note 6(30) 2. to effect of changes between consolidation and entity.

	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1, 2017</u>			
Cost	\$ 27,646	\$ 11,066	\$ 38,712
Accumulated amortisation and impairment	-	-	-
	<u>\$ 27,646</u>	<u>\$ 11,066</u>	<u>\$ 38,712</u>
<u>2018</u>			
At January 1	\$ 27,646	\$ 11,066	\$ 38,712
Additions	7,973	-	7,973
Amortisation charge	(15,026)	-	(15,026)
Net exchange differences	(379)	(238)	(617)
December 31	<u>\$ 20,214</u>	<u>\$ 10,828</u>	<u>\$ 31,042</u>
<u>At December 31, 2017</u>			
Cost	\$ 20,214	\$ 10,828	\$ 31,042
Accumulated amortisation and impairment	-	-	-
	<u>\$ 20,214</u>	<u>\$ 10,828</u>	<u>\$ 31,042</u>

Goodwill arises from Buynow segment of the Group.

Details of amortisation on intangible assets are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Manufacturing costs	\$ 207	\$ 831
Administrative expenses	7,617	10,218
Research and development expenses	3,811	3,977
	<u>\$ 11,635</u>	<u>\$ 15,026</u>

(10) Long-term prepaid rents

	December 31, 2018	December 31, 2017
Land use right	<u>\$ 6,675,527</u>	<u>\$ 6,822,488</u>

A. Buynow (Xian), Guiyang Buynow, Yinkou Buynow, Anshan Buynow, Dezhou Buynow, Luoyang Buynow, Shantow Buynow, Buynow (Jinzhou) and Kapok (Kunshan) acquired the land use right respectively from their local government agencies for a period of 40 to 50 years. Except for the land use right of Kapok (Kunshan) which is for factory land use (as of December 31, 2018, the amount was \$22,534), others are for shopping mall land use. The Group recognised amortisation expense on long-term prepaid rent amounting to \$7,295 and \$11,069 for the years ended December 31, 2018 and 2017, respectively.

B. Guiyang Buynow and Yinkou Buynow entered into the state-owned construction land use right assignment contracts for the years ended December 31, 2014 and 2013 with their local government agencies. The total consideration was RMB 327,101 of which RMB 306,538 was paid and RMB 20,563 remains unpaid, as of December 31, 2018. As of December 31, 2018, the transfer of property rights have not been completed.

(11) Short-term borrowings

Type of borrowings	December 31, 2018	Interest rate range	Collateral
Bank borrowings			
Bank secured borrowings	\$ 419,119	5.00% ~ 5.65%	Letter of credit
Bank secured borrowings	206,650	3.55% ~ 4.57%	Long-term prepaid rent and property, plant and equipment
Bank secured borrowings	921,731	3.55% ~ 5.65%	Investment property
Bank secured borrowings	2,228,788	3.65% ~ 4.75%	Demand deposits pledged
Bank unsecured borrowings	<u>4,650,678</u>	0.95% ~ 4.90%	Promised note
	<u>\$ 8,426,966</u>		

Type of borrowings	December 31, 2017	Interest rate range	Collateral
Bank borrowings			
Bank secured borrowings	\$ 422,913	4.35% ~ 5.23%	Letter of credit
Bank secured borrowings	268,112	2.25% ~ 2.46%	Long-term prepaid rent and property, plant and equipment
Bank secured borrowings	952,344	2.25% ~ 4.35%	Investment property
Bank unsecured borrowings	4,578,103	0.85% ~ 3.27%	Promissory note
	<u>\$ 6,221,472</u>		

(12) Other current liabilities

	December 31, 2018	December 31, 2017
Advance real estate receipts	\$ -	\$ 2,520,270
Advance rental revenue	536,034	601,646
Advance sales receipts	-	573,749
Other current liabilities	110,136	48,594
	<u>\$ 646,170</u>	<u>\$ 3,744,259</u>

In adopting IFRS 15, the Group has modified accounting items presented in the balance sheet, see Note 12(5) for further information.

(13) Bonds payable

	December 31, 2018	December 31, 2017
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	Issuance date	Period	Amount	Coupon rate	Payment term	Security
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.	Authorize Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	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	0.91% ~ 1.40%	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
Unsecured borrowings	Borrowing period is from June 29, 2015 to November 20, 2020; interest is payable quarterly, principal is payable at maturity date	3.14% ~ 4.27%	Promissory note	3,088,190
				<u>16,743,190</u>
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	1.6% ~ 6.72%	Investment property	2,510,975
Secured borrowings	Borrowing period is from March 30, 2009 to June 8, 2025; interest is payable monthly, principal is payable at maturity date	1.6% ~ 5.9%	Investment property	6,123,268
Secured borrowings	Borrowing period is from December 1, 2014 to December 1, 2019; interest is payable monthly, principal at maturity date	5.58%	Investment property and inventories	136,514
Secured borrowings	Borrowing period is from June 14, 2017 to June 7, 2022; interest is payable monthly, principal is payable at maturity date	5.13% ~ 5.94%	Letter of credit	781,704
Secured borrowings	Borrowing period is from November 6, 2014 to November 4, 2021; interest is payable quarterly, principal is payable at maturity date	0.58% ~ 5.94%	Investment property	2,700,102
Secured borrowings	Borrowing period is from April 23, 2009 to October 17, 2027; interest is payable quarterly, principal is payable at maturity date	4.90% ~ 6.93%	Investment property	4,338,729
				<u>17,841,292</u>
				34,584,482
Less: Current portion of long-term loans				(2,747,011)
				<u>\$ 31,837,471</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	1.33% ~ 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
Unsecured borrowings	Borrowing period is from June 29, 2015 to June 28, 2020; interest is payable quarterly, principal is payable at maturity date	2.41% ~ 3.04%	Promissory note	3,203,150
				12,513,150
Secured borrowings	Borrowing period is from November 18, 2014 to November 18, 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 July 27, 2021; interest is payable monthly, principal is payable at maturity date	1.00% ~ 5.13%	Investment property	2,452,786
Secured borrowings	Borrowing period is from March 30, 2009 to June 8, 2025; interest is payable monthly, principal is payable at maturity date	1.60% ~ 5.64%	Investment property	11,318,760
Secured borrowings	Borrowing period is from December 1, 2014 to December 1, 2019; interest is payable monthly, principal is payable at maturity date	5.58%	Investment property and inventories	230,687
Secured borrowings	Borrowing period is from June 14, 2017 to June 7, 2022; interest is payable monthly, principal is payable at maturity date	5.13% ~ 5.94%	Letter of credit	811,798
Secured borrowings	Borrowing period is from November 6, 2014 to November 4, 2021; interest is payable quarterly, principal is payable at maturity date	0.58% ~ 5.94%	Investment property	2,725,849
Secured borrowings	Borrowing period is from April 23, 2009 to October 17, 2027; interest is payable quarterly, principal is payable at maturity date	4.51% ~ 6.50%	Investment property	4,137,963
Secured borrowings	Borrowing period is from August 6, 2015 to August 6, 2018; interest is payable quarterly, principal is payable at maturity date	3.26%	Demand deposits pledged	204,636
				22,892,479
				35,405,629
Less: Current portion of long-term loans				(7,352,876)
				\$ 28,052,753

