

CLEVO CO.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND REPORT OF INDEPENDENT
ACCOUNTANTS
DECEMBER 31, 2019 AND 2018

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 19004784

Opinion

We have audited the accompanying parent company only balance sheets of Clevo Co. (the “Company”) as at December 31, 2019 and 2018, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

Basis for opinion

We conducted our audit of the parent company only financial statements as of and for the year ended December 31, 2019 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, "Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020” and generally accepted auditing standards in the Republic of China (ROC GAAS); and 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) for our audit of the parent company only financial statements as of and for the year ended December 31, 2018. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance

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

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

Valuation of investment properties

Description

Refer to Note 4(16) 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, 2019, the amount of investment properties at fair value amounted to NT\$1,579,381 thousand.

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

The discount rate and future rental income used as the basis of fair value measurement mentioned above involves future projections, 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 in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”
2. Evaluated the reasonableness of rental earnings related to individual investment property, current market rents for similar comparable properties, rental growth rate and industry forecast reports.
3. Evaluated the reasonableness of discount rate used in valuation and capital costs caused by local property environment.

Valuation of inventories

Description

Refer to Note 4(12) for accounting policy on the valuation of inventories, Note 5(2) for uncertainty

of accounting estimations and assumptions in relation to inventory valuation, and Note 6(4) for the details of inventory valuation. As at December 31, 2019, the balance of inventory and allowance for inventory valuation losses amounted to NT\$366,212 thousand and NT\$16,847 thousand, respectively.

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

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

How our audit addressed the matter

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

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

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Feng, Min-Juan

Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 31, 2020

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

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

	Assets	Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,878,402	9	\$ 4,775,480	7
1110	Current financial assets at fair value through profit or loss	6(2)	606,051	1	655,929	1
1136	Current financial assets at amortised cost	6(1) and 8	1,520,899	2	3,409,922	5
1170	Accounts receivable, net	6(3)	1,846,489	3	1,418,908	2
1180	Accounts receivable due from related parties, net	7	1,252,715	2	818,974	1
1210	Other receivables due from related parties	7	1,433,101	2	4,078	-
130X	Inventories	6(4)	349,365	-	293,643	-
1410	Prepayments	7	113,505	-	1,232,073	2
1479	Other current assets		186,946	-	107,626	-
11XX	Total current assets		<u>13,187,473</u>	<u>19</u>	<u>12,716,633</u>	<u>18</u>
Non-current assets						
1550	Investments accounted for under equity method	6(5)	52,898,758	78	50,526,073	73
1600	Property, plant and equipment	6(6) and 8	338,989	1	340,737	1
1760	Investment property, net	6(8) and 8	1,579,381	2	1,576,905	2
1780	Intangible assets		10,933	-	4,972	-
1840	Deferred tax assets	6(25)	132,181	-	139,132	-
1920	Refundable deposits		6,655	-	7,985	-
1960	Prepayments for investments	6(5) and 7	-	-	4,425,325	6
1990	Other non-current assets		12,449	-	14,165	-
15XX	Total non-current assets		<u>54,979,346</u>	<u>81</u>	<u>57,035,294</u>	<u>82</u>
1XXX	Total assets		<u>\$ 68,166,819</u>	<u>100</u>	<u>\$ 69,751,927</u>	<u>100</u>

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

	Liabilities and Equity	Notes	December 31, 2019		December 31, 2018	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)	\$ 7,697,000	12	\$ 3,594,790	5
2120	Current financial liabilities at fair value through profit or loss		1,008	-	-	-
2130	Current contract liabilities	6(19)	34,360	-	24,382	-
2150	Notes payable		12,851	-	15,071	-
2170	Accounts payable		88,533	-	270,965	-
2200	Other payables		352,955	1	359,757	1
2220	Other payables to related parties	7	104,410	-	94,331	-
2250	Provisions for liabilities - current	6(13)	50,523	-	50,523	-
2320	Long-term liabilities, current portion	6(10)(11)	760,000	1	-	-
2399	Other current liabilities		21,352	-	9,139	-
21XX	Total current liabilities		<u>9,122,992</u>	<u>14</u>	<u>4,418,958</u>	<u>6</u>
	Non-current liabilities					
2530	Corporate bonds payable	6(10)	5,000,000	7	5,000,000	7
2540	Long-term borrowings	6(11)	13,430,000	20	17,555,000	25
2570	Deferred tax liabilities	6(25)	616,931	1	721,984	1
2645	Deposits received		12,199	-	11,548	-
2670	Other non-current liabilities	6(12)(14) and 7	189,436	-	204,595	1
25XX	Total non-current liabilities		<u>19,248,566</u>	<u>28</u>	<u>23,493,127</u>	<u>34</u>
2XXX	Total liabilities		<u>28,371,558</u>	<u>42</u>	<u>27,912,085</u>	<u>40</u>
	Equity					
	Share capital	6(15)				
3110	Common stock		6,697,630	10	6,797,630	10
	Capital surplus	6(16)				
3200	Capital surplus		333,951	-	982,539	1
	Retained earnings	6(17)				
3310	Legal reserve		1,724,342	2	1,578,852	3
3320	Special reserve		36,131,662	53	34,937,216	50
3350	Unappropriated retained earnings		1,100,739	2	1,547,516	2
	Other equity interest	6(18)				
3400	Other equity interest		(4,836,021)	(7)	(2,720,683)	(4)
3500	Treasury stocks	6(15)	(1,357,042)	(2)	(1,283,228)	(2)
3XXX	Total equity		<u>39,795,261</u>	<u>58</u>	<u>41,839,842</u>	<u>60</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		<u>\$ 68,166,819</u>	<u>100</u>	<u>\$ 69,751,927</u>	<u>100</u>

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

CLEVO CO.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
4000	Sales revenue	6(19)	\$ 15,372,546	100	\$ 14,560,392	100
5000	Operating costs	6(4)(23)(24) and 7	(14,238,519)	(92)	(13,551,524)	(93)
5900	Net operating margin		1,134,027	8	1,008,868	7
5910	Unrealised profit (loss) from sales		2,713	-	(65)	-
5920	Realised profit from sales		65	-	1,574	-
5950	Net operating margin		1,136,805	8	1,010,377	7
	Operating expenses	6(23)(24)				
6100	Selling expenses		(200,948)	(1)	(214,454)	(1)
6200	General and administrative expenses		(419,612)	(3)	(497,039)	(3)
6300	Research and development expenses		(561,325)	(4)	(528,608)	(4)
6000	Total operating expenses		(1,181,885)	(8)	(1,240,101)	(8)
6900	Operating loss		(45,080)	-	(229,724)	(1)
	Non-operating income and expenses					
7010	Other income	6(20)	361,796	2	347,876	2
7020	Other gains and losses	6(21)	93,607	1	73,410	1
7050	Finance costs	6(22) and 7	(411,871)	(3)	(391,025)	(3)
7070	Share of profit of associates and joint ventures accounted for using equity method, net		1,211,100	8	1,750,117	12
7000	Total non-operating income and expenses		1,254,632	8	1,780,378	12
7900	Profit before income tax		1,209,552	8	1,550,654	11
7950	Income tax expense	6(25)	(140,913)	(1)	(95,750)	(1)
8200	Profit for the year		\$ 1,068,639	7	\$ 1,454,904	10
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plan	6(12)	\$ 4,189	-	(\$ 6,585)	-
8312	Gains on revaluation		-	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(838)	-	1,317	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		3,351	-	(5,268)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	(2,149,814)	(14)	(594,951)	(4)
8380	Share of other comprehensive income of associates and joint ventures accounted for under equity method		-	-	-	-
8399	Income tax related to the components of other comprehensive income	6(25)	34,476	-	(7,663)	-
8360	Other comprehensive loss that will be reclassified to profit or loss		(2,115,338)	(14)	(602,614)	(4)
8300	Other comprehensive loss for the year		(\$ 2,111,987)	(14)	(\$ 607,882)	(4)
8500	Total comprehensive (loss) income for the year		(\$ 1,043,348)	(7)	\$ 847,022	6
	Earnings per share (in dollars)					
9750	Basic earnings per share	6(26)	\$ 1.75		\$ 2.32	
9850	Diluted earnings per share	6(26)	\$ 1.74		\$ 2.30	

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

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

Notes	Capital Reserves			Retained Earnings			Other Equity Interest				
	Ordinary Share	Total capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on available-for-sale financial assets	Asset revaluation increment	Treasury shares	Total equity
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
Effects of retrospective application and 6(18) retrospective restatement	-	-	-	-	-	97,879	-	(97,879)	-	-	-
Balance at January 1, 2018 after adjustments	6,831,630	1,379,498	202,476	1,507,074	33,929,051	1,177,823	(2,138,991)	-	20,922	(625,346)	42,284,137
Profit for the year	-	-	-	-	-	1,454,904	-	-	-	-	1,454,904
Other comprehensive loss for the year 6(18)	-	-	-	-	-	(5,268)	(602,614)	-	-	-	(607,882)
Total comprehensive income (loss) for the year	-	-	-	-	-	1,449,636	(602,614)	-	-	-	847,022
Appropriations of 2017 earnings 6(17)	-	-	-	71,778	-	(71,778)	-	-	-	-	-
Legal reserve	-	-	-	71,778	-	(71,778)	-	-	-	-	-
Special reserve	-	-	-	-	1,008,165	(1,008,165)	-	-	-	-	-
Capital dividends 6(17)	-	(546,530)	-	-	-	-	-	-	-	-	(546,530)
Treasury stock acquired 6(15)	-	-	-	-	-	-	-	-	-	(767,537)	(767,537)
Treasury stock retired 6(15)	(34,000)	-	(75,655)	-	-	-	-	-	-	109,655	-
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	22,750	-	-	-	-	-	-	-	22,750
Balance at December 31, 2018	<u>\$ 6,797,630</u>	<u>\$ 832,968</u>	<u>\$ 149,571</u>	<u>\$ 1,578,852</u>	<u>\$ 34,937,216</u>	<u>\$ 1,547,516</u>	<u>(\$ 2,741,605)</u>	<u>\$ -</u>	<u>\$ 20,922</u>	<u>(\$ 1,283,228)</u>	<u>\$ 41,839,842</u>
Year ended December 31, 2019											
Balance at January 1, 2019	\$ 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
Profit for the year	-	-	-	-	-	1,068,639	-	-	-	-	1,068,639
Other comprehensive income (loss) for 6(18) the year	-	-	-	-	-	3,351	(2,115,338)	-	-	-	(2,111,987)
Total comprehensive income (loss) for the year	-	-	-	-	-	1,071,990	(2,115,338)	-	-	-	(1,043,348)
Appropriations of 2018 earnings 6(17)	-	-	-	145,490	-	(145,490)	-	-	-	-	-
Legal reserve	-	-	-	145,490	-	(145,490)	-	-	-	-	-
Special reserve	-	-	-	-	1,194,446	(1,194,446)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(128,453)	-	-	-	-	(128,453)
Capital dividends 6(17)	-	(513,810)	-	-	-	-	-	-	-	-	(513,810)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	27,047	-	-	-	-	-	-	-	27,047
Treasury stock acquired 6(15)	-	-	-	-	-	-	-	-	-	(386,017)	(386,017)
Treasury stock retired 6(15)	(100,000)	(12,254)	(149,571)	-	-	(50,378)	-	-	-	312,203	-
Balance at December 31, 2019	<u>\$ 6,697,630</u>	<u>\$ 306,904</u>	<u>\$ 27,047</u>	<u>\$ 1,724,342</u>	<u>\$ 36,131,662</u>	<u>\$ 1,100,739</u>	<u>(\$ 4,856,943)</u>	<u>\$ -</u>	<u>\$ 20,922</u>	<u>(\$ 1,357,042)</u>	<u>\$ 39,795,261</u>

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

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

	Notes	Year ended December 31	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,209,552	\$ 1,550,654
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(23)	12,037	11,651
Amortisation	6(23)	6,671	5,819
(Gain) loss on financial assets and liabilities measured at fair value through profit or loss	6(21)	(184,213)	124,827
Interest expense		411,871	391,025
Interest income	6(20)	(139,663)	(101,081)
Dividend income	6(20)	(25,897)	(30,702)
Share of profit of associates and joint ventures accounted for under the equity method	6(5)	(1,211,100)	(1,750,117)
(Gain) loss on disposal of investments	6(21)	(35,776)	13,410
Gain on adjustments of investment properties at fair value	6(8)(21)	(2,476)	(7,912)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		270,875	(230,481)
Accounts receivable, net		(861,322)	(9,305)
Inventories		(55,722)	137,321
Prepayments		1,118,568	(1,166,172)
Other current assets		(59,571)	53,405
Changes in operating liabilities			
Decrease (increase) in current contract liabilities		9,978	(542,263)
Notes payable		(2,219)	(165)
Accounts payable		(182,432)	(172,819)
Other payables		16,855	20,934
Other current liabilities		12,213	1,147
Other non-current liabilities		(8,272)	(9,879)
Cash inflow (outflow) generated from operations		299,957	(1,710,703)
Interest received		144,989	98,951
Dividends received		25,897	30,702
Cash dividends received from investments accounted for under the equity method		983,540	111,105
Income taxes paid		(204,334)	(13,879)
Interest paid		(420,992)	(400,114)
Net cash flows from (used in) operating activities		<u>829,057</u>	<u>(1,883,938)</u>

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

	Notes	Year ended December 31	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in prepayments for investments		\$ -	\$ 1,435,435
Acquisition of property, plant and equipment	6(6)	(10,289)	(6,098)
Decrease (increase) in refundable deposits		1,330	(20)
Acquisition of intangible assets		(12,632)	(1,468)
Increase in other accounts receivable due from related parties		(1,421,437)	-
Decrease (increase) in other non-current assets		1,716	(11,866)
Decrease (increase) in current financial assets at amortised cost		1,889,023	(325,122)
Acquisition of investments accounted for under equity method		(1,000,000)	-
Proceeds from capital reduction of investments accounted for under equity method		1,159,168	-
Net cash flows from investing activities		<u>606,879</u>	<u>1,090,861</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings		63,587,471	62,798,107
Repayments of short-term borrowings		(59,485,261)	(62,905,317)
Proceeds from issuing bonds	6(10)	5,000,000	-
Proceeds from long-term borrowings		25,190,000	45,374,453
Repayments of long-term borrowings		(28,755,000)	(42,040,992)
Increase in guarantee deposit		651	1,600
Increase in other payables to related parties	7	13,000	6,000
Decrease in long-term accounts payable to related parties	7	(2,698)	(1,368,723)
Cash dividends paid	6(17)	(642,262)	(546,530)
Acquisition of treasury stock	6(28)	(403,475)	(750,079)
Repayments of bonds		(4,800,000)	-
Net cash flows (used in) from financing activities		<u>(297,574)</u>	<u>568,519</u>
Changes in exchange rates		(35,440)	(16,771)
Net increase (decrease) in cash and cash equivalents		1,102,922	(241,329)
Cash and cash equivalents at beginning of year		<u>4,775,480</u>	<u>5,016,809</u>
Cash and cash equivalents at end of year		<u>\$ 5,878,402</u>	<u>\$ 4,775,480</u>

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

CLEVO CO.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

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

1. HISTORY AND ORGANISATION

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

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 31, 2020.