(15) Pensions

A. Defined benefit pension plans

- (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (b) 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:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<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	-	<u>(11,937)</u>	<u>(11,937)</u>
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)	<u>5,762</u>	<u>(4,307)</u>	<u>1,455</u>
	<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	<u>(309)</u>	-	<u>(309)</u>
Change in financial assumptions	6,051	-	6,051
Experience adjustments	<u>(2,120)</u>	<u>1,324</u>	<u>(796)</u>
	<u>3,622</u>	<u>1,324</u>	<u>4,946</u>
Pension fund contribution	-	<u>(16,650)</u>	<u>(16,650)</u>
Paid pension	<u>(8,258)</u>	<u>8,258</u>	<u>-</u>
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	<u>1.08%</u>	<u>1.39%</u>
Future salary increases	<u>2.50%</u>	<u>2.50%</u>
Return rate on plan assets	<u>1.08%</u>	<u>1.39%</u>

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:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
<u>December 31, 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 plans of the Group 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>\$</u>	<u>368,065</u>

B. Defined contribution plans

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

(b) The Company’s China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

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

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

(17) Share capital

A. As of December 31, 2018, the Company's authorized 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 authorized 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 authorized to issue depending on actual demand.

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

	2018	2017
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.

(18) Capital surplus

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

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve amounts to the 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 and As the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans, based on vision of industrial development, capital expenditure demand, sound financial plan and protect the right 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 on the increase of Appropriated Retained Earnings. The Company will recognise the reversal of Earnings if subsequently disposes or decreases 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 by the stockholders during their meeting on June 15, 2018. The dividends per share is NTD0.8, and the total amount is \$546,530. The above appropriations of 2017 and 2016 earnings are the same with those approved by the Board of Directors.

- F. The appropriations of the 2018 net income was resolved 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 by the Board of Directors during its 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(26).

(20) 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:				
-Group	-	(545,271)	-	(545,271)
-Tax on Group	-	(17,600)	-	(17,600)
-Associates	-	(49,680)	-	(49,680)
-Tax on associates	-	9,937	-	9,937
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	(59,978)	-	-	(59,978)
Currency translation differences:				
-Group	-	(1,322,879)	-	(1,322,879)
-Tax on Group	-	7,047	-	7,047
-Associates	-	112,960	-	112,960
-Tax on associates	-	(19,203)	-	(19,203)
Revaluation:				
-Group	-	-	25,207	25,207
-Tax on Group	-	-	(4,285)	(4,285)
At December 31	<u>\$ 97,879</u>	<u>(\$ 2,138,991)</u>	<u>\$ 20,922</u>	<u>(\$ 2,020,190)</u>

(21) Operating revenue

	Year ended December 31, 2018
Revenue from contracts with customers	
-Sales revenue of computer products	\$ 14,568,469
-Land development and resale	924,514
-Hotel revenue	99,349
-Other revenue	483,733
Others—rental revenue	3,720,007
	<u>\$ 19,796,072</u>

A. Disaggregation of revenue from contracts with customers

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

2018	Computer segment	Buynow plaza			Total
	Computer products	Land development and resale	Hotel revenue	Others	
Total segment revenue	\$ 25,425,143	\$ 924,514	\$ 99,349	\$ 483,733	\$ 26,932,739
Inter-segment revenue	(10,856,674)	-	-	-	(10,856,674)
Revenue from external customer contracts	<u>\$ 14,568,469</u>	<u>\$ 924,514</u>	<u>\$ 99,349</u>	<u>\$ 483,733</u>	<u>\$ 16,076,065</u>
Timing of revenue recognition					
At a point in time	\$ 14,568,469	\$ 924,514	\$ -	\$ 483,733	\$ 15,976,716
Over time	-	-	99,349	-	99,349
	<u>\$ 14,568,469</u>	<u>\$ 924,514</u>	<u>\$ 99,349</u>	<u>\$ 483,733</u>	<u>\$ 16,076,065</u>

B. Contract assets and liabilities

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

	December 31, 2018
Contract liabilities:	
Contract liabilities – Advance sales receipts	\$ 31,316
Contract liabilities – Advance real estate receipts	3,114,721
	<u>\$ 3,146,037</u>

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

	Year ended December 31, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the year	
Advance sales receipts	\$ 336,165
Advance real estate receipts	538,338
	<u>\$ 874,503</u>

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

(22) Other income

	Year ended December 31, 2018	Year ended December 31, 2017
Interest income:		
Interest income from bank deposits	\$ 130,921	\$ 85,274
Rent income	64,491	61,159
Dividend income	33,114	45,386
Other income	387,669	429,179
	<u>\$ 616,195</u>	<u>\$ 620,998</u>