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 2019 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 Company’s financial condition and financial performance based on the Company’s assessment.

A. 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.

B. Amendments to IAS 28, ‘Long-term interests in associates and joint ventures’

The amendments clarify that, for any long-term interest that, in substance, form part of the entity's net investment in an associate or joint venture, an entity should apply IFRS 9 to such interests before it applies IAS 28 to recognise losses.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2020 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 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to 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
Amendments to IAS 1, ‘Classification of liabilities as current or noncurrent’	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, the financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Investment property measured at fair value.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

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

A. Foreign currency transactions and balances

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

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

counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

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

(7) Financial assets at amortised cost

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

(8) Accounts and notes receivable

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

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

(11) Leasing arrangements (lessor)-operating leases

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

(12) Inventories

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

(13) Investments accounted for using equity method / subsidiaries

- A. Subsidiaries refer to the entities (including special purpose entities) that the Company has control over their financial and operating policies and own more than 50% of voting shares directly or indirectly. The Company evaluates investments in subsidiaries accounted under equity method in these parent company only financial statements.
- B. Unrealised profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted to comply with the Company's accounting policies.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is

recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(14) Joint operation and investment accounted for using equity method- joint ventures

Investment of joint arrangements are classified as joint ventures based on its contractual rights and obligations.

Investment accounted for using equity method - joint ventures

The Company accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures (including the auxiliary equipment with useful lives of 2 to 10 years)	2 ~ 50 years
Machinery and equipment	3 ~ 5 years
Computer and communication equipment	2 ~ 5 years
Transportation equipment	1 ~ 5 years
Other equipment	3 ~ 5 years

(16) Investment property

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

(17) Intangible assets

Computer software

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

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) 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.

(20) 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.

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

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

(22) Bonds payable

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

(23) Derecognition of financial liabilities

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

(24) 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.

(25) Financial guarantee contracts

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

(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

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

(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 plan

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

(b) Defined benefit plan

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

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

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

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

(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 Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(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 Company designs, manufactures and sells a range of video display devices, computers and peripheral products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. The sales usually are made with a credit term of 30 days to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.
- (b) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B Incremental costs of obtaining a contract

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

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

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a

significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

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

As of December 31, 2019, the carrying amount of inventories was \$349,365.

B. Investment property measured at fair value

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

As of December 31, 2019, the carrying amount of investment property was \$1,579,381.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash on hand and revolving funds	\$ 188	\$ 166
Checking accounts and demand deposits	3,297,432	1,828,210
Time deposits	<u>2,580,782</u>	<u>2,947,104</u>
	<u>\$ 5,878,402</u>	<u>\$ 4,775,480</u>

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

B. Cash and cash equivalents amounting to \$1,520,899 and \$3,409,922 were pledged to others as collateral, and were classified as other financial assets at amortised cost and other financial assets as of December 31, 2019 and 2018, respectively.

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

Assets items	December 31, 2019	December 31, 2018
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 489,716	\$ 724,815
Valuation adjustment	<u>116,335</u>	<u>(68,886)</u>
	<u>\$ 606,051</u>	<u>\$ 655,929</u>
Liabilities items	December 31, 2019	December 31, 2018
Current items:		
Financial liabilities designated as at fair value through profit or loss		
Derivatives	(\$ 1,008)	\$ -
	<u>(\$ 1,008)</u>	<u>\$ -</u>

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

	Year ended December 31, 2019	Year ended December 31, 2018
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 220,997	(\$ 138,237)
Financial liabilities designated as at fair value through profit or loss		
Forward foreign exchange contracts	(<u>1,008</u>)	<u>-</u>
	<u>\$ 219,989</u>	<u>(\$ 138,237)</u>

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

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

	December 31, 2019	
Derivative instruments	Contract amount (notional principal)	Contract period
Current items:		
Forward foreign exchange contracts	<u>USD \$18,000</u>	2019/12/25-2020/03/05

The Company entered into forward foreign exchange contracts to buy foreign currency to earn the exchange rate spread.

(3) Accounts receivable

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Accounts receivable	\$ 1,860,776	\$ 1,433,195
Accounts receivable - related parties	1,252,715	818,974
Less: Allowance for uncollectible accounts	(14,287)	(14,287)
	<u>\$ 3,099,204</u>	<u>\$ 2,237,882</u>

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Not past due	\$ 2,804,050	\$ 1,837,907
Up to 30 days	254,841	370,538
31 to 90 days	35,028	31,062
91 to 180 days	7,309	39
Over 180 days	12,263	12,623
	<u>\$ 3,113,491</u>	<u>\$ 2,252,169</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2019, December 31, 2018, and January 1, 2018, the balances of receivables from contracts with customers amounted to \$3,113,491, \$2,252,169, and \$2,293,123, respectively

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

D. As at December 31, 2019 and 2018, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable were \$3,099,204 and \$2,237,882, respectively.

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

F. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 365,843	\$ (16,478)	\$ 349,365
Finished goods	369	(369)	-
	<u>\$ 366,212</u>	<u>(\$ 16,847)</u>	<u>\$ 349,365</u>
	<u>December 31, 2018</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Raw materials	\$ 304,318	\$ (10,675)	\$ 293,643
Finished goods	618	(618)	-
	<u>\$ 304,936</u>	<u>(\$ 11,293)</u>	<u>\$ 293,643</u>

The cost of inventories recognised as expense for the years ended December 31, 2019 and 2018 was \$14,238,519 and \$13,551,524, respectively, including the amount of \$417, that the Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold because the Company sold some inventories with net realisable value lower than its cost in 2018, as well as the amount of \$5,555 that the Company wrote down from cost to net realisable value accounted for as cost of goods sold in 2019.

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

A. Investments accounted for using equity method

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Subsidiaries:		
Kapok Computer Co., Ltd.	\$ 59,173	\$ 53,576
Clevo Investment Co., Ltd.	76,270	67,982
Clevo (Cayman Islands) Holding Company	43,159,541	40,033,064
Clevo Computer Singapore Pte. Ltd.	7,482,132	7,635,730
Kapok Computer (Samoa) Corporation	1,130,136	1,047,215
Buynow On-line Holding Corporation	(7,951)	(5,929)
Lunaria Investment GK	-	1,694,435
Joint venture:		
TAIPEI TWIN CORPORATION	999,457	-
	<u>\$ 52,898,758</u>	<u>\$ 50,526,073</u>

The related information on subsidiaries is provided in Note 4(3) of the 2019 consolidated financial statements.

B. Prepayments for investments

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Clevo (Cayman Islands) Holding Company	<u>\$ -</u>	<u>\$ 4,425,325</u>

C. Joint venture

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u> <u>December 31, 2019</u>	<u>Nature of relationship</u>	<u>Method of measurement</u>
TAIPEI TWIN CORPORATION	New Taipei City	50%	Financial investment	Equity method

(b) The summarised financial information of the joint venture that is material to the Company is as follows:

Balance sheet

	<u>TAIPEI TWIN CORPORATION</u>	
	<u>2019/12/31</u>	
Cash and cash equivalents	\$	179,226
Other current assets		1,800
Total current assets		181,026
Financial assets at amortised cost		1,818,653
Total other non-current assets		1,818,653
Total assets	\$	1,999,679
Current liabilities	\$	764
Total liabilities		764
Total net assets	\$	1,998,915
Share in joint venture's net assets	\$	999,457
Carrying amount of the joint venture	\$	999,457

Statement of comprehensive income

	<u>TAIPEI TWIN CORPORATION</u>	
	<u>Year ended December 31, 2019</u>	
Other operating expenses	\$	(1,733)
Interest income		648
Loss before income tax	(1,085)
Income tax expense		-
Profit or loss, net of tax	(1,085)
Total comprehensive income	(\$	1,085)
Dividends received from joint venture	\$	-

The Company and EPOQUE CORPORATION participated in the land development project of Taipei City Western District Gateway Project-Taipei Main Station Special Zone C1/D1 (Eastern Part) to jointly establish TAIPEI TWIN CORPORATION. The investments amounting to \$10 billion from both the Company and EPOQUE CORPORATION account for 50% of the total investment and the shareholding ratio is 50% for each. TAIPEI TWIN CORPORATION would be jointly controlled by both parties based on the joint venture agreement.

(6) Property, plant and equipment

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery</u>	<u>Computers and communication equipment</u>	<u>Transportation equipment</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2019</u>							
Cost	\$ 186,563	\$ 194,953	\$ 14,478	\$ 2,468	\$ 2,868	\$ 6,046	\$ 407,376
Accumulated depreciation	-	(53,356)	(6,198)	(1,430)	(2,868)	(2,787)	(66,639)
	<u>\$ 186,563</u>	<u>\$ 141,597</u>	<u>\$ 8,280</u>	<u>\$ 1,038</u>	<u>\$ -</u>	<u>\$ 3,259</u>	<u>\$ 340,737</u>
<u>2019</u>							
Opening net book amount as at January 1	\$ 186,563	\$ 141,597	\$ 8,280	\$ 1,038	\$ -	\$ 3,259	\$ 340,737
Additions	-	7,306	1,800	430	-	753	10,289
Disposals (cost)	-	(4,333)	(809)	(1,003)	(600)	(1,186)	(7,931)
Disposals (accumulated depreciation)	-	4,333	809	1,003	600	1,186	7,931
Depreciation charge	-	(8,515)	(2,023)	(442)	-	(1,057)	(12,037)
Closing net book amount as at December 31	<u>\$ 186,563</u>	<u>\$ 140,388</u>	<u>\$ 8,057</u>	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 2,955</u>	<u>\$ 338,989</u>
<u>At December 31, 2019</u>							
Cost	\$ 186,563	\$ 197,925	\$ 15,469	\$ 1,895	\$ 2,268	\$ 5,613	\$ 409,733
Accumulated depreciation	-	(57,537)	(7,412)	(869)	(2,268)	(2,658)	(70,744)
	<u>\$ 186,563</u>	<u>\$ 140,388</u>	<u>\$ 8,057</u>	<u>\$ 1,026</u>	<u>\$ -</u>	<u>\$ 2,955</u>	<u>\$ 338,989</u>

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

A. No borrowing costs were capitalised on property, plant and equipment.

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

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

(7) Leasing arrangements - lessor

Effective 2019

- A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, all or certain leased assets may not be lent, subleased, sold or consolidated with other companies, entrusted to others for operation or granted in any different form to the third parties.
- B. For the years ended December 31, 2019 and 2018, the Company recognised rent income in the amounts of \$69,125 and \$64,491, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2019</u>			<u>December 31, 2018</u>	
2019	\$	68,265	2018	\$	44,026
2020		49,052	2019		68,265
2021		6,922	2020		49,052
		-	2021		6,922
	\$	<u>124,239</u>		\$	<u>168,265</u>

(8) Investment property

	<u>2019</u>	<u>2018</u>
At January 1	\$ 1,576,905	\$ 1,568,993
Net gains from fair value adjustment	2,476	7,912
At December 31	<u>\$ 1,579,381</u>	<u>\$ 1,576,905</u>

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

	<u>Year ended December 31, 2019</u>	<u>Year ended December 31, 2018</u>
Rental income from investment property	\$ 69,125	\$ 64,491
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 7,569</u>	<u>\$ 9,835</u>

- B. Measurement of investment property at fair value.

The fair value of the investment property held by the Company as at December 31, 2019 and 2018 was \$1,579,381 and \$1,576,905, respectively, which was valued by independent appraisers. Valuations were made using the income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

- (a) Investment property is Taiwan-computer segment, and the lease terms of investment property for different segments are approximately 1 to 5 years. The comparison information between local rent and similar objective property rent is provided in the 'Summary of fair value

disclosure on investment property’ (referred herein as “the following table”).

- (b) Movements of average occupancy rates in the prior year and earnings in prior years are provided in the following table.
- (c) The Company adopts the discounted cash flow analysis under income approach. The estimation process of the appraisal method is subject to the determination of the annual rent growth rate range using the comparison information between local rent and similar objective property rent, and takes into consideration vacancy loss to estimate net rent income over the next ten years as future cash inflow and discounted to the date of appraisal with the discount rate described in (d). In addition, considering the ending balance of disposal value of the objective property is calculated based on the operating revenue over the next year starting from the disposal date to estimate remaining lives of the use right at the disposal date, which will be capitalised based on the estimated discount rate and annual rent growth rate as well as discounted to the appraisal date. The market value is calculated based on the ending disposal value plus the present value of rent for each period.
- Future cash outflow consists of expenses directly and necessarily related to leasing such as related fees, utilities and promotion costs; and operating expenses necessarily related to operations (i.e. repair expenses), taxes, insurance fees, and capital expenditures. The rates of changes used in the estimation of future movements are in accordance with the rent growth rate used in the imputed rent income.
- (d) The information on the range of discount rates is provided in the following table. The discount rates are determined to take into consideration the interest rate of Chunghwa post’s board interest rate for two-year time deposit plus 3 point (current is 1.845%), as well as the Company’s liquidity, risk, value-added and degree of difficulty of management.
- (e) The appraisal reports adopted by the Company are certified by the real estate appraiser, Charlie Yang from Cushman & Wakefield Limited (referred herein as “Cushman & Wakefield”). The appraisal dates are January 1, 2020 and 2019.