(23) Other gains and losses

	Year ended December 31, 2018	Year ended December 31, 2017
Losses on disposals of property, plant and equipment	(\$ 1,490)	(\$ 3,508)
Gains (losses) on disposals of investments	(16,599)	114,666
Gains on disposals of subsidiary	944,976	-
Foreign exchange gains (losses)	(209,160)	(98,430)
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	(405,608)	198,520
Gains (losses) on fair value adjustment, investment property	913,763	682,125
Other losses	(50,915)	(144,882)
	<u>\$ 1,174,967</u>	<u>\$ 748,491</u>

(24) Finance costs

	Year ended December 31, 2018	Year ended December 31, 2017
Interest expense:		
Interest expense from bank borrowing	\$ 1,386,848	\$ 1,511,670
Less: Capitalisation of qualifying assets	(508,521)	(476,127)
Financial costs	<u>\$ 878,327</u>	<u>\$ 1,035,543</u>

(25) Expenses by nature

	Year ended December 31, 2018	Year ended December 31, 2017
Employee benefit expense	2,351,030	2,426,250
Depreciation charges on property, plant and equipment	154,122	169,655
Amortisation charges on intangible assets	11,635	15,026
Amortisation charges on long-term prepaid rent	7,295	11,069
	<u>\$ 2,524,082</u>	<u>\$ 2,622,000</u>

(26) Employee benefit expense

	Year ended December 31, 2018	Year ended December 31, 2017
Wages and salaries	\$ 1,873,840	\$ 1,967,080
Labour and health insurance fees	57,483	58,123
Pension costs	37,744	36,139
Other personnel expenses	381,963	364,908
	<u>\$ 2,351,030</u>	<u>\$ 2,426,250</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.

(27) 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	\$ 799,712	\$ 315,281
Prior year income tax underestimation	9,839	17,162
Total current tax	<u>809,551</u>	<u>332,443</u>
Deferred tax:		
Origination and reversal of temporary differences	18,365	449,855
Impact of change in tax rate	71,400	-
Total deferred tax	<u>89,765</u>	<u>449,855</u>
Income tax expense	<u>\$ 899,316</u>	<u>\$ 782,298</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	\$ 922,660	\$ 448,707
Temporary differences not recognised as deferred tax assets	(326,640)	(188,694)
Tax exempt loss by tax regulation	19,533	-
Effect from expenses disallowed by tax regulation	38,022	208,956
Taxable loss not recognised as deferred tax assets	153,751	230,778
Effect from taxable loss	10,751	65,389
Prior year income tax underestimation	9,839	17,162
Effect from changes in tax regulation	<u>71,400</u>	<u>-</u>
Income tax expense	<u>\$ 899,316</u>	<u>\$ 782,298</u>

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

2018

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Temporary differences:					
Unrealised exchange losses	\$ 875	\$ -	\$ -	\$ -	\$ 875
Unrealised sales gain	268	(268)	-	-	-
Allowance for bad debts	19,840	(6,469)	-	-	13,371
Allowance for spare valuation losses	1,298	228	-	-	1,526
Allowance for inventory valuation losses	1,991	269	-	-	2,260
Unused compensated absences	4,341	724	-	-	5,065
Rent by straight-line method	75,502	(624)	-	-	74,878
Accrued pension liability	14,934	659	1,317	-	16,910
Currency translation differences	185	-	(185)	-	-
Tax losses	88,375	10,751	-	-	99,126
	<u>207,609</u>	<u>5,270</u>	<u>1,132</u>	<u>-</u>	<u>214,011</u>
Deferred tax liabilities:					
Temporary differences:					
Unrealised exchange gain	(\$ 26,734)	\$ 14,019	\$ -	\$ -	(\$ 12,715)
Foreign investment income using equity method	(485,759)	(84,124)	-	-	(569,883)
Difference from amortisation of long-term prepaid rent	(9,680)	1,616	-	-	(8,064)
Rent by straight-line method	(80,070)	(8,024)	-	-	(88,094)
Unrealised sales losses	-	13	-	-	13
Other operating revenue	101	(769)	-	-	(668)
Currency translation differences	(5,906)	-	(7,478)	-	(13,384)
Increase in revaluation	(4,285)	-	-	-	(4,285)
Fair value adjustment, investment property	(11,831,910)	(17,766)	-	166,332	(11,683,344)
	<u>(12,444,243)</u>	<u>(95,035)</u>	<u>(7,478)</u>	<u>166,332</u>	<u>(12,380,424)</u>
	<u>(\$ 12,236,634)</u>	<u>(\$ 89,765)</u>	<u>(\$ 6,346)</u>	<u>\$ 166,332</u>	<u>(\$ 12,166,413)</u>

2017

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Temporary differences:					
Unrealised exchange losses	\$ 24,636	(\$ 23,761)	\$ -	\$ -	\$ 875
Unrealised sales gain	-	268	-	-	268
Allowance for bad debts	19,400	440	-	-	19,840
Allowance for spare valuation losses	2,421	(1,123)	-	-	1,298
Allowance for inventory valuation losses	1,854	137	-	-	1,991
Unused compensated absences	2,542	1,799	-	-	4,341
Rent by straight-line method	62,353	13,149	-	-	75,502
Accrued pension liability	16,493	(2,400)	841	-	14,934
Currency translation differences	13,297	-	(13,112)	-	185
Tax losses	22,986	65,389	-	-	88,375
	<u>165,982</u>	<u>53,898</u>	<u>(12,271)</u>	<u>-</u>	<u>207,609</u>
Deferred tax liabilities:					
Temporary differences:					
Unrealised exchange gain	(\$ 906)	(\$ 25,828)	\$ -	\$ -	(\$ 26,734)
Foreign investment income using equity method	(337,740)	(148,019)	-	-	(485,759)
Difference from amortisation of long-term prepaid rent	(9,448)	(232)	-	-	(9,680)
Rent by straight-line method	(71,887)	(8,183)	-	-	(80,070)
Unrealised sales losses	(196)	196	-	-	-
Other operating revenue	(92)	193	-	-	101
Currency translation differences	(6,862)	-	956	-	(5,906)
Increase in revaluation	-	-	(4,285)	-	(4,285)
Fair value adjustment, investment property	(11,755,014)	(321,880)	-	244,984	(11,831,910)
	<u>(12,182,145)</u>	<u>(503,753)</u>	<u>(3,329)</u>	<u>244,984</u>	<u>(12,444,243)</u>
	<u>(\$ 12,016,163)</u>	<u>(\$ 449,855)</u>	<u>(\$ 15,600)</u>	<u>\$ 244,984</u>	<u>(\$ 12,236,634)</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. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets from the Company's subsidiaries are as follows:

December 31, 2018					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2014	\$ 469,812	\$ 469,812	\$ 469,812	2019	
2015	433,899	433,899	433,899	2020	
2016	491,057	491,057	491,057	2021	
2017	855,496	855,496	855,496	2022	
2018	615,003	615,003	615,003	2023	
	<u>\$ 2,865,267</u>	<u>\$ 2,865,267</u>	<u>\$ 2,865,267</u>		
December 31, 2017					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2013	\$ 294,334	\$ 294,334	\$ 294,334	2018	
2014	620,387	620,387	620,387	2019	
2015	690,695	690,695	690,695	2020	
2016	557,074	557,074	557,074	2021	
2017	923,110	923,110	923,110	2022	
	<u>\$ 3,085,600</u>	<u>\$ 3,085,600</u>	<u>\$ 3,085,600</u>		

F. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2018	December 31, 2017
Deductible temporary differences	<u>\$ 45,880</u>	<u>\$ 37,344</u>

- G. 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 temporary differences unrecognised as deferred tax liabilities were \$1,633,198 and \$754,777, respectively.
- H. The Company's income tax returns through 2016 have been assessed and approved by the Tax Authority.
- K. 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 Group has assessed the impact of the change in income tax rate.

(28) Earnings per share

	Year ended December 31, 2018		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,454,904	628,146	\$ 2.32
<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	-	4,087	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,454,904	632,233	\$ 2.30

	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	\$ 717,784	642,716	\$ 1.12
<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	-	2,549	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 717,784	645,265	\$ 1.11

(29) Operating leases

A. The Group leases investment property to others under non-cancellable operating lease agreements. These leases have terms expiring between 2007 and 2028, 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:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Not later than one year	\$ 438,333	\$ 413,349
Later than one year but not later than five years	1,454,122	1,646,560
Later than five years	1,657,993	1,971,461
	<u>\$ 3,550,448</u>	<u>\$ 4,031,370</u>

B. The Group leases malls under non-cancellable operating lease agreements. These leases have terms expiring between 2007 and 2028, and all these lease agreements are renewable at the end of the lease period. Rental is increased irregularly to reflect market rental rates. Partial leases are charged extra rents following the changes of local price indexes. The Group recognised rental expenses of \$159,473 and \$164,516 for these leases in profit or loss for the years ended December 31, 2018 and 2017, respectively. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2018	December 31, 2017
Not later than one year	\$ 179,403	\$ 181,898
Later than one year but not later than five years	179,403	363,798
	<u>\$ 358,806</u>	<u>\$ 545,696</u>

(30) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31, 2018	Year ended December 31, 2017
Purchase of property, plant and equipment	\$ 1,230,592	\$ 1,060,226
Add: Opening balance of other payable	-	5,481
Add: Ending balance of prepayment	-	1,125
Less: Ending balance of other payable	-	-
Less: Opening balance of prepayment	(1,125)	(3,900)
Less: Capitalisation of interest	(290,934)	(218,482)
Cash paid during the year	<u>\$ 938,533</u>	<u>\$ 844,450</u>
Purchase of investment property	\$ 150,264	\$ 172,870
Add: Opening balance of payable	1,169,114	1,184,983
Less: Ending balance of payable	(1,077,057)	(1,169,114)
Less: Effect of changes between consolidation and entity	43,592	-
Cash paid during the year	<u>\$ 285,913</u>	<u>\$ 188,739</u>
Disposal of available-for-sale financial assets	\$ -	\$ 505,730
Add: Opening balance of receivable	44,115	-
Less: Ending balance of receivable	-	(44,115)
Cash received during the year	<u>\$ 44,115</u>	<u>\$ 461,615</u>
Disposal of subsidiary	\$ 2,013,423	\$ -
Add: Cash by subsidiary	(94,516)	-
Less: Ending balance of other receivable	(961,722)	-
Effect on exchange	37,708	-
Cash received during the year	<u>\$ 994,893</u>	<u>\$ -</u>
Purchase of treasury stocks	\$ 767,537	\$ -
Add: Opening balance of payable	-	-
Less: Ending balance of payable	(17,458)	-
Cash paid during the year	<u>\$ 750,079</u>	<u>\$ -</u>

B. The Group sold 100% of shares in the subsidiary – Buynow (Wuhan) Corporation on March 31, 2018 and therefore lost control over the subsidiary (please refer to Note 4(3)). The details of the consideration received from the transaction (including cash and cash equivalent) and assets and liabilities relating to the subsidiary are as follows:

	<u>December 31, 2018</u>
Consideration received	
Cash	\$ 2,013,423
Total consideration	<u>2,013,423</u>
Carrying amount of the assets and liabilities of the subsidiary	
- Buynow (Wuhan) Corporation	
Cash	94,516
Accounts receivable	3,607
Prepayments	130
Other current assets	2,695
Property, plant and equipment	238
Investment property	4,964,608
Intangible assets	65
Refundable deposits	820
Other non-current assets	23,601
Notes payable	(101)
Other payables	(89,617)
Other current liabilities	(11,358)
Long-term borrowings (included long-term liabilities, current portion)	(2,706,706)
Deferred tax liabilities	(441,472)
Guarantee deposit	(58,727)
Other non-current liabilities	(713,852)
Total net assets	<u>\$ 1,068,447</u>

(31) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Bonds payable	Liabilities from financing activities-gross
At January 1, 2018	\$ 6,221,472	\$ 35,405,629	\$ 5,000,000	\$ 46,627,101
Changes in cash flow from financing activities	2,201,686	1,750,239	-	3,951,925
Impact of changes in foreign exchange rate	3,808	135,320	-	139,128
Changes in loss of control in subsidiaries (Note)	-	(2,706,706)	-	(2,706,706)
At December 31, 2018	<u>\$ 8,426,966</u>	<u>\$ 34,584,482</u>	<u>\$ 5,000,000</u>	<u>\$ 48,011,448</u>

Note: Refer to Note 6(30) 2. for effect of changes between consolidation and entity.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Kent Hsu	Chairman
Changchun-hong Hyatt Hotel Management Co., Ltd.	Other related party
Chicony Energy Saving Technology (Shanghai) Co., Ltd.	Other related party
Chicony Electronics (Suzhou) Co., Ltd.	Other related party
Chicony Power Technology Co., Ltd.	Other related party
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Associate
Chicony Square (Wuhan) Inc.	Associate
Qunguang Industrial (Xian) Co., Ltd.	Associate
Chicony Industry (Wuhan) Co.,Ltd.	Associate
Chicony Square (Wuhan) Inc.	Associate
Chicony Square (Cayman) Inc.	Associate

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31, 2018	Year ended December 31, 2017
Sales of services:		
-Other related party	\$ 208	\$ 2,989
-Associate	14,327	3,061
	<u>\$ 14,535</u>	<u>\$ 6,050</u>

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

B. Purchases

	Year ended December 31, 2018	Year ended December 31, 2017
Purchases of goods:		
-Other related party	\$ <u>815,877</u>	\$ <u>756,596</u>

The purchases of the Group's subsidiary, Kapok Computer (Kunshan), from other related parties are unique. Accordingly, the purchase prices are uncomparable and payment terms are the same with third parties, which are within 1 ~ 5 months.

C. Receivables from related parties

	December 31, 2018	December 31, 2017
Accounts receivable:		
-Associates	\$ <u>3,166</u>	\$ <u>1,813</u>

Receivables from related parties are mainly from providing services to related parties and the receivables do not bear interest and no collaterals were pledged.

D. Payables to related parties

	December 31, 2018	December 31, 2017
Accounts payable:		
-Other related party	\$ <u>262,229</u>	\$ <u>269,209</u>

The payables to related parties are mainly from purchase transactions. The payables bear no interest.

E. Other receivables from related parties

	December 31, 2018	December 31, 2017
Other receivables:		
-Chicony Square (Wuhan) Inc.	\$ <u>961,722</u>	\$ <u>-</u>

The receivables from related parties are mainly from sales of subsidiaries. The Group - Clevo (Cayman Islands) has already obtained \$892,533 (CNY\$ 199,000 thousand) of guarantee deposit from Chicony Square (Wuhan) Inc.

F. Guarantee deposit

	December 31, 2018	December 31, 2017
Chicony Square (Wuhan) Inc.	\$ <u>892,533</u>	\$ <u>-</u>

G. Property transactions

Disposal of financial asset

				<u>Year ended December 31, 2018</u>	
				<u>Disposal</u>	
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>proceeds</u>	<u>Gain/(loss)</u>
Chicony Square (Wuhan)	Disposal of subsidiaries	15,000,000	Buynow (Wuhan) Industry Co., Ltd.	<u>\$ 2,013,423</u>	<u>\$ 944,976</u>

(a)The amount of receivables from disposal of subsidiaries is \$961,722 on December 31, 2018.

(b)There was no disposal of financial assets with related parties in 2017.

H. Loans from related parties

Loans from related parties (showed on other financial liabilities – current and non-current)

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Chicony Square (Wuhan) Inc.	\$ -	\$ 1,039,990
Chicony Industry (Wuhan)	-	609,360
Chicony Square (Cayman) Inc.	434,026	44,571
Chicony Square (Wuhan) Inc.	<u>6,728</u>	<u>-</u>
	<u>\$ 440,754</u>	<u>\$ 1,693,921</u>

The loans from associates are payable at maturity within 1~5 years after the loan is made and carry interest at 0%~5% and 0%~3.98% per annum for the years ended December 31, 2018 and 2017, respectively. The amount of interest payable (recognised as other payable) as of December 31, 2018 and 2017 was \$102 and \$3,338, respectively. Additionally, interest expense recognised in 2018 and 2017 was \$8,187 and \$3,338, respectively.

I. Others

The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu in 2018 and 2017.

(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	\$ 104,476	\$ 109,328
Post-employment benefits	<u>1,427</u>	<u>1,668</u>
	<u>\$ 105,903</u>	<u>\$ 110,996</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2018	December 31, 2017	
Inventories	\$ 383,644	\$ 569,127	Long-term borrowings
Financial assets at amortised cost (current and non-current)	4,865,618	-	STANDBY L/C, Long- term and short-term borrowings
Other financial assets (current and non-current)	-	3,475,674	STANDBY L/C, Long- term and short-term borrowings
Property, plant and equipment	1,644,480	3,174,866	Long-term borrowings
Investment property and long-term prepaid rents	59,756,015	66,697,276	Long-term and short- term borrowings
	<u>\$ 66,649,757</u>	<u>\$ 73,916,943</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2018 and 2017, the Company 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 Group are the joint guarantors and co-issuers of the guarantee notes.
- C. On May 20, 2015, the Group'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 Group's consolidated subsidiary, CLEVO (CAYMAN ISLANDS) HOLDING COMPANY, and the Chairman of the Group are the joint guarantors and co-issuers of the guarantee notes.
- D. As of December 31, 2018 and 2017, the Group's total contract prices for signed construction contracts amounted to \$13,259,931 and \$16,213,099, of which \$12,292,558 and \$15,237,229 were paid and \$967,373 and \$975,870 remain unpaid, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