Summary of fair value disclosure on investment property:

	Year ended December 31, 2019	Year ended December 31, 2018
Comparison information between local rent and similar objective property rent (dollar / square or square meter /	\$550~\$650	\$550~\$650
Movements of earnings in the prior year	\$65,401	\$66,907
Average occupancy rates	100%	100%
	December 31, 2019	December 31, 2018
Discount rate	3.65%	3.65%

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

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

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ 7,697,000	0.95%~1.22%	Promissory note
<u>Type of borrowings</u>	<u>December 31, 2018</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank unsecured borrowings	\$ 3,594,790	0.95%~1.25%	Promissory note

(10) Bonds payable

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Secured bonds payable	\$ 5,200,000	\$ 5,000,000
Less: Current portion	(200,000)	-
	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

A. On August 12, 2015, Clevo Co. issued \$5,000,000 secured bonds, as approved by the regulatory authority. As of December 31, 2019, the outstanding bonds payable was \$200,000.

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

C. 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.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.
Secured bonds payable	2019/8/26	5 years	\$5,000,000	Not exceeding fixed rate of 0.8%	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.

(11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2019
Unsecured borrowings	Borrowing period is from August 28, 2018 to June 20, 2023; interest is payable monthly, principal is payable at maturity date.	0.911%~1.31%	Promissory note	\$ 5,390,000
Unsecured borrowings	Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable at maturity date.	1.318%~1.797%	Promissory note	6,000,000
Secured borrowings	Borrowing period is from March 20, 2018 to March 20, 2023; interest is payable monthly, principal is payable at maturity date.	1.295%	Property, plant and equipment and investment property	1,250,000
Secured borrowings	Borrowing period is from July 27, 2016 to July 27, 2021; interest is payable monthly, principal is payable at maturity date.	1.60%	Investment property	1,350,000
				<u>13,990,000</u>
Less: Current portion of long-term loans				<u>(560,000)</u>
				<u>\$ 13,430,000</u>

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

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

(12) Pensions

A. Defined benefit pension plan

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

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

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Present value of defined benefit obligations	\$ 387,480	\$ 398,118
Fair value of plan assets	(315,395)	(313,572)
Net defined benefit liability	<u>\$ 72,085</u>	<u>\$ 84,546</u>

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

	<u>2019</u>		
	<u>Present value of</u>	<u>Fair value of</u>	
	<u>defined benefit</u>	<u>plan</u>	<u>Net defined</u>
	<u>obligations</u>	<u>assets</u>	<u>benefit liability</u>
Balance at January 1	\$ 398,118	(\$ 313,572)	\$ 84,546
Current service cost	818	-	818
Interest expense (income)	<u>4,300</u>	<u>(3,388)</u>	<u>912</u>
	<u>403,236</u>	<u>(316,960)</u>	<u>86,276</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest			
income or expense)			
Change in demographic assumptions	(1,354)	-	(1,354)
Change in financial assumptions	17,644	-	17,644
Experience adjustments	<u>(9,763)</u>	<u>(10,716)</u>	<u>(20,479)</u>
	<u>6,527</u>	<u>(10,716)</u>	<u>4,189</u>
Pension fund contribution	-	(10,002)	(10,002)
Paid pension	<u>(22,283)</u>	<u>22,283</u>	<u>-</u>
Balance at December 31	<u>\$ 387,480</u>	<u>(\$ 315,395)</u>	<u>\$ 72,085</u>

	2018		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	\$ 386,348	(\$ 298,507)	\$ 87,841
Current service cost	837	-	837
Interest expense (income)	5,370	(4,150)	1,220
	<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	(2,210)	(7,753)	(9,963)
	<u>14,338</u>	<u>(7,753)</u>	<u>6,585</u>
Pension fund contribution	-	(11,937)	(11,937)
Paid pension	(8,775)	8,775	-
Balance at December 31	<u>\$ 398,118</u>	<u>(\$ 313,572)</u>	<u>\$ 84,546</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, 2019 and 2018 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, 2019	Year ended December 31, 2018
Discount rate	<u>0.76%</u>	<u>1.08%</u>
Future salary increases	<u>2.50%</u>	<u>2.50%</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:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ <u>24,664</u>)	<u>\$ 26,786</u>	<u>\$ 26,179</u>	(\$ <u>24,376</u>)
<u>December 31, 2018</u>				
Effect on present value of defined benefit obligation	(\$ <u>25,931</u>)	<u>\$ 28,250</u>	<u>\$ 27,701</u>	(\$ <u>25,707</u>)

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

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2020 amount to \$10,002.

(g) As of December 31, 2019, the weighted average duration of the retirement plan is 13 years.

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

Within 2 years	\$	215,591
2-5 years		23,127
Over 5 years		<u>23,519</u>
	<u>\$</u>	<u>262,237</u>

B. Defined contribution plan

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

sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2019 and 2018 were \$35,960 and \$35,687, respectively.

(13) Provisions

Analysis of total provisions:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current	\$ <u>50,523</u>	\$ <u>50,523</u>

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

(14) Other non-current liabilities

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Long-term payables-related parties	\$ 117,351	\$ 120,049
Accrued pension liability	<u>72,085</u>	<u>84,546</u>
	<u>\$ 189,436</u>	<u>\$ 204,595</u>

(15) Share capital

A. As of December 31, 2019, the Company's authorised capital was \$7,500,000, consisting of 750 million shares of ordinary stock, and the paid-in capital was \$6,697,630, consisting of 679,763 thousand shares with a par value of \$10 (in dollars) per share. On June 15, 2012, the Board of Directors resolved to increase the Company's authorised capital in the Articles of Incorporation to \$9,000,000, consisting of 900 million shares of ordinary stock, with a par value of \$10 (in dollars) per share. The foregoing includes 20 million shares reserved for employee stock options with a par value of \$10 (in dollars) per share, which the Board of Directors are authorised to issue depending on actual demand.

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

	<u>2019</u>	<u>2018</u>
At January 1	679,763	683,163
Capital reduction by treasury stock	(10,000)	(3,400)
At December 31	<u>669,763</u>	<u>679,763</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, 2019	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	37,500 thousand	\$ 1,153,554
Subsidiary-Kapok Computer	Long-term investment	16,966 thousand	95,305
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,183

		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

- (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.

(16)Capital surplus

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

(17)Retained earnings

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

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

- E. The appropriations of 2018 and 2017 earnings had been resolved at the stockholders' meeting on June 18, 2019 and June 15, 2018, respectively. Details are summarised below:

	2018		2017	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 145,490		\$ 71,778	
Special reserve	1,194,446		1,008,166	
Cash dividends	128,453	\$ 0.20	-	\$ -
	<u>\$ 1,468,389</u>		<u>\$ 1,079,944</u>	

The Company appropriated cash from capital surplus as resolved at the stockholders' meeting on June 18, 2019 and June 15, 2018. The dividend per share was both NTD 0.8, and the total amount was \$513,180 and \$546,530, respectively.

The appropriations of 2018 and 2017 earnings above are the same with the amounts proposed by the Board of Directors on March 31, 2019 and March 27, 2018, respectively.

- F. The appropriations of 2019 net income was approved by the Board of Directors during its meeting on March 31, 2020 as follows:

	2019	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 106,864	
Special reserve	961,775	
	<u>\$ 1,068,639</u>	

The Company appropriated cash from capital surplus as resolved at the Board of Directors' meeting on March 31, 2020 in the amount of \$248,905, equivalent to a dividend per share of NTD 0.4.

- F. For the information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(24).

(18) Other equity items

	2019		
	<u>Currency translation</u>	<u>Revaluation</u>	<u>Total</u>
At January 1	(\$ 2,741,605)	\$ 20,922	(\$ 2,720,683)
Currency translation differences:			
–The Company and subsidiaries	(2,115,338)	-	(2,115,338)
At December 31	<u>(\$ 4,856,943)</u>	<u>\$ 20,922</u>	<u>(\$ 4,836,021)</u>

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

(19) Operating revenue

	Year ended <u>December 31, 2019</u>	Year ended <u>December 31, 2018</u>
Revenue from contracts with customers	<u>\$ 15,372,546</u>	<u>\$ 14,560,392</u>

A. Disaggregation of revenue from contracts with customers

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

	China computer products	Asia-Pacific computer products	Other computer products	Total
2019				
Total segment revenue	\$ 10,624,873	\$ 4,676,854	\$ 4,294,355	\$ 19,596,082
Inter-segment revenue	(4,223,536)	-	-	(4,223,536)
Revenue from external customer contracts	<u>\$ 6,401,337</u>	<u>\$ 4,676,854</u>	<u>\$ 4,294,355</u>	<u>\$ 15,372,546</u>
Timing of revenue recognition				
At a point in time	<u>\$ 6,401,337</u>	<u>\$ 4,676,854</u>	<u>\$ 4,294,355</u>	<u>\$ 15,372,546</u>
		Asia-Pacific		
	China computer products	computer products	Other computer products	Total
2018				
Total segment revenue	\$ 8,088,668	\$ 5,194,551	\$ 4,433,966	\$ 17,717,185
Inter-segment revenue	(3,156,793)	-	-	(3,156,793)
Revenue from external customer contracts	<u>\$ 4,931,875</u>	<u>\$ 5,194,551</u>	<u>\$ 4,433,966</u>	<u>\$ 14,560,392</u>
Timing of revenue recognition				
At a point in time	<u>\$ 4,931,875</u>	<u>\$ 5,194,551</u>	<u>\$ 4,433,966</u>	<u>\$ 14,560,392</u>

B. Contract assets and liabilities

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

	December 31, 2019	December 31, 2018	January 1, 2018
Contract liabilities:			
Contract liabilities – Advance sales receipts	<u>\$ 34,360</u>	<u>\$ 24,382</u>	<u>\$ 566,645</u>

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

	Year ended December 31, 2019	Year ended December 31, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance real estate receipts	<u>\$ 24,382</u>	<u>\$ 538,338</u>

(20) Other income

	Year ended December 31, 2019	Year ended December 31, 2018
Rent income	\$ 69,125	\$ 64,491
Interest income:		
Interest income from bank deposits	134,962	101,050
Other interest income	4,701	31
Dividend income	25,897	30,702
Other income	127,111	151,602
	<u>\$ 361,796</u>	<u>\$ 347,876</u>

(21) Other gains and losses

	Year ended December 31, 2019	Year ended December 31, 2018
Losses on financial assets and liabilities at fair value through profit or loss	\$ 184,213	(\$ 124,827)
Foreign exchange (losses) gains	(108,525)	213,570
(Losses) gains on fair value adjustment, investment property	2,476	7,912
Gains (losses) on disposals of investments	35,776	(13,410)
Service expenses charged on financial liabilities not measured at fair value through profit or loss	(12,764)	-
Other losses	(7,569)	(9,835)
	<u>\$ 93,607</u>	<u>\$ 73,410</u>

(22) Finance costs

	Year ended December 31, 2019	Year ended December 31, 2018
Interest expense:		
Bank borrowings	\$ 281,719	\$ 260,387
Other interest expense	130,152	130,638
Financial costs	<u>\$ 411,871</u>	<u>\$ 391,025</u>

(23) Expenses by nature

	Year ended December 31, 2019	Year ended December 31, 2018
Employee benefit expense	\$ 933,223	\$ 976,967
Depreciation charges on property, plant and equipment	12,037	11,651
Amortisation charges on intangible assets	6,671	5,819
	<u>\$ 951,931</u>	<u>\$ 994,437</u>

(24) Employee benefit expense

	Year ended December 31, 2019	Year ended December 31, 2018
Wages and salaries	\$ 801,532	\$ 832,854
Labour and health insurance fees	57,874	57,191
Pension costs	37,690	37,744
Other personnel expenses	36,127	49,178
	<u>\$ 933,223</u>	<u>\$ 976,967</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, 2019 and 2018, employees’ compensation was accrued at \$122,000 and \$95,600, respectively; while directors’ and supervisors’ remuneration was accrued at \$13,000 and \$12,300, 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, 2019. The employees’ compensation and directors’ and supervisors’ remuneration as resolved by the Board of Directors were in agreement with those amounts recognised in the 2019 financial statements, and the employees’ compensation will be distributed in the form of cash.

Employees’ compensation and directors’ and supervisors’ remuneration for 2018 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2018 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.