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

12. OTHERS

(1) Capital management

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

During the year ended December 31, 2018, the Group's strategy, which was unchanged from 2017, was to maintain the gearing ratio within 40% to 60%. The gearing ratios at December 31, 2018 and 2017 were as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Total borrowings	\$ 48,011,448	\$ 46,627,101
Less: Cash and cash equivalents	(7,796,543)	(7,522,579)
Net debt	40,214,905	39,104,522
Total equity	41,857,130	42,300,035
Total capital	<u>82,072,035</u>	<u>81,404,557</u>
Gearing ratio	49%	48%

(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	\$ 1,322,990	\$ -
Financial assets held for trading	-	1,000,504
Available-for-sale financial assets	-	400,754
Financial assets at amortised cost		
Cash and cash equivalents	7,796,543	7,522,579
Financial assets at amortised cost - current	4,749,768	-
Notes receivable	-	1,127
Accounts receivable (including related parties)	1,627,027	1,913,159
Other receivables (including related parties)	1,204,438	309,045
Guarantee deposits paid	113,106	116,554
Other financial assets - current	-	3,358,797
Financial assets at amortised cost - non-current	115,850	-
Other financial assets - non-current	-	116,877
	<u>\$ 16,929,722</u>	<u>\$ 14,739,396</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 8,426,966	\$ 6,221,472
Notes payable	15,135	15,236
Accounts payable (including related parties)	1,852,644	2,122,108
Other payables (including related parties)	2,008,965	2,303,738
Corporate bonds payable	5,000,000	5,000,000
Long-term borrowings (including current portion)	34,584,482	35,405,629
Guarantee deposits received	1,635,227	835,521
Other financial liabilities - current	6,728	-
Other financial liabilities - non-current	434,026	1,693,921
	<u>\$ 53,964,173</u>	<u>\$ 53,597,625</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to 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 Group hedges foreign assets and liabilities or expected transaction that are probably by using financial derivatives such as forward exchange contracts. The Group monitors the exchange rate fluctuation at any time, and sets stop loss limit.
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB 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	\$ 355,173	30.78	\$ 10,932,225
USD:RMB	7,741	6.86	238,434
RMB:NTD	392,489	4.49	1,762,276
HKD:NTD	37,042	3.93	145,575
JPY:NTD	139,333	0.28	39,013
<u>Investments accounted for the equity method</u>			
USD:NTD	81,813	30.78	2,518,217
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	130,901	30.78	4,029,133
USD:RMB	244,788	6.86	7,539,813
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	\$ 342,240	29.71	\$ 10,167,950
USD:RMB	4,436	6.53	131,800
RMB:NTD	405,470	4.55	1,844,889
HKD:NTD	19,793	3.80	75,213
<u>Investments accounted for the equity method</u>			
USD:NTD	86,207	29.71	2,561,215
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	157,750	29.71	4,686,753
USD:RMB	161,055	6.53	4,785,186
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 Group for the years ended December 31, 2018 and 2017 amounted to \$209,160 and \$98,430, 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%	\$	87,457	\$ -
USD:RMB	1%		4,907	-
RMB:NTD	1%		14,098	-
HKD:NTD	1%		1,208	-
JPY:NTD	1%		312	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		32,233	-
USD:RMB	1%		60,319	-
RMB: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%	\$	84,394	\$ -
USD:RMB	1%		1,094	-
RMB:NTD	1%		15,313	-
HKD:NTD	1%		624	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		38,900	-
USD:RMB	1%		39,717	-
RMB:NTD	1%		7,471	-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and available-for-sale financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2018 and 2017 would have increased/decreased by \$12,342 and \$8,527, 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 \$4,008, 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 Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2018 and 2017, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars, RMB dollars, and JPY dollars.
- ii. The Group'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 \$345,047 and \$335,274, 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 Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management of credit manage. The utilisation of credit limits is regularly

- monitored.
- iv. For banks and financial institutions, only independently rated parties with a best rating are accepted.
 - v. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
 - (ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.
 - vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
 - vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
 - viii. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
 - ix. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2018, the Group's written-off financial assets that are still under recourse procedures amounted to \$50,259.

- x. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On 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	0.03%~0.05%	0.27%~21.59%	12.51%~39.51%
Total book value	\$ 1,022,099	\$ 564,783	\$ 32,332
Loss allowance	557	10,214	6,025
	181~270 days past due	Over 270 days	Total
Expected loss rate	35.77%~74.57%	100%	
Total book value	\$ 34,399	\$ 28,986	\$ 1,682,599
Loss allowance	9,790	28,986	55,572

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

	2018
	Accounts receivable
At January 1_IAS 39	\$ 97,704
Adjustments under new standards	-
At January 1_IFRS 9	97,704
Provision for impairment	17,992
Effect of changes between consolidation and entity (Note)	(3,406)
Write-offs	(50,259)
Effect of foreign exchange	(6,459)
At December 31	<u>\$ 55,572</u>

Note: Refer Note 6(30) 2. for effect of changes between consolidation and entity.

- 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 Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2018	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	\$ 8,426,966	\$ -	\$ -	\$ -
Notes payable	15,135	-	-	-
Accounts payable (including related parties)	1,852,644	-	-	-
Other payables	2,008,965	-	-	-
Other financial liabilities - current	6,728	-	-	-
Bonds payable	75,000	5,075,000	-	-
Long-term borrowings (including current portion)	3,802,851	12,576,403	19,426,728	1,437,491
Guarantee deposits	-	1,635,227	-	-
Other financial liabilities - non-current	-	-	434,026	-

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	\$ 6,345,758	\$ -	\$ -	\$ -
Notes payable	15,236	-	-	-
Accounts payable (including related parties)	2,122,108	-	-	-
Other payables	2,303,738	-	-	-
Bonds payable	75,000	75,000	5,075,000	-
Long-term borrowings (including current portion)	8,523,566	13,110,761	16,138,629	264,111
Guarantee deposits	-	835,521	-	-
Other financial liabilities - non-current	49,207	1,698,557	44,571	-

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

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market

in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

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

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

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, financial assets at amortised cost, other financial assets, short-term borrowings, notes payable, accounts payable(including related parties), other payables, 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 on 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>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 895,174	\$ -	\$ -	\$ 895,174
Beneficiary certificates	14,497	413,319	-	427,816
Investment property (Note)	-	-	65,426,212	65,426,212
	<u>\$ 909,671</u>	<u>\$ 413,319</u>	<u>\$ 65,426,212</u>	<u>\$ 66,749,202</u>

Note : Investment property measured at fair value

December 31, 2017	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 456,022	\$ -	\$ -	\$ 456,022
Beneficiary certificates	9,980	534,502	-	544,482
Available-for-sale equity securities	400,754	-	-	400,754
Investment property (Note)	-	-	69,922,175	69,922,175
	<u>\$ 866,756</u>	<u>\$ 534,502</u>	<u>\$ 69,922,175</u>	<u>\$ 71,323,433</u>

Note : Investment property measured at fair value

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

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

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

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with

additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- 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(8)
- G. For the years ended December 31, 2018 and 2017, there was no transfer into or out from Level 3.
- H. Financial & Administrative segment is in charge of valuation procedures for fair value measurements being categorised within Level 3 (investment property), which is based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer. The Group sets up valuation policies, valuation processes and rules for measuring fair value of investment property and 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	\$ 65,426,212	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 (10%)~20%; the range of discount rate is provided in Note 6(8).

	Fair value at December 31, 2017	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 69,922,175	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 (10%)~20%; the range of discount rate is provided in Note 6(8).

(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. Notes 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 Group 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 Group 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 Group, 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 Group 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, 2018, IFRS 9, were as follows:

	Measured at fair value through profit or loss	Available-for-sale-equity	Total	Effects	
		Measured at fair value through other comprehensive income-equity		Retained earnings	Other equity
IAS 39	\$ 1,000,504	\$ 400,754	\$ 1,401,258	\$ 1,079,944	(\$ 2,020,190)
Transferred into and measured at fair value through profit or loss	400,754	(400,754)	-	97,879	(97,879)
IFRS 9	<u>\$ 1,401,258</u>	<u>\$ -</u>	<u>\$ 1,401,258</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 \$400,754 was reclassified as "financial assets at fair value through profit or loss" amounting to \$400,754. 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	\$ 461,261
Beneficiary certificates	367,093
	<u>828,354</u>
Valuation adjustment	172,150
	<u>\$ 1,000,504</u>

- i. The Group recognised net profit amounting to \$202,225 on financial assets held for trading for the year ended December 31, 2017.
- ii. The counterparties of the Group's investments in debt instruments have good credit quality (the ratings are tw BBB+).
- iii. The Group did not pledge financial assets at fair value through profit or loss to others as collateral.

(b) Available-for-sale financial assets

Items	December 31, 2017
Current items:	
Listed stocks	\$ 302,875
Valuation adjustment	97,879
	<u>\$ 400,754</u>

- i. The Group recognised (\$59,978) in other comprehensive income for fair value change for the year ended December 31, 2017.
- ii. The Group recognised net profit amounting to \$110,961 on available-for-sale financial assets in current profit and loss for the year ended December 31, 2017.
- iii. Due to the global financial crisis 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 \$2,126,159, according to IAS 39.50(C). The information is 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 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)

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 Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group 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 period, and management does not expect any significant losses from non-performance by these counterparties.

- (c) The Group'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>\$ 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	\$ 440,458
31 to 90 days	78,355
91 to 180 days	32,805
Over 180 days	58,886
	<u>\$ 610,504</u>

The ageing analysis is based on due dates.

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

- i. The Group's impaired accounts receivable amounted to \$61,470 as of 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	\$ 21,913	\$ 83,383
Provision for impairment	-	14,726	14,726
Effects of foreign exchange	-	(405)	(405)
At December 31	<u>\$ 61,470</u>	<u>\$ 36,234</u>	<u>\$ 97,704</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.

- (a) Sales of goods

The Group manufactures and sells a range of video display devices, computers and peripheral 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) Booth rental revenue

The Group held investment properties for earning rental revenue, and lease revenue is recognised on a straight-line basis over the lease term.

(c) Hotel revenue

The main services the Group provides are food services and accommodations. 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	\$ 14,131,511
Rental revenue	3,937,113
Land development and resale	2,263,840
Hotel revenue	90,261
Other revenue	454,255
	<u>\$ 20,876,980</u>

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

		December 31, 2018		
		Balance by using		
Balance sheet items	Description	Balance by using IFRS 15	previous accounting policies	Effects from changes in accounting policy
Contract liabilities		\$ 3,146,037	\$ -	\$ 3,146,037
Other current liabilities				
-Advance sales receipts		-	31,316	(31,316)
-Advance real estate receipts		-	3,114,721	(3,114,721)

Explanation: According to IFRS 15, the advance sales receipts and advance real estate receipts (previously shown as other current liabilities) are shown as contract liabilities in 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 periods: As of December 31, 2018, the Group did not have open interest derivative instruments. The Group recognised net profit amounting to \$669 on derivative instruments in 2018.
- J. Significant inter-company transactions during the reporting periods: 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:
- D. 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, D, E, G, H, J.