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2019	Year ended December 31, 2018
Current tax:		
Current tax on profits for the year	\$ 205,377	\$ 13,879
Prior year income tax overestimation	-	-
Total current tax	<u>205,377</u>	<u>13,879</u>
Deferred tax:		
Origination and reversal of temporary differences	(64,464)	10,471
Impact of change in tax rate	-	71,400
Total deferred tax	<u>(64,464)</u>	<u>81,871</u>
Income tax expense	<u>\$ 140,913</u>	<u>\$ 95,750</u>

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

	Year ended December 31, 2019	Year ended December 31, 2018
Currency translation differences	34,476	(7,663)
Remeasurement of defined benefit obligations	(838)	1,317
	<u>\$ 33,638</u>	<u>(\$ 6,346)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2019	Year ended December 31, 2018
Tax calculated based on profit before tax and statutory tax rate	\$ 241,910	\$ 310,131
Effect from expenses disallowed by tax regulation	(100,997)	(285,781)
Effect from changes in tax regulation	-	71,400
Income tax expense	<u>\$ 140,913</u>	<u>\$ 95,750</u>

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

	2019			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Unrealised exchange loss	\$ -	\$ 58,125	\$ -	\$ 58,125
Allowance for spare valuation losses	1,527	-	-	1,527
Allowance for inventory valuation losses	2,258	1,111	-	3,369
Allowance for bad debts	13,372	(1,695)	-	11,677
Unused compensated absences	5,065	-	-	5,065
Accrued pension liability	16,910	(1,654)	(838)	14,418
Currency translation differences	-	-	-	-
Tax losses	100,000	(62,000)	-	38,000
	<u>139,132</u>	<u>(6,113)</u>	<u>(838)</u>	<u>132,181</u>
Deferred tax liabilities:				
Temporary differences:				
Unrealised exchange loss	(11,809)	11,809	-	-
Foreign investment income using equity method	(569,883)	60,137	-	(509,746)
Unrealised sales gain	13	(555)	-	(542)
Rent by straight-line method	(459)	-	-	(459)
Currency translation differences	(13,384)	-	34,476	21,092
Increase in revaluation	(4,285)	-	-	(4,285)
Fair value adjustment, investment property	(122,177)	(814)	-	(122,991)
	<u>(721,984)</u>	<u>70,577</u>	<u>34,476</u>	<u>(616,931)</u>
	<u>(\$ 582,852)</u>	<u>\$ 64,464</u>	<u>\$ 33,638</u>	<u>(\$ 484,750)</u>

2018

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

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

December 31, 2019					
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year	
2016	\$ 156,511	\$ 33,693	\$ -	2026	
2017	898,310	898,310	740,311	2027	

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	

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2019 and 2018, the amounts of temporary differences unrecognised as deferred tax liabilities were \$523,846 and \$1,633,198, respectively.

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

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

(26) Earnings per share

	<u>Year ended December 31, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,068,639</u>	<u>611,110</u>	<u>\$ 1.75</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,068,639	611,110	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>4,081</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,068,639</u>	<u>615,191</u>	<u>\$ 1.74</u>
	<u>Year ended December 31, 2018</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,454,904</u>	<u>628,146</u>	<u>\$ 2.32</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,454,904	628,146	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	<u>-</u>	<u>4,087</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,454,904</u>	<u>632,233</u>	<u>\$ 2.30</u>

(27) Operating leases

Prior to 2019, the Company leases investment property to others under non-cancellable operating lease agreements. These leases have terms expiring between 2007 and 2020, and all these lease agreements are not renewable at the end of the lease period. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

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

(28) Supplemental cash flow information

Investing and financing activities with partial cash payments

	<u>Year ended</u> <u>December 31, 2019</u>	<u>Year ended</u> <u>December 31, 2018</u>
Purchase of treasury stocks	\$ 386,017	\$ 767,537
Add: Opening balance of payables	17,458	-
Less: Ending balance of payables	-	(17,458)
Cash paid during the year	<u>\$ 403,475</u>	<u>\$ 750,079</u>

(29) Changes in liabilities from financing activities

	<u>Short-term</u> <u>borrowings</u>	<u>Long-term</u> <u>borrowings</u>	<u>Corporate</u> <u>bonds payable</u>	<u>Liabilities from</u> <u>financing activities-</u> <u>gross</u>
At January 1, 2019	\$ 3,594,790	\$ 17,555,000	\$ 5,000,000	\$ 26,149,790
Changes in cash flow from financing activities	<u>4,102,210</u>	<u>(3,565,000)</u>	<u>200,000</u>	<u>737,210</u>
At December 31, 2019	<u>\$ 7,697,000</u>	<u>\$ 13,990,000</u>	<u>\$ 5,200,000</u>	<u>\$ 26,887,000</u>
	<u>Short-term</u> <u>borrowings</u>	<u>Long-term</u> <u>borrowings</u>	<u>Corporate</u> <u>bonds payable</u>	<u>Liabilities from</u> <u>financing activities-</u> <u>gross</u>
At January 1, 2018	\$ 3,702,000	\$ 14,221,539	\$ 5,000,000	\$ 22,923,539
Changes in cash flow from financing activities	<u>(107,210)</u>	<u>3,333,461</u>	<u>-</u>	<u>3,226,251</u>
At December 31, 2018	<u>\$ 3,594,790</u>	<u>\$ 17,555,000</u>	<u>\$ 5,000,000</u>	<u>\$ 26,149,790</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Clevo (Cayman Islands) Holding Company	The Company's subsidiary
Kapok Computer (Samoa) Corporation	The Company's subsidiary
Clevo Computer Singapore Pte Ltd.	The Company's subsidiary
Kapok Computer Co., Ltd.	The Company's subsidiary
Clevo Investment Co., Ltd.	The Company's subsidiary
Kapok Computer (Kunshan) Co., Ltd.	The Company is the ultimate parent
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	The Company is the ultimate parent
Buynow (Hangzhou) Electronic Information Co., Ltd.	The Company is the ultimate parent
Buynow (Zhenzhou) Electronic Information Co., Ltd.	The Company is the ultimate parent
Quality Trust Property Management Co., Ltd.	The Company is the ultimate parent
Shantou Buynow Mall Co., Ltd.	The Company is the ultimate parent
Anshan Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Taizhou Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Dezhou Buynow Electronic Information Co., Ltd.	The Company is the ultimate parent
Quanzhou Buynow Industry Co., Ltd.	The Company is the ultimate parent
Epoque Corporation	Same chairman with the Company

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31, 2019	Year ended December 31, 2018
Sales of products:		
Kapok Computer (Kunshan) Co., Ltd.	\$ 4,222,883	\$ 3,156,793

- (a) The products sold to subsidiaries are not sold to other customers. The sales price cannot be compared with others. The payment terms are 180 days, and the general customers are within 1~2 months.
- (b) The Company sells materials (LCD) and semi-finished goods to subsidiaries to manufacture laptops, and the Company buys back those laptops, which will be sold to customers under a triangle trade. Materials and semi-finished goods sold to subsidiaries amounted to \$4,222,883 and \$3,156,793 for the years ended December 31, 2019 and 2018, respectively. The purchases and sales are offset and shown at net in the financial statements.

B. Purchases

	Year ended December 31, 2019	Year ended December 31, 2018
Purchases of goods:		
Kapok Computer (Kunshan) Co., Ltd.	\$ 11,765,527	\$ 11,011,330

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

C. Receivables from related parties

	December 31, 2019	December 31, 2018
Accounts receivable:		
Kapok Computer (Kunshan) Co., Ltd.	\$ 1,252,715	\$ 818,974

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

D. Prepayments

	December 31, 2019	December 31, 2018
Prepayments:		
Kapok Computer (Kunshan) Co., Ltd.	\$ -	\$ 1,121,012

E. Prepayments for investments

As of December 31, 2019 and 2018, the prepayments for investments of Clevo (Cayman Islands) Holding Company are \$0 and \$4,425,325, respectively.

F. Other receivables due from related parties

	December 31, 2019	December 31, 2018
Loans to /from related parties-subsiidiaries		
Clevo (Cayman Islands) Holding Company	\$ 1,214,201	\$ -
Kapok Computer (Samoa) Corporation	207,236	-
	1,421,437	-
Interest receivable	4,694	4,078
Others	6,970	-
	11,664	4,078
	\$ 1,433,101	\$ 4,078

The loans to subsidiaries are repayable at maturity one year after the loan was granted and carry

interest at 1% per annum for the year ended December 31, 2019. The interest receivable (recognised as other receivables due from related parties) as of December 31, 2019 was \$4,694. Additionally, interest income recognised in 2019 was \$4,694.

G. Other payables to related parties

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Loans to related parties-subsiidiaries		
Kapok Computer Co., Ltd.	\$ 55,000	\$ 50,000
Clevo Investment Co., Ltd.	49,000	41,000
	<u>104,000</u>	<u>91,000</u>
Interest payable	287	-
Others	123	-
	410	-
	<u>\$ 104,410</u>	<u>\$ 91,000</u>

The loans from subsidiaries are repayable at maturity one year after the loan was obtained and carry interest at 1.04% per annum for the years ended December 31, 2019 and 2018. The amount of interest payable (recognised as other payables) as of December 31, 2019 and 2018 was \$287 and \$249, respectively. Additionally, interest expense recognised in 2019 and 2018 was \$982 and \$880, respectively.

H. Long-term payables (shown as other non-current liabilities)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Loans to related parties-subsiidiaries		
Clevo Computer Singapore Pte Ltd.	\$ 117,351	\$ 120,049

The loans from subsidiaries and associates are repayable at maturity within 2~4 years and carry interest at 0% per annum for the years ended December 31, 2019 and 2018. The interest payable as of December 31, 2019 and 2018 was both \$0, and no interest expense was recognised in 2019 and 2018.

I. Endorsements and guarantees provided to related parties

The amount of endorsements and guarantees provided to subsidiaries in 2019 and 2018 are as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Clevo (Cayman Islands) Holding Co.,	\$ -	\$ 4,925,120
Kapok Computer (Samoa) Corporation	-	1,077,370
Shantou Buynow Mall Co., Ltd	431,320	448,510
Dezhou Buynow Electronic Information Co., Ltd.	198,594	230,865
Taizhou Buynow Electronic Information Co., Ltd.	129,396	313,957
Buynow (Hangzhou) Electronic Information Co., Ltd.	97,793	-
Subsidiaries	<u>60,180</u>	<u>2,439,263</u>
	<u>\$ 917,283</u>	<u>\$ 9,435,085</u>

J. Others

- (a) The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu in 2019 and 2018.
- (b) For the year ended December 31, 2019, the Company pledged time deposits to financial institutions as collateral for the borrowings made by the Company's subsidiary, Shantou Buynow Mall Co., Ltd.. For the year ended December 31, 2018, the Company pledged time deposits to financial institutions as collateral for the borrowings made by the Company's subsidiaries, Taizhou Buynow Electronic Information Co., Ltd., Suzhou Jinzuo Industry Co., Ltd., Buynow (Jinzhou) Industry Co., Ltd. and Anshan Buynow Electronic Information Co., Ltd..
- (c) The Company jointly participated in the Taipei Main Station District Parcel C1/D1 (the Eastern Part) Land Development Project of Taipei City Government and jointly established Taipei Twin Towers Limited with Epoque Corporation. Please refer to Note 6(5) for further information.

(3) Key management compensation

	<u>Year ended December 31, 2019</u>	<u>Year ended December 31, 2018</u>
Salaries and other short-term employee benefits	\$ 51,563	\$ 48,723
Post-employment benefits	<u>1,277</u>	<u>1,427</u>
	<u>\$ 52,840</u>	<u>\$ 50,150</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2019	December 31, 2018	
Financial assets at amortised cost-current	\$ 1,520,899	\$ 3,409,922	STANDBY L/C, Long-term borrowings
Property, plant and equipment	326,951	328,160	Long-term borrowings
Investment property	1,579,381	1,576,905	Long-term borrowings
	<u>\$ 3,427,231</u>	<u>\$ 5,314,987</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2019 and 2018, the Company has issued guarantee notes amounting to \$25,081,970 and \$22,216,186, respectively, for bank repayment and forward exchange trading.

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

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The Board of Directors has resolved the appropriations of 2019 earnings in 2020. Details are provided in Note 6(17) F.

(2) At the beginning of 2020, due to the impact of the spread of coronavirus, the Company's mainland China subsidiaries postponed its plans to gradually resume its production after the Lunar New Year holiday to February 10, 2020 in line with the local regulations. As the pandemic continues to evolve, the Company has prudently and flexibly adjusted the whole company's resources, labour and supply chain to mitigate the impact on its operations. The extent to which the Company's operating revenue is affected by the delay of production resumption depends on the subsequent control of the pandemic.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as

total borrowings (including ‘current and non-current borrowings’ as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the balance sheet plus net debt.

During the year ended December 31, 2019, the Company’s strategy, which was unchanged from 2018, was to maintain the gearing ratio under 50%. The gearing ratios at December 31, 2019 and 2018 were as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Total borrowings	\$ 26,887,000	\$ 26,149,790
Less: Cash and cash equivalents	(5,878,402)	(4,775,480)
Net debt	21,008,598	21,374,310
Total equity	<u>39,795,261</u>	<u>41,839,842</u>
Total capital	<u>\$ 60,803,859</u>	<u>\$ 63,214,152</u>
Gearing ratio	35%	34%

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2019</u>	<u>December 31, 2018</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	\$ 606,051	\$ 655,929
Financial assets at amortised cost	<u>\$ 11,972,299</u>	<u>\$ 10,450,845</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated at fair value through profit or loss	\$ 1,008	\$ -
Financial liabilities at amortised cost	<u>\$ 27,575,299</u>	<u>\$ 27,021,511</u>

Note: Financial assets measured at amortised cost include cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), refundable deposits and financial assets measured at amortised cost – current. Financial liabilities measured at amortised cost include short-term borrowings, accounts and notes payable (including related parties), other payables, corporate bonds payable (including current portion), long-term borrowings (including those maturing within one year or one business cycle), guarantee deposits received and other financial liabilities.

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward

foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

- iii. To deduct the risk of fair value from exchange rate fluctuation and the risk of cash flow, the Company hedges foreign assets and liabilities or expected transactions that are probable by using financial derivatives such as forward exchange contracts. The Company monitors the exchange rate fluctuation at any time, and sets stop loss limit.
- iv. The Company's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 270,667	30.09	\$ 8,144,370
RMB:NTD	184,431	4.31	794,898
HKD:NTD	8,710	3.86	33,621
JPY:NTD	7,263,428	0.28	2,033,760
<u>Investments accounted for under the equity method</u>			
USD:NTD	1,471,643	30.09	44,281,738
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	6,761	30.09	203,438

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

v. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2019 and 2018, amounted to (\$108,525) and \$213,570, respectively.