14. SEGMENT INFORMATION

(1) General information

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

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

(2) Measurement of segment information

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

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

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

<u>Year ended December 31, 2018</u>	<u>Computer segment</u>	<u>Buynow plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 14,568,469	\$ 5,067,546	\$ 160,057	\$ 19,796,072
Inter-segment revenue	10,850,534	6,140	8,479	10,865,153
Total segment revenue	<u>\$ 25,419,003</u>	<u>\$ 5,073,686</u>	<u>\$ 168,536</u>	<u>\$ 30,661,225</u>
External-segment income (loss)	<u>(\$ 374,029)</u>	<u>\$ 2,587,448</u>	<u>\$ 142,256</u>	<u>\$ 2,355,675</u>
Segment income (loss)	<u>(\$ 498,365)</u>	<u>\$ 1,812,350</u>	<u>\$ 142,374</u>	<u>\$ 1,456,359</u>
Segment income (loss), including				
Interest income	<u>\$ 108,629</u>	<u>\$ 22,289</u>	<u>\$ 3</u>	<u>\$ 130,921</u>
Recognised investment profit or loss accounted for under equity method	<u>\$ -</u>	<u>\$ 24,009</u>	<u>\$ -</u>	<u>\$ 24,009</u>
Interest expense	<u>\$ 337,903</u>	<u>\$ 530,932</u>	<u>\$ 9,492</u>	<u>\$ 878,327</u>
Depreciation and amortisation	<u>\$ 87,772</u>	<u>\$ 85,820</u>	<u>\$ -</u>	<u>\$ 173,592</u>
Income tax expense	<u>\$ 123,937</u>	<u>\$ 775,098</u>	<u>\$ 281</u>	<u>\$ 899,316</u>
<u>Year ended December 31, 2017</u>	<u>Computer segment</u>	<u>Buynow plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 14,131,511	\$ 6,590,606	\$ 154,863	\$ 20,876,980
Inter-segment revenue	10,040,821	5,694	7,198	10,053,713
Total segment revenue	<u>\$ 24,172,332</u>	<u>\$ 6,596,300</u>	<u>\$ 162,061</u>	<u>\$ 30,930,693</u>
External-segment income (loss)	<u>(\$ 459,891)</u>	<u>\$ 1,676,471</u>	<u>\$ 286,376</u>	<u>\$ 1,502,956</u>
Segment income (loss)	<u>(\$ 611,135)</u>	<u>\$ 1,046,366</u>	<u>\$ 285,427</u>	<u>\$ 720,658</u>
Segment income (loss), including				
Interest income	<u>\$ 70,461</u>	<u>\$ 14,811</u>	<u>\$ 2</u>	<u>\$ 85,274</u>
Recognised investment profit or loss accounted for under equity method	<u>\$ -</u>	<u>\$ 481,087</u>	<u>\$ -</u>	<u>\$ 481,087</u>
Interest expense	<u>\$ 354,883</u>	<u>\$ 671,193</u>	<u>\$ 9,467</u>	<u>\$ 1,035,543</u>
Depreciation and amortisation	<u>\$ 85,083</u>	<u>\$ 110,667</u>	<u>\$ -</u>	<u>\$ 195,750</u>
Income tax expense	<u>\$ 150,740</u>	<u>\$ 630,105</u>	<u>\$ 1,453</u>	<u>\$ 782,298</u>

(4) Reconciliation for segment income (loss)

A reconciliation of reportable segment revenue and total revenue, and a reconciliation of reportable segment income or loss and total income or loss before tax is provided as follows:

<u>Revenue</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Reportable segments revenue	\$ 30,492,689	\$ 30,768,632
Other segments revenue	168,539	162,061
Elimination of intersegment	(10,865,153)	(10,053,713)
Total revenue	<u>\$ 19,796,075</u>	<u>\$ 20,876,980</u>

<u>Income/(Loss)</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Reportable segments income (after tax)	\$ 1,313,984	\$ 435,231
Other segments income (after tax)	142,375	285,427
Elimination of intersegment transactions	-	-
Income after tax from continuing operations	<u>\$ 1,456,359</u>	<u>\$ 720,658</u>

(5) Information on products and services

	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Sales revenue of computer products	\$ 14,568,469	\$ 14,131,511
Rental revenue	3,720,007	3,937,113
Land development and resale from Buynow	924,514	2,263,840
Hotel revenue	99,349	90,261
Other revenue	483,733	454,255
	<u>\$ 19,796,072</u>	<u>\$ 20,876,980</u>

(6) Geographical information

Geographical information for the years ended December 31, 2018 and 2017 is as follows:

<u>Revenue</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Sales revenue of computer products		
China	\$ 4,706,583	\$ 4,645,879
Japan	2,081,629	2,069,516
Germany	1,397,204	1,141,829
Taiwan	1,316,013	551,373
South Korea	715,164	782,752
United States	673,033	1,209,968
United Kingdom	575,370	505,569
Portugal	428,512	15,288
Brazil	351,984	241,482
Hong Kong	272,746	147,151
Russia	210,552	162,323
Turkey	209,743	537,165
India	181,301	86,773
Australia	179,672	197,307
Singapore	141,961	152,406
Malaysia	133,509	264,308
Bangladesh	110,939	87,680
Poland	100,450	79,505
Mexico	77,037	146,957
Netherlands	76,748	70,854
Others	628,319	1,035,426
	<u>\$ 14,568,469</u>	<u>\$ 14,131,511</u>

<u>Revenue</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
Rental revenue		
China	\$ 3,560,757	\$ 3,783,016
Japan	159,250	154,097
	<u>3,720,007</u>	<u>3,937,113</u>
Land development and resale		
China	924,514	2,263,840
Hotel revenue		
China	99,349	99,349
Other revenue		
China	482,927	453,489
Taiwan	806	766
	<u>483,733</u>	<u>454,255</u>
Total revenue	<u>\$ 19,796,072</u>	<u>\$ 20,876,980</u>

<u>Non-current assets</u>	<u>Year ended December 31, 2018</u>	<u>Year ended December 31, 2017</u>
China	\$ 78,869,139	\$ 81,862,246
Japan	\$ 3,322,548	\$ 3,080,319
Taiwan	\$ 1,944,763	\$ 1,934,870

(7) Major customer information

The Company and its subsidiaries did not have customers which accounts for over 10% of sales revenue in the statement of comprehensive income for the years ended December 31, 2018 and 2017.

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 endorsement s/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.

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			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
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			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
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			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
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.