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

Year ended December 31, 2019			
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% \$ 65,155	\$	-
RMB:NTD	1% 6,359		-
HKD:NTD	1% 269		-
JPY:NTD	1% 16,270		-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1% 1,628		-

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

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.
- ii. The Company's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by \$6,061 and \$6,559, 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 both by \$0, as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2019 and 2018, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held

constant, profit, net of tax for the years ended December 31, 2019 and 2018 would have decreased/increased by \$175,096 and \$169,198, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management of credit manage. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only independently rated parties with a best rating are accepted.
- v. The Company adopts 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) If any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.
- vi. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are reclassified to overdue receivables as the Company expects them to be uncollectible.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. The Company classifies customer's accounts receivable in accordance with customer types. The Company applies the modified approach using provision matrix to estimate

expected credit loss under the provision matrix basis.

- ix. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2019 and 2018, the provision matrix is as follows:

	Not past due	1~90 days past due	91~180 days past due
<u>At December 31, 2019</u>			
Expected loss rate	0.05%	0.11%	13.32%
Total book value	\$ 2,804,050	\$ 289,869	\$ 7,309
Loss allowance	(745)	(305)	(974)
	181~270 days past due	Over 270 days past due	Total
Expected loss rate	100%	100%	
Total book value	\$ -	\$ 12,263	\$ 3,113,491
Loss allowance	-	(12,263)	(14,287)
	Not past due	1~90 days past due	91~180 days past due
<u>At December 31, 2018</u>			
Expected loss rate	0.05%	0.27%	98.74%
Total book value	\$ 1,837,907	\$ 401,600	\$ 39
Loss allowance	(557)	(1,068)	(39)
	181~270 days past due	Over 270 days past due	Total
Expected loss rate	100%	100%	
Total book value	\$ 6	\$ 12,617	\$ 2,252,169
Loss allowance	(6)	(12,617)	(14,287)

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

	2019	
	Accounts receivable	
At January 1	\$	14,287
Write-offs		-
At December 31	\$	14,287

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

(c) Liquidity risk

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

<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
<u>Non-derivative financial liabilities</u>				
Bonds payable	\$ 240,000	\$ 40,000	\$ 5,040,000	\$ -
Long-term borrowings (including current portion)	772,406	3,038,076	10,562,378	-
Guarantee deposits received	-	12,199	-	-
Long-term payables to related parties	-	117,351	-	-
Financial guarantee contracts	644,452	6,018	51,153	-
<u>December 31, 2019</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
<u>Derivative financial liabilities</u>				
Forward exchange contracts	\$ 1,008	\$ -	\$ -	\$ -

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>				
Bonds payable	\$ 75,000	\$ 5,075,000	\$ -	\$ -
Long-term borrowings (including current portion)	-	5,045,790	12,907,489	-
Guarantee deposits received	-	11,548	-	-
Long-term payables to related parties	-	120,050	-	-
Financial guarantee contracts	4,763,969	1,231,280	-	-

Except for the above, all of the Company's non-derivative financial liabilities mature within 1 year.

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

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable (including related parties), other receivables, short-term borrowings, notes payable, accounts payable (including related parties), other payables, corporate bonds payable, long-term borrowings (including current portion) and other financial liabilities are approximate to their fair values.

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

2018 and 2017 is as follows:

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

<u>December 31, 2019</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	\$ 606,051	\$ -	\$ -	\$ 606,051
Investment property (Note)	-	-	1,579,381	1,579,381
	<u>\$ 606,051</u>	<u>\$ -</u>	<u>\$ 1,579,381</u>	<u>\$ 2,185,432</u>
<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	\$ 655,929	\$ -	\$ -	\$ 655,929
Investment property (Note)	-	-	1,576,905	1,576,905
	<u>\$ 655,929</u>	<u>\$ -</u>	<u>\$ 1,576,905</u>	<u>\$ 2,232,834</u>

Note: Investment property measured at fair value.

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

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

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

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

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

instruments are normally observable in the market.

- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.

E. The movements in Level 3 for the years ended December 31, 2019 and 2018 are provided in Note 6(7)

F. For the years ended December 31, 2019 and 2018, there was no transfer into or out from Level 3.

G. Financial and Administrative segment is in charge of valuation procedures for fair value measurements being categorised within Level 3 (investment property), which is based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer. The Company set up valuation policies, valuation processes and rules for measuring fair value of investment property and ensure compliance with the related requirements in IFRS.

H. 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, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 1,579,381	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note 1)	The higher the long- term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

Note 1: The range of long-term rent revenue growth rate is 1%; the range of discount rate is provided in Note 6(8).

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

Note 1: The range of long-term rent revenue growth rate is 1%; the range of discount rate is provided in Note 6(8).

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

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

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

I. Trading in derivative instruments undertaken during the reporting period: As of December 31, 2019, the Company's open interest derivative instruments amounted to \$1,008. The Company recognised net profit amounting to \$17,923 on derivative instruments in 2019.

J. Significant inter-company transactions during the reporting period: Please refer to table 8.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. Ceiling on investments in Mainland China: Please refer to table 10.

C. Significant transactions, price, payment term and unrealised gain or loss, either directly or indirectly through a third area, with investee companies in the Mainland Area: Significant sales (purchases), property transactions, accounts receivable (payable), provision of endorsements and guarantees from notes or provides collaterals and accommodation of funds, either directly or indirectly through a third area, with investee companies in the Mainland Area: Provided in Note 13(1) A, B, E, G, H, J.

14. SEGMENT INFORMATION

None.

CLEVO CO. and Subsidiaries
Loans to others
Year ended December 31, 2019

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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
0	The Company	Clevo (Cayman Islands) Holding Company	Other receivables - related parties - current	Yes	\$ 1,600,000	\$ 1,600,000	\$ 1,214,201	1.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
0	The Company	KAPOK COMPUTER (SAMOA) CORPORATION	Other receivables - related parties - current	Yes	300,000	300,000	207,236	1.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
1	Kapok Computer Co., Ltd.	The Company	Other receivables - related parties - current	Yes	55,000	55,000	55,000	1.04%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
2	Clevo Investment Co., Ltd.	The Company	Other receivables - related parties - current	Yes	49,000	49,000	49,000	1.04%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
3	Clevo Computer Singapore Ptd., Ltd.	The Company	Other receivables - related parties - non- current	Yes	117,351	117,351	117,351	0.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Kapok Computer (Samoa) Corporation	Other receivables - related parties - non- current	Yes	894,070	-	-	3 months LIBOR+1.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow Electronic Information (Hangzhou) Co., Ltd.	Other receivables - related parties - current	Yes	135,405	135,405	135,405	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Other receivables - related parties - current	Yes	135,405	135,405	135,405	6 months LIBOR+1.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	60,180	60,180	60,180	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Other receivables - related parties - current	Yes	88,766	88,766	88,766	6 months LIBOR+1.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Daqing Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	90,270	90,270	90,270	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	90,270	90,270	90,270	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
4	Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Other receivables - related parties - current	Yes	\$ 195,585	\$ 195,585	\$ 195,585	6 months LIBOR+2 %	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
4	Clevo (Cayman Islands) Holding Company	Kunshan Kaishuo Trading Co., Ltd.	Other receivables - related parties - non-current	Yes	155,277	150,964	150,964	3.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	128,966	114,948	114,948	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	218,811	218,811	218,811	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	17,253	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	136,299	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	40,976	40,976	40,976	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	130,907	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	16,304	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	224,936	164,119	164,119	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	121,202	121,202	121,202	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	32,349	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8

Table 1 Page 2

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	\$ 43,133	\$ 43,133	\$ 43,133	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	232,916	182,882	182,882	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	124,653	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	300,767	279,632	279,632	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	2,157	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other receivables - related parties - current	Yes	103,518	8,627	8,627	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	83,677	83,677	83,677	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Hui zhou) Co., Ltd	Other receivables - related parties - current	Yes	129,743	129,743	129,743	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	199,100	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	294,250	172,616	172,616	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	277,126	277,126	277,126	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8

Table 1 Page 3

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 136,299	\$ 28,467	\$ 28,467	5.00%	2	\$ -	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	5,823	5,823	5,823	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	146,176	6,039	6,039	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	338,806	338,806	338,806	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	126,378	126,378	126,378	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	127,672	9,058	9,058	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	128,966	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	120,124	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	89,716	89,716	89,716	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	318,965	318,965	318,965	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	390,651	101,879	101,879	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 538,164	\$ 538,164	\$ 538,164	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other receivables - related parties - current	Yes	172,530	172,530	172,530	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	707,891	492,228	492,228	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	81,952	81,952	81,952	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	429,168	429,168	429,168	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	546,489	546,489	546,489	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	474,458	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Chengdu) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	129,398	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	30,840	30,840	30,840	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other receivables - related parties - current	Yes	64,267	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other receivables - related parties - current	Yes	15,528	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	10,352	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	258,795	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	213,204	166,837	166,837	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8

Table 1 Page 5

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
9	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 275,272	\$ 74,706	\$ 74,706	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	116,889	115,595	115,595	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	210,055	182,019	182,019	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	210,142	164,852	164,852	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	61,981	61,981	61,981	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	53,484	53,484	53,484	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	197,072	197,072	197,072	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other receivables - related parties - current	Yes	181,674	181,674	181,674	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other receivables - related parties - current	Yes	41,407	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	104,812	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	12,940	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	28,036	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 83,548	\$ 70,824	\$ 70,824	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	36,447	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	1,725	1,725	1,725	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	14,665	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
11	Buynow (Guangzhou) Corporation	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	150,450	150,450	150,450	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	101,577	95,970	95,970	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	45,289	45,289	45,289	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	132,029	120,728	120,728	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	26,958	15,312	15,312	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	23,939	23,939	23,939	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	49,646	47,489	47,489	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other receivables - related parties - current	Yes	\$ 7,591	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	119,046	34,075	34,075	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	58,919	52,880	52,880	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	130,907	81,305	81,305	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other receivables - related parties - current	Yes	77,639	40,976	40,976	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	245,381	237,186	237,186	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	52,924	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	212,078	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	81,952	12,940	12,940	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Xiamen Lejing Internet Bar Co., Ltd.	Other receivables - related parties - current	Yes	431	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	9,058	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
14	Buynow (Xian) Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	\$ 4,313	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	208,330	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	34,506	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	185,470	30,624	30,624	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	122,065	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	149,842	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	21,566	21,566	21,566	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	47,403	47,403	47,403	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	163,904	157,434	157,434	5.00%	2	-	Additional operating capita	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	129,178	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	142,631	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	77,466	22,041	22,041	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8

Table 1 Page 9

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
15	Buynow (Changchun) Industry Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 4,313	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	65,087	30,581	30,581	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	31,573	31,573	31,573	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	46,799	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	82,297	74,533	74,533	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	6,470	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	104,812	40,760	40,760	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	6,470	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	43,133	43,133	43,133	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	65,993	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
17	Quality Trust Property Management Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 34,937	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	40,760	10,999	10,999	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Wuxi Quntai Property Management Co., Ltd.	Other receivables - related parties - current	Yes	1,294	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Daqing Buynow Electronic Information Corporation	Other receivables - related parties - current	Yes	168,217	168,217	168,217	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other receivables - related parties - current	Yes	6,470	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	80,140	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	8,627	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	12,940	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
17	Quality Trust Property Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	2,157	2,157	2,157	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
18	Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	90,270	90,270	90,270	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	104,467	6,470	6,470	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	8,683	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 184,607	\$ 184,607	\$ 184,607	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	118,183	113,223	113,223	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other receivables - related parties - current	Yes	2,157	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	31,918	24,801	24,801	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other receivables - related parties - current	Yes	25,880	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	65,993	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	159,193	159,193	159,193	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	4,313	4,313	4,313	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	47,446	47,446	47,446	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
20	Wuxi Quntai Property Management Co., Ltd.	Quality Trust Property Management Co., Ltd.	Other receivables - related parties - current	Yes	\$ 4,745	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	7,117	7,117	7,117	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	12,077	10,783	10,783	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Chengdu) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	129,398	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	210,228	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	69,012	25,880	25,880	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	211,522	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Chengdu) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	50,379	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other receivables - related parties - current	Yes	144,063	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	94,460	90,578	90,578	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	229,853	229,853	229,853	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 13,802	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	155,881	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	38,819	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	58,660	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	494,816	305,033	305,033	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	6,470	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	32,349	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	257,932	227,740	227,740	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	97,911	3,019	3,019	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	244,561	222,995	222,995	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Other receivables - related parties - current	Yes	19,410	19,410	19,410	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
23	Daqing Buynow Electronic Information Co., Ltd.	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 146,651	\$ 146,651	\$ 146,651	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	156,377	155,708	155,708	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	204,017	28,683	28,683	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	81,520	52,622	52,622	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	216,353	191,767	191,767	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	138,809	138,214	138,214	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	31,487	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	165,758	60,515	60,515	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	112,145	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	73,757	71,600	71,600	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	85,687	85,359	85,359	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	90,388	90,147	90,147	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
25	Zibo Buynow Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	12,940	12,940	12,940	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
26	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other receivables - related parties - current	Yes	\$ 21,566	\$ 21,566	\$ 21,566	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
26	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	30,193	30,193	30,193	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
26	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	480,280	480,280	480,280	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
26	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	125,084	125,084	125,084	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
26	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	24,370	24,370	24,370	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
27	Beijing Clevo Investment Management Consultant Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	245,251	180,725	180,725	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
27	Beijing Clevo Investment Management Consultant Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	189,783	176,412	176,412	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
27	Beijing Clevo Investment Management Consultant Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Other receivables - related parties - current	Yes	30,193	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
27	Beijing Clevo Investment Management Consultant Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	167,095	76,517	76,517	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
28	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 396,560	\$ 380,817	\$ 380,817	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Chengdu) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	94,892	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	296,536	271,735	271,735	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	57,366	57,366	57,366	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other receivables - related parties - current	Yes	189,783	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other receivables - related parties - current	Yes	129,786	81,348	81,348	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other receivables - related parties - current	Yes	51,759	51,759	51,759	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other receivables - related parties - current	Yes	33,212	7,333	7,333	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	132,072	123,445	123,445	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other receivables - related parties - current	Yes	196,167	188,920	188,920	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	299,762	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	172,530	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
28	Guangdong Buynow Real Estate Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	\$ 51,759	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	254,050	254,050	254,050	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	218,078	211,608	211,608	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	22,429	22,429	22,429	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	237,328	63,836	63,836	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	189,783	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
28	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other receivables - related parties - current	Yes	174,687	174,687	174,687	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
29	Shantou Buynow Mall Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	176,843	176,843	176,843	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
29	Shantou Buynow Mall Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other receivables - related parties - current	Yes	19,410	19,410	19,410	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
29	Shantou Buynow Mall Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Other receivables - related parties - current	Yes	10,783	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
29	Shantou Buynow Mall Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other receivables - related parties - current	Yes	30,193	30,193	30,193	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
29	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	36,663	36,663	36,663	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
29	Shantou Buynow Mall Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 8,627	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
29	Shantou Buynow Mall Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	56,072	56,072	56,072	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
30	Clevo (China) Investment Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other receivables - related parties - current	Yes	383,448	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
30	Clevo (China) Investment Co., Ltd.	Shanghai Buynow Online Information Technology Co., Ltd.	Other receivables - related parties - current	Yes	11,214	11,214	11,214	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
30	Clevo (China) Investment Co., Ltd.	Shanghai Huihei Advertisement Co., Ltd.	Other receivables - related parties - current	Yes	8,627	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
31	Anshan Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 60,386	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
32	Guiyang Buynow Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
33	Suzhou Jinzuo Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	2,157	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
33	Suzhou Jinzuo Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	47,187	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
34	Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	195,585	195,585	195,585	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
35	Taizhou Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	133,711	75,913	75,913	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
36	Dezhou Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other receivables - related parties - current	Yes	9,705	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
36	Dezhou Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	232,916	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019 (Note 3)	Balance at December 31, 2019 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful account	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
36	Dezhou Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other receivables - related parties - current	Yes	\$ 56,417	\$ 21,911	\$ 21,911	5.00%	2	\$ -	Additional operating capital	-	-	-	\$ 15,918,104	\$ 39,795,261	Note 8
37	Quanzhou Buynow Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other receivables - related parties - current	Yes	28,036	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
37	Quanzhou Buynow Industry Co., Ltd.	Guangdong Buynow Real Estate Management Co., Ltd.	Other receivables - related parties - current	Yes	12,940	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
38	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other receivables - related parties - current	Yes	122,065	99,636	99,636	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
38	Kunshan Kaishuo Trading Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	12,940	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	Note 8
39	Shanghai Huihei Advertisement Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other receivables - related parties - current	Yes	4,313	-	-	5.00%	2	-	Additional operating capital	-	-	-	15,918,104	39,795,261	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, 2019.

Note 4: The nature of loans :

- (1)Related to business transactions is "1".
- (2)short-term financing is "2".

Note 5: In accordance with the Article 4 of the Company's "Procedures for Provision of Loans" the liait on the loans to a party with business transactions is lower than the amount occurred between the creditor and borrower in the current year when nature of the loan is related to business transactions.

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

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

- (1)The ceiling on loans granted by the Company to other shall not be more than 40% of the Company's net asstes.
- (2)The limit on loans granted by the Company to a single party shall not be more than 30% of the Company's net assets.

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

- (1)The limit on loans granted by a subsidiary to a single party in which the Company directly and indirectly holds 100% of the voting shares shall not be more than 40% of the Company's net assets.
- (2)The ceiling on loans to others in which the Company directly and indirectly holds 100% of the voting shares shall not be more than 100% of the Company's net assets, 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
Year ended December 31, 2019

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, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	Clevo (Cayman Islands) Holding Co.	2	\$ 39,795,261	\$ 4,814,400	\$ -	\$ -	\$ -	0.00	\$ 79,590,522	Y	N	N	-
0	The Company	Kapok Computer (Samoa) Corporation	2	39,795,261	1,233,690	-	-	-	0.00	79,590,522	Y	N	N	-
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	3	39,795,261	150,450	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Buynow (Xian) Industry Co., Ltd.	3	39,795,261	234,702	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Tianjin Buynow Electronic Information Co., Ltd.	3	39,795,261	434,609	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Shantou Buynow Mall Co., Ltd.	3	39,795,261	431,320	431,320	215,660	-	1.08	79,590,522	Y	N	Y	-
0	The Company	Buynow (Chongqing) Industry Co., Ltd.	3	39,795,261	127,883	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Buynow (Chengdu) Electronic Information Co., Ltd.	3	39,795,261	421,260	-	-	-	0.00	79,590,522	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, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	The Company	Anshan Buynow Electronic Information Co., Ltd.	3	\$ 39,795,261	\$ 494,509	\$ 60,180	\$ 60,180	\$ -	0.15	\$ 79,590,522	Y	N	Y	-
0	The Company	Dezhou Buynow Electronic Information Co., Ltd.	3	39,795,261	225,675	198,594	198,594	-	0.50	79,590,522	Y	N	Y	-
0	The Company	Buynow Electronic Information (Hangzhou) Co., Ltd.	3	39,795,261	97,793	97,793	97,793	97,793	0.25	79,590,522	Y	N	Y	-
0	The Company	Taizhou Buynow Electronic Information Co., Ltd.	3	39,795,261	301,924	129,396	129,396	129,396	0.33	79,590,522	Y	N	Y	-
0	The Company	Suzhou Jinzuo Industry Co., Ltd.	3	39,795,261	215,660	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Buynow (Jinzhou) Industry Co., Ltd.	3	39,795,261	431,320	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Buynow (Nanchang) Industry Co., Ltd.	3	39,795,261	215,660	-	-	-	0.00	79,590,522	Y	N	Y	-
0	The Company	Guangdong Buynow Real Estate Management Co., Ltd.	3	39,795,261	129,396	-	-	-	0.00	79,590,522	Y	N	Y	-
1	Changsha Hungyu Business Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	39,795,261	301,924	301,924	122,495	301,924	0.76	79,590,522	N	N	Y	-
2	Buynow Electronic Information (Hangzhou) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	39,795,261	202,720	202,720	140,697	202,720	0.51	79,590,522	N	N	Y	-
2	Buynow Electronic Information (Hangzhou) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	39,795,261	86,264	86,264	-	86,264	0.22	79,590,522	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, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
3	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	\$ 39,795,261	\$ 2,156,600	\$ 2,156,600	\$ 1,199,164	\$ 2,156,600	5.42	\$ 79,590,522	N	N	Y	-
3	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	39,795,261	431,320	431,320	340,743	-	1.08	79,590,522	N	N	Y	-
3	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	39,795,261	215,660	215,660	172,528	-	0.54	79,590,522	N	N	Y	-
4	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	39,795,261	1,552,752	1,552,752	1,531,186	1,552,752	3.90	79,590,522	N	N	Y	-
5	Buynow Electronic Information (Shenyang) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	39,795,261	862,640	-	-	-	0.00	79,590,522	N	N	Y	-
5	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	39,795,261	1,078,300	1,078,300	1,078,300	1,078,300	2.71	79,590,522	N	N	Y	-
6	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	39,795,261	690,112	690,112	-	-	1.73	79,590,522	N	N	Y	-
7	Buynow (Xian) Industry Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	39,795,261	690,112	690,112	421,400	-	1.73	79,590,522	N	N	Y	-
8	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	39,795,261	905,772	905,772	760,848	905,772	2.28	79,590,522	N	N	Y	-
9	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shanghai Buynow Computer Market Management Co., Ltd.	3	39,795,261	280,358	280,358	80,040	280,358	0.70	79,590,522	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, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
10	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	\$ 39,795,261	\$ 838,978	\$ 838,978	\$ 689,034	\$ 838,978	2.11	\$ 79,590,522	N	N	Y	-
11	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	39,795,261	215,660	215,660	172,528	215,660	0.54	79,590,522	N	N	Y	-
12	Daqing Buynow Electronic Information Corporation	Buynow (Nanchang) Industry Co., Ltd.	3	39,795,261	215,660	215,660	-	215,660	0.54	79,590,522	N	N	Y	-
13	Guangdong Buynow Real Estate Management Co., Ltd.	The Company	3	39,795,261	3,000,000	3,000,000	2,350,000	3,000,000	7.54	79,590,522	N	Y	N	-
14	Taizhou Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	39,795,261	517,584	517,584	49,170	517,584	1.30	79,590,522	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.

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, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2019 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											

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)
December 31, 2019

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, 2019				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership	Fair value	
The Company	AU Optronics Corp.	-	Current financial assets measured at fair value through profit or loss	1,092,989	\$ 10,985	0.01%	\$ 10,985	-
The Company	Chicony Electronics Co., Ltd.	Same chairman as the Company	Current financial assets measured at fair value through profit or loss	4,697,000	418,033	0.64%	418,033	-
The Company	Innolux Corporation	-	Current financial assets measured at fair value through profit or loss	51,219	427	0.00%	427	-
The Company	Net Publishing Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	223,000	14,384	0.53%	14,384	-
The Company	Taiwan Business Bank, Ltd.	-	Current financial assets measured at fair value through profit or loss	7,576,979	95,470	0.11%	95,470	-
The Company	Da Lue International Holding Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	1,745,283	23,561	3.90%	23,561	-
The Company	Boe Technology Group Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	375,000	7,343	0.00%	7,343	-
The Company	ChinaAMC CSI 300 Index ETF	-	Current financial assets measured at fair value through profit or loss	200,000	35,849	0.05%	35,849	-
	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	3,637	0.01%	3,637	-
Kapok Computer Co., Ltd.	CLEVO CO.	The Company	Non-current financial assets measured at fair value through other comprehensive income	16,966,596	624,371	2.53%	624,371	-
	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	162,072	14,424	0.02%	14,424	-
Clevo Investment Co., Ltd.	CLEVO CO.	The Company	Non-current financial assets measured at fair value through other comprehensive income	10,080,669	370,969	1.51%	370,969	-
	Beneficiary certificate							
Clevo Investment Co., Ltd.	Greater China Multi-Strategy Fund	-	Current financial assets measured at fair value through profit or loss	1,000,000	10,000	0.00	10,000	-
Clevo (Cayman Islands) Holding Company	UG Hidden Dragon Special Opportunity Fund	-	Current financial assets measured at fair value through profit or loss	266,378	388,083	0.00	388,083	-
	Stocks							

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

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

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

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

CLEVO CO. and Subsidiaries
Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more
Year ended December 31, 2019

Table 4

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 2019	\$ 1,076,705	\$663,445	Xi'an Xinxiaozhai Old Village Reconstruction and Construction Development Co., Ltd. etc.	-	-	-	-	\$ -	Mutual agreement	Department store; under construction	-
Yingkou Buynow Electronic Information Co., Ltd.	Construction in Progress and Land Use Right	Second Quarter of 2011~ Fourth Quarter of 2019	732,922	715,382	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 2019	3,056,180	2,896,796	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 2019	1,390,966	1,334,071	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 2019	1,736,075	1,718,196	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.

Table 4

CLEVO CO. and Subsidiaries

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

Year ended December 31, 2019

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Lunaria Investment GK	Investment property	July 18, 2019	November 6, 2014	\$ 3,603,316	\$ 4,066,394	\$ 4,066,394	\$ 463,078	PLC11R 合同 會社	None	Active assets, create operating performance of group mall.	Refer to the appraised amount and resolved by the Board of Directors	Fulfill the rights and obligations based on the agreement mutually signed

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

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

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and 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
Year ended December 31, 2019

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	\$ 11,765,527	63.64%	30 days after monthly billings 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	(4,223,536)	21.55%	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.	1,252,715	40.42%	-
Kapok Computer (Kunshan) Co., Ltd.	The Company	The Company as the ultimate parent company	Sales	(11,765,527)	99.98%	30 Days After Monthly Billings	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	4,223,536	43.35%	180 days	It is the only supplier, so the price cannot be compared.	-	(1,252,715)	41.50%	-
Kapok Computer (Samoa) Corporation	Kapok Computer (Kunshan) Co., Ltd.	The Company as a subsidiary	Sales	(347,551)	100.00%	180 Days After Monthly Billings	It is the only customer, so the price cannot be compared.	-	(57)	100%	-
Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	The Company as a subsidiary	Purchases	347,551	3.55%	180 days	It is the only supplier, so the price cannot be compared.	-	57	-0.002%	-

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.

Table 6

CLEVO CO. and Subsidiaries
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Year ended December 31, 2019

Table 7

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2019 (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.	\$ 1,252,715	4.08	\$ -	Change into other receivables-related parties-current	\$ -	\$ -

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

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

CLEVO CO. and Subsidiaries
Significant inter-company transactions during the reporting period
Year ended December 31, 2019

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	Clevo (Cayman Islands) Holding Company	1	Other receivables - related parties - current	\$ 1,214,201	1.00%	1.21%
0	The Company	Kapok Computer (Samoa) Corporation	1	Other receivables - related parties - current	207,236	1.00%	0.21%
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	1	Purchases	11,765,527	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions. The payment period is 30 days after monthly billings.	11.72%
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	2	Sales	4,222,883	It is the only customer, so the price cannot be compared. The payment period is 180 days.	4.21%
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	1	Accounts receivable-related parties	1,252,715	-	1.25%
1	Kapok Computer Co., Ltd.	The Company	2	Receivables - related parties	55,000	1.04%	0.05%
2	Clevo Computer Singapore Ptd Ltd.	The Company	2	Other receivables - related parties - non-current	117,351	-	0.12%
3	Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	3	Receivables - related parties	88,766	6 months LIBOR+1.5%	0.09%
3	Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	3	Receivables - related parties	195,585	6 months LIBOR+2%	0.19%
3	Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	3	Receivables - related parties	135,405	6 months LIBOR+1.5%	0.13%
3	Clevo (Cayman Islands) Holding Company	Daqing Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	90,270	6 months LIBOR+2.5%	0.09%
3	Clevo (Cayman Islands) Holding Company	Buynow (Xian) Industry Co., Ltd.	3	Receivables - related parties	60,180	6 months LIBOR+2.5%	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)
3	Clevo (Cayman Islands) Holding Company	Buynow (Hangzhou) Electronic Information Co., Ltd.	3	Receivables - related parties	\$ 135,405	6 months LIBOR+2.5%	0.13%
3	Clevo (Cayman Islands) Holding Company	Kunshan Kaishuo Trading Co., Ltd.	3	Other receivables - related parties - non-current	150,964	3.00%	0.15%
3	Clevo (Cayman Islands) Holding Company	Zibo Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	90,270	6 months LIBOR+2.5%	0.09%
4	Buynow (Hangzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	218,811	5.00%	0.22%
4	Buynow (Hangzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	114,948	5.00%	0.11%
4	Buynow (Hangzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	121,202	5.00%	0.12%
4	Buynow (Hangzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	164,119	5.00%	0.16%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	182,882	5.00%	0.18%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	129,743	5.00%	0.13%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	3	Other receivables - related parties - current	279,632	5.00%	0.28%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	83,677	5.00%	0.08%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	277,126	5.00%	0.28%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	172,616	5.00%	0.17%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Receivables - related parties	94,710	-	0.09%
6	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	338,806	5.00%	0.34%
6	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	126,378	5.00%	0.13%
6	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	89,716	5.00%	0.09%
7	Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	3	Purchases	347,551	It is the only supplier, so the price cannot be compared	0.35%
7	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	3	Other receivables - related parties - current	172,530	5.00%	0.17%
7	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other receivables - related parties - current	492,228	5.00%	0.49%

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)
7	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	\$ 101,879	5.00%	0.10%
7	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other receivables - related parties - current	318,965	5.00%	0.32%
7	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	538,164	5.00%	0.54%
7	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	429,168	5.00%	0.43%
7	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	546,489	5.00%	0.54%
7	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	81,952	5.00%	0.08%
8	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	164,852	5.00%	0.16%
8	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	115,595	5.00%	0.12%
8	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	74,706	5.00%	0.07%
8	Buynow (Nanchang) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	182,019	5.00%	0.83%
8	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	166,837	5.00%	0.17%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	53,484	5.00%	0.05%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co.,	3	Other receivables - related parties - current	181,674	5.00%	0.18%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	197,072	5.00%	0.20%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	61,981	5.00%	0.06%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	70,824	5.00%	0.07%
10	Buynow (Guangzhou) Corporation	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	150,450	6 months LIBOR+2.5%	0.15%
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other receivables - related parties - current	95,970	5.00%	0.10%
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	120,728	5.00%	0.12%

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)
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	\$ 70,811	-	0.07%
12	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	237,186	5.00%	0.24%
12	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	81,305	5.00%	0.08%
12	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	52,880	5.00%	0.05%
13	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	157,434	5.00%	0.16%
14	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	74,533	5.00%	0.07%
15	Quality Trust Property Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	168,217	5.00%	0.17%
16	Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	90,270	6 months LIBOR+2.5%	0.09%
17	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	184,607	5.00%	0.18%
17	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	113,223	5.00%	0.11%
17	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	159,193	5.00%	0.16%
18	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	90,578	5.00%	0.09%
18	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	222,995	5.00%	0.22%
18	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	229,853	5.00%	0.23%
18	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	227,740	5.00%	0.23%
18	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	305,033	5.00%	0.30%
18	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Receivables - related parties	71,687	-	0.07%
19	Daqing Buynow Electronic Information Corporation	Buynow (Zhengzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	146,651	5.00%	0.15%

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)
20	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	155,708	5.00%	0.16%
20	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other receivables - related parties - current	52,622	5.00%	0.05%
20	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	90,147	5.00%	0.09%
20	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	191,767	5.00%	0.19%
20	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	85,359	5.00%	0.09%
20	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	138,214	5.00%	0.14%
20	Tianjin Buynow Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	71,600	5.00%	0.07%
20	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	60,515	5.00%	0.06%
20	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	55,819	-	0.06%
21	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other receivables - related parties - current	480,280	5.00%	0.48%
21	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	125,084	5.00%	0.12%
22	Beijing Clevo Investment Management Consultant Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	176,412	5.00%	0.18%
22	Beijing Clevo Investment Management Consultant Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	180,725	5.00%	0.18%
22	Beijing Clevo Investment Management Consultant Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	76,517	5.00%	0.08%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	380,817	5.00%	0.38%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	123,445	5.00%	0.12%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other receivables - related parties - current	271,735	5.00%	0.27%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other receivables - related parties - current	51,759	5.00%	0.05%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other receivables - related parties - current	188,920	5.00%	0.19%

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)
23	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other receivables - related parties - current	\$ 174,687	5.00%	0.17%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other receivables - related parties - current	81,348	5.00%	0.08%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	63,836	5.00%	0.06%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	254,050	5.00%	0.25%
23	Guangdong Buynow Real Estate Management Co., Ltd.	(Guangzhou) Electronic Information Co., Ltd.	3	Other receivables - related parties - current	57,366	5.00%	0.06%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	3	Other receivables - related parties - current	211,608	5.00%	0.21%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	103,992	-	0.10%
23	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	58,179	-	0.06%
24	Shantou Buynow Mall Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other receivables - related parties - current	176,843	5.00%	0.18%
24	Shantou Buynow Mall Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	56,072	5.00%	0.06%
25	Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	195,585	6 months LIBOR+2.5%	0.19%
26	Taizhou Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	75,913	5.00%	0.08%
27	Buynow (Chongqing) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Receivables - related parties	63,312	-	0.06%
28	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other receivables - related parties - current	99,636	5.00%	0.10%

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
Year ended December 31, 2019

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019 (Note 2 (2))	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2 (3))	Footnote
				Balance at December 31, 2019	Balance at December 31, 2018	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	\$ 7,482,132	\$ 155,765	\$ 155,765	The subsidiary of the Company
The Company	Clevo (Cayman Islands) Holding Company	Cayman Islands	Investment	15,754,974	11,329,649	369,370,000	100	43,159,541	411,022	411,022	The subsidiary of the Company
The Company	Kapok Computer (Samoa) Corporation	Samoa	Investment	232,643	232,643	7,000,000	100	1,130,136	126,935	126,935	The subsidiary of the Company
The Company	Buynow On-Line Holding Corporation	Samoa	Investment	35,513	35,513	1,100,000	100	(7,951)	(2,476)	(2,476)	The subsidiary of the Company
The Company	Clevo Investment Co., Ltd.	Taiwan	Investment	140,000	140,000	14,000,000	100	76,270	16,809	6,729	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	59,173	18,533	1,566	The subsidiary of the Company
The Company	Lunaria Investment Gk	Japan	Investment	-	1,172,094	-	-	-	517,292	512,067	The subsidiary of the Company
The Company	Taipei Twin Corporation	Taiwan	Investment	1,000,000	-	100,000,000	50	999,457	(1,085)	(543)	Investment accounted for under equity method
Clevo Computer Singapore Pte Ltd.	Buynow (Chengdu) Corporation	Samoa	Investment	278,468	278,468	7,000,000	100	3,426,476	49,428	49,428	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	833,783	6,322	6,322	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	3,179,336	100,397	100,397	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019 (Note 2 (2))	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2 (3))	Footnote
				Balance at December 31, 2019	Balance at December 31, 2018	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Zhengzhou) Corporation	Samoa	Investment	\$ 103,185	\$ 103,185	\$ 3,000,000	100	\$ 3,078,738	\$ 84,919	\$ 84,919	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	224,174	6,715	6,715	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	2,856,122	951,439	951,439	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	2,310,736	386	386	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	3,020,314	63,963	63,963	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	1,823,151	25,993	25,993	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	760,462	23,795	23,795	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	2,780,761	103,129	103,129	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	111,526	(1,315)	(1,315)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019 (Note 2 (2))	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2 (3))	Footnote
				Balance at December 31, 2019	Balance at December 31, 2018	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Chongqing) Limited	Hong Kong	Investment	\$ 169,140	\$ 169,140	\$ 5,000,000	100	\$ 1,058,644	\$ 6,008	\$ 6,008	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Flying International Investment Limited	Samoa	Investment	178,968	178,968	3,000,000	100	2,307,139	24,020	24,020	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Wuxi) Corporation	Samoa	Investment	64,054	64,054	2,000,000	100	1,208,555	40,020	40,020	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	83,523	(102,203)	(102,203)	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	(20,220)	(2,213)	(2,213)	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	(65,981)	(20,573)	(20,573)	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	1,690,636	56,043	56,043	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	5,034,734	93,018	93,018	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	730,792	(3)	(3)	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	(75,822)	(19,710)	(19,710)	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	410,434	(378)	(378)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019 (Note 2 (2))	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2 (3))	Footnote
				Balance at December 31, 2019	Balance at December 31, 2018	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Anshan) Corporation	Samoa	Investment	\$ 1,119,393	\$ 1,119,393	\$ 38,000,000	100	\$ 1,115,006	\$ (83,051.00)	\$ (83,051.00)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Guiyang) Corporation	Samoa	Investment	301,236	240,132	10,000,000	100	258,159	(993)	(993)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Chicony Square (Wuhan) Inc.	British Virgin Islands	Investment	123,204	123,204	3,600,000	30	2,389,234	389,368	116,810	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	(17,764)	138,855	41,657	Investment accounted for under equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (WUHAN) CORPORATION	Samoa	Investment	-	-	4,500,000	30	216,401	(159,991)	(47,997)	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	41,773	209,527	7,857	Investment accounted for under equity method
Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Samoa	Investment	505,786	505,786	17,000,000	100	290,906	(19,786)	(19,786)	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	950,023	12,841	12,841	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	310,658	(439,536)	(439,536)	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	243,362	(286,008)	(286,008)	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	443,773	(9,977)	(9,977)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2019			Net profit (loss) of the investee for the year ended December 31, 2019 (Note 2 (2))	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2 (3))	Footnote
				Balance at December 31, 2019	Balance at December 31, 2018	Number of shares	Ownership (%)	Book value			
Clevo (Cayman Islands) Holding Company	Buynow (Jinzhou) Corporation	Samoa	Investment	\$ 448,081	\$ 448,081	\$ 15,000,000	100	\$ 347,583	(\$ 62,324)	(\$ 62,324)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Shantou) Corporation	Samoa	Investment	578,224	578,224	19,200,000	100	469,777	(444,491)	(444,491)	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	3,614	333	333	The Company as the ultimate parent company
Clevo (HK) Investment Holding Limited	Clevo Japan Gk	Japan	Investment	2,817	2,817	-	100	4,003	378	378	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	5,034,734	93,018	93,018	The Company as the ultimate parent company
Smarter Capital Limited	Buynow SZ. Corporation	Samoa	Investment	452,081	452,081	14,900,000	100	950,023	12,841	12,841	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	(7,951)	(2,476)	(2,476)	The Company as the ultimate parent company

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

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

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2019' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2019' column should fill in amount of net profit (loss) of the investee for this year.
- (3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2019' 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 year. 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
Year ended December 31, 2019

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	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	\$ 49,428	100	\$ 49,428	\$ 3,426,476	\$ -	-
Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronic products	58,159	2	37,522	-	-	37,522	45,286	100	45,286	1,930,306	-	-
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronics products	69,491	2	-	-	-	-	64,529	100	64,529	2,098,813	-	-
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	145,550	100	145,550	1,317,983	-	-
Kunshan Kaiming Trading Co., Ltd.	Provide market management services for operators of laptop computer, tablet, desktop computer, palmtop computer, information and communication products and computer components	17,746	3	-	-	-	-	2,315	100	2,315	3,526	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	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	\$ 546,153	30	\$ 163,846	\$ 1,159,594	\$ -	-
Wuhan Qunbai Industry Co., Ltd.	Development and sales of computer software, hardware and electronic products; sales services; venue rental	58,904	3	-	-	-	-	48,880	30	14,664	627,971	-	-
Chicony Square (Wuhan) Management Co., Ltd.	Sales of service and non-staple food; cafe operation; venue rental	14,414	3	-	-	-	-	9,287	25	2,321	28,790	-	-
Qunguang Industrial (Xi'An) Co., Ltd.	Development of computer software and hardware, electronic products	4,053,756	3	-	-	-	-	(294,284)	30	(88,285)	660,595	-	-
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	100,397	100	100,397	3,179,336	-	-
Shanghai Buynow Electronic Information Co., Ltd.	Rental of the display venues of computer and related electronic products; information consultation; maintenance services; property management	521,418	2.3	56,778	-	-	56,778	(19,664)	100	(19,664)	2,849,268	-	-
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	12,733	100	12,733	197,741	-	-
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	-	-	-	-	5,446	100	5,446	24,163	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	\$ 504,484	3	\$ -	\$ -	\$ -	\$ -	\$ 56,325	100	\$ 56,325	\$ 4,518,620	\$ -	-
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	-	-	-	-	(21,620)	100	(21,620)	(316,017)	-	-
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	3	119,297	-	-	119,297	951,439	100	951,439	2,856,122	-	-
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	6,715	100	6,715	224,174	-	-
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	78,916	100	78,916	3,074,798	-	-
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	(562)	100	(562)	2,305,641	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 19,177	100	\$ 19,177	\$ 2,293,364	\$ -	-
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	73,741	100	73,741	2,224,521	-	-
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	(3)	100	(3)	730,791	-	-
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	23,795	100	23,795	760,462	-	-
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	25,993	100	25,993	1,823,151	-	-
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Developing and manufacturing computers, hardware, electronic products; production and sales of cosmetics and daily necessities; rental business	2,291,275	2 CHICONY CHENGDU INTERNATIONAL INC.	687,382	-	-	687,382	209,527	30	62,858	334,173	-	-
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	42,989	100	42,989	2,393,394	-	-
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	143,319	100	143,319	7,744,634	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	\$ 108,283	100	\$ 108,283	\$ 2,919,740	\$ -	-
Buynow (Wuhan) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products, and property management of buildings	468,580	2 BUYNOW (WUHAN) CORPORATION	-	-	-	-	(159,991)	30	(47,997)	216,401	-	-
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	(6,386)	100	(6,386)	541,650	-	-
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	56,027	100	56,027	1,691,943	-	-
Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	2,454	3	-	-	-	-	20	100	20	2,324	-	-
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	(102,356)	100	(102,356)	80,233	-	-
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	6,008	100	6,008	1,058,643	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Buynow Online Information Technology Co., Ltd.	Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products; development, technology transfer, advisory, service and training of Internet, computer software and hardware and communication equipment	\$ 32,630	2	\$ 32,630	\$ -	\$ -	\$ 32,630	(2,423)	100	(2,423)	(10,860)	\$ -	-
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	(2,213)	100	(2,213)	(20,220)	-	-
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	(49,274)	100	(49,274)	(189,555)	-	-
Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	574,562	2	574,562	-	-	574,562	(444,491)	100	(444,491)	469,777	-	-
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	(20,573)	100	(20,573)	(65,981)	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
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	(377)	100	(377)	\$ 410,433	\$ -	-
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	(83,051)	100	(83,051)	1,115,006	-	-
Clevo (China) Investment Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	897,135	2	897,135	-	-	897,135	(136,289)	100	(136,289)	2,381,087	-	-
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	303,271	-	-	303,271	(993)	100	(993)	258,159	-	-
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	(19,169)	100	(19,169)	292,168	-	-
Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	480,460	2	1,008,954	-	-	1,008,954	12,841	100	12,841	950,023	-	-
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	-	-	-	-	(9)	100	(9)	-	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	\$ 881,914	2	\$ 881,914	\$ -	\$ -	\$ 881,914	(439,536)	100	(439,536)	\$ 310,658	\$ -	-
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	(286,008)	100	(286,008)	243,362	-	-
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	(9,977)	100	(9,977)	443,773	-	-
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	(62,324)	100	(62,324)	347,583	-	-
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	(1,983)	100	(1,983)	25,393	-	-

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, 2019	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Net income of investee for the year ended December 31, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2019 (Note 2)	Book value of investments in Mainland China as of December 31, 2019	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Huihei Advertisement Co., Ltd.	Advertising design and marketing	\$ 4,850	3	\$ -	\$ -	\$ -	\$ -	120	100	120	5,549	\$ -	-
Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	22,884	3	-	-	-	-	(2,273)	100	(2,273)	(15,068)	-	-
Xiamen Lejing Internet Bar Co., Ltd.	Internet café and internet message service	465	3	-	-	-	-	(255)	100	(255)	(3,436)	-	-

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, 2019 was based on financial statements audited by independent accountants.

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

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2019	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
CLEVO CO.	\$ 13,393,300 (USD 421,680 thousand of USD)	\$ 15,166,942 (USD 466,227 thousand of USD)	\$ 23,877,157

Note 1: According to the amended regulation, "The Principle of Investment and Technical Cooperation in Chin", 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. (39,795,261 x 60% = 23,877,157)

Note 2: It has been liquidated as of December 31, 2019, and has been approved to invest US\$4,120,000 by the Ministry of Economic Affairs.

Note 3: As of December 31, 2019, 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, 2019.

CLEVO CO.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 1

Items	Note	Amount
Cash on hand and petty cash		\$ 188
Deposit		
Check deposits		31,507
Demand deposits		119,515
Foreign exchange deposits	USD 37,685 thousand, rate 30.09	1,133,944
	JPY 7,263,428 thousand, rate 0.2766	2,009,064
	other currency	3,402
Cash equivalents		
Time deposits	USD 59,600 thousand, rate 30.09	1,793,364
	RNB 182,560 thousand, rate 4.3132	787,418
		<u>\$ 5,878,402</u>

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CLEVO CO.
DETAILS OF CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 2

Financial instrument name	Summary	Number of shares	Book value	Gross amount	Interest rate	Acquisition cost	Fair value	
							Unit price	Gross amount
<u>Marketable securities</u>								
Taiwan Business Bank, Ltd.		7, 576, 979				\$ 53, 155	\$ 12. 60	\$ 95, 470
Chicony Electronics Co., Ltd.		4, 697, 000				207, 328	89. 00	418, 033
Da Lue International Holding Co., Ltd.		1, 745, 283				115, 730	13. 50	23, 561
AU Optronics Corp.		1, 092, 989				37, 671	10. 05	10, 985
Innolux Corporation		51, 219				2, 205	8. 33	427
Net Publishing Co., Ltd.		223, 000				25, 779	64. 50	14, 383
China AMC CSI 300 Index ETF		200, 000				38, 414	46. 40	35, 849
Boe Technology Group Co., Ltd.		375, 000				9, 434	4. 54	7, 343
						<u>\$ 489, 716</u>		<u>\$ 606, 051</u>

Table 2

CLEVO CO.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 3

Client Name	Summary	Amount	Remark
<u>Accounts receivable</u>			
Client A		\$ 468,046	
Client B		222,810	
Client C		193,590	
Client D		131,145	
			None of the balances of each remaining accounts is greater than 5% of this account balance
Others		<u>845,185</u>	
		1,860,776	
Less:			
Allowance for doubtful accounts		(<u>14,287</u>)	
		<u>\$ 1,846,489</u>	
<u>Accounts receivable-related parties</u>			
Kapok Computer (Kunshan) Co., Ltd.		<u>\$ 1,252,715</u>	

CLEVO CO.
DETAILS OF INVENTORIES
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 4

Items	Summary	Amount		Remark
		Cost	Net realisable value	
Raw materials		\$ 365,843	\$ 349,365	Replacement cost is used as net realisable value for raw materials, and finished goods are evaluated by net realisable value.
Finished goods		369	-	
		366,212	\$ 349,365	
Less:				
Loss on market value decline and obsolete and slow-moving inventories		(16,847)		
		\$ 349,365		

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CLEVO CO.
DETAILS OF CURRENT FINANCIAL ASSETS AT AMORTISED COST
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 5

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Restricted Assets-Time Deposit		<u>\$ 1,520,899</u>	

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CLEVO CO.
MOVEMENT DETAILS OF RECOGNITION OF INVESTMENT UNDER EQUITY METHOD AND PREPAID INVESTMENT
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 6

Name	Balance as at January 1, 2019		Additions		Deductions		Balance as at December 31, 2019			Market Value or Net Assets Value			Collateral	Remark
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership	Amount	Unit price	Gross price			
Equity method														
KAPOK COMPUTER CO., LTD.	8,000,000	\$ 53,576	-	5,597 (Notes 1 & 2)	-	\$ -	8,000,000	100.00%	\$ 59,173	-	\$ 683,753		N	
CLEVO INVESTMENT CO., LTD.	14,000,000	67,982	-	8,288 (Notes 1 & 2)	-	-	14,000,000	100.00%	\$ 76,270	-	\$ 447,241		"	
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	220,730,000	40,033,064	-	3,126,477 (Notes 1 & 3)	-	-	220,730,000	100.00%	43,159,541	-	\$ 43,017,618		"	
KAPOK COMPUTER (SAMOA) CORPORATION	7,000,000	1,047,215	-	82,921 (Note 1)	-	-	7,000,000	100.00%	1,130,136	-	\$ 1,127,401		"	
CLEVO COMPUTER SINGAPORE PTE LTD.	27,544,070	7,635,730	-	(153,598) (Note 1)	-	-	27,544,070	100.00%	7,482,132	-	\$ 7,624,764		"	
BUYNOW ON-LINE HOLDING CORPORATION	1,100,000	(5,929)	-	(2,022) (Note 1)	-	-	1,100,000	100.00%	(7,951)	-	(\$ 7,951)		"	
LUNARIA INVESTMENT GK	-	1,694,435	-	(1,694,435) (Notes 1 & 2)	-	-	-	98.99%	-	-	-		"	
TAIPEI TWIN CORPORATION	-	-	-	999,457 (Notes 1 & 4)	-	-	1,000,000,000	50.00%	999,457	-	1,998,915			
		<u>\$ 50,526,073</u>		<u>\$ 2,372,685</u>		<u>\$ -</u>			<u>\$ 52,898,758</u>		<u>\$ 54,891,741</u>			
Prepaid long-term investment														
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	-	\$ 4,425,325	-	\$ -	-	(\$ 4,425,325) (Note 3)	-	-	\$ -	-	\$ -		"	

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

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

Note 3: Indicating the prepaid investment reclassified to investment under equity method and received investment.

Note 4: Indicating the additions of investment under equity method for the year.

Table 6

CLEVO CO.
DETAILS OF ACCOUNTS PAYABLE
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 7

<u>Name of Customer</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
<u>Accounts payable</u>			
Company A		\$ 45,705	
Company B		22,765	
Company C		10,986	
Others		9,077	None of the balances of each remaining accounts is greater than 5% of this account balance
		<u>\$ 88,533</u>	

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CLEVO CO.
DETAILS OF BONDS PAYABLE
DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 8

Amount												
Bonds	Fiduciary	Date of issuance	Date of interest paid	Coupon rate	Amount issued	Amount redeemed	Ending balance	Unamortized premium (discount)	Book value	Payment item	Guarantee	Remark
Secured bonds payable issued in 2015	JihSun Holding	2015/8/28	Interest is paid annually at simple interest rate based on the coupon rate.	1.50%	\$ 5,000,000	\$ 4,800,000	\$ 200,000	\$ -	\$ 200,000	The bond is issued for five years and the principal is payable at maturity date.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.	
Secured bonds payable issued in 2019	JihSun Holding	2019/8/26	Interest is paid annually at simple interest rate based on the coupon rate.	0.80%	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	The bond is issued for five years and the principal is payable at maturity date.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.	
									\$ 5,200,000			
									(200,000)			
									<u>\$ 5,000,000</u>			

Table 8

CLEVO CO.
DETAILS OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 9

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Remark</u>
Sales revenue			
Net operating revenue	1,404,875 sets	<u>\$ 15,372,546</u>	Laptop

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CLEVO CO.
DETAILS OF OPERATING COST
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 10

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Materials at January 1		304,318	
Add : Materials purchased for the year		6,989,105	
Others		(274)	
Less : Materials at December 31		(365,843)	
Transferred to operating expenses		(37,888)	
Cost of materials sold		(3,139,645)	
Others		(<u>46,985</u>)	
Materials used for the year		3,702,788	
Manufacturing expenses		<u>122,434</u>	
Manufacturing cost		<u>3,825,222</u>	
Cost of goods manufactured and sold		3,825,021	
Add : Finished foods inventory at January 1		618	
Less : Finished goods inventory at December 31		(<u>369</u>)	
Cost of goods manufactured and sold		3,825,270	
Cost of goods purchased and sold		7,268,049	
Cost of materials sold		3,139,645	
Gain on reversal of decline in market value		<u>5,555</u>	
Operating cost		<u>\$ 14,238,519</u>	

CLEVO CO.
DETAILS OF MANUFACTURING COST
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 11

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
After-sales service		\$ 64,910	
Wages and salaries		40,721	
Others		<u>16,803</u>	None of the balances of each remaining accounts is greater than 5% of this account balance
		<u>\$ 122,434</u>	

CLEVO CO.
DETAILS OF MARKETING COST
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 12

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Wages and salaries		\$ 87,626	
Travel expense		15,296	
Commission expense		18,476	
Import/ Export expense		23,557	
Royalty		17,990	
Others		<u>38,003</u>	None of the balances of each remaining accounts is greater than 5% of this account balance
		<u>\$ 200,948</u>	

CLEVO CO.
GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 13

<u>Items</u>	<u>Note</u>	<u>Amount</u>	<u>Remark</u>
Wages and salaries		\$ 304, 441	
Professional service fees		40, 031	
Others		<u>75, 140</u>	None of the balances of each remaining accounts is greater than 5% of this account balance
		<u>\$ 419, 612</u>	

CLEVO CO.
DETAILS OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 14

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remark</u>
Wages and salaries		\$ 403,999	
Research and development expenses		60,220	
Insurance expenses		29,904	
Others		<u>67,202</u>	None of the balances of each remaining accounts is greater than 5% of this account balance
		<u>\$ 561,325</u>	

CLEVO CO.
SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTISATION
YEAR ENDED DECEMBER 31, 2019
(Expressed in thousands of New Taiwan dollars)

Table 15

By function By nature	2019			2018		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expenses						
Wages and salaries	\$ 40,993	\$ 747,539	\$ 788,532	\$ 47,723	\$ 772,831	\$ 820,554
Labor and health insurance fees	3,716	54,158	57,874	3,681	53,510	57,191
Pension costs	2,164	35,526	37,690	2,314	35,430	37,744
Directors' remuneration	-	13,000	13,000	-	12,300	12,300
Other employee benefit expenses	2,278	33,849	36,127	2,630	46,548	49,178
Depreciation	344	11,693	12,037	361	11,290	11,651
Amortisation	-	6,671	6,671	208	5,611	5,819

Note:

1. As at December 31, 2019 and 2018, the Company had 676 and 680 employees, including 5 non-employee directors, for both years, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information
 - (1) Average employee benefit expense in current year was \$1,371 thousand ((Total employee benefit expense in current year - Total directors' compensation in current year) / (Number of employees in current year - Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$1,429 thousand ((Total employee benefit expense in previous year - Total directors' compensation in previous year) / (Number of employees in previous year - Number of non-employee directors in previous year)).
 - (2) Average employee salaries in current year was \$1,175 thousand (Total employee salaries in current year / (Number of employees in current year - Number of non-employee directors in current year)).
Average employee salaries in previous year was \$1,216 thousand (Total employee salaries in previous year / (Number of employees in previous year - Number of non-employee directors in previous year)).
 - (3) Adjustment of average employee salaries was (3.33%) ((Average employee salaries in current year - Average employee salaries in previous year) / Average employee salaries in previous year).

Table 15