

CLEVO CO. AND SUBSIDIARIES
CONSOLIDATED 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.

PWCR19005024

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the consolidated 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 consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2019 were as follows:

Valuation of investment properties

Description

Refer to Note 4(20) for accounting policies on investment properties, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to the fair value measurement of investment properties, and Note 6(9) for details of investment properties. As at December 31, 2019, the Group's investment properties at fair value amounted to NT\$63,013,015 thousand.

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

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

How our audit addressed the matter

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

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

Existence of booth rental revenue

Description

Refer to Note 4(35) for accounting policies on revenue recognition and Note 6(22) for details of operating revenue. As at December 31, 2019, the Group's rental revenue amounted to NT\$3,039,613 thousand.

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

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

How our audit addressed the matter

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

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

Valuation of inventories

Description

Refer to Note 4(13) for accounting policy on the evaluation of inventories, Note 5(2) for uncertainty of accounting estimations and assumptions in relation to inventory valuation, and Note 6(4) for the details of inventory valuation. As at December 31, 2019, the balance of inventory and allowance for inventory valuation losses amounted to NT\$4,254,379 thousand and NT\$90,611 thousand, respectively.

The Group is primarily engaged in manufacturing and sales of notebook computers, construction in progress and buildings and land held for sale. Due to rapid technological innovations, short lifespan

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

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

How our audit addressed the matter

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

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

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Clevo Co. as at and for the years ended December 31, 2019 and 2018.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory

Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of

accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

ASSETS	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,047,784	8	\$ 7,796,543	7
1110	Current financial assets at fair value through profit or loss	6(2)	1,022,194	1	1,322,990	1
1136	Current financial assets at amortised cost	6(1)	1,670,772	2	4,749,768	4
1170	Accounts receivable, net	6(3)	1,996,971	2	1,623,861	2
1180	Accounts receivable due from related parties, net	6(3) and 7	1,022	-	3,166	-
1220	Current income tax assets		272	-	9,984	-
130X	Inventories	6(4) and 8	4,163,768	4	7,896,031	7
1460	Non-current assets or disposal groups classified as held for sale, net	6(11)	3,786,016	4	-	-
1470	Other current assets	7 and 8	920,049	1	2,188,836	2
11XX	Total current assets		<u>21,608,848</u>	<u>22</u>	<u>25,591,179</u>	<u>23</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(1)	23,517	-	115,850	-
1550	Investments accounted for using equity method, net	6(5)	3,430,464	3	2,518,217	2
1600	Property, plant and equipment	6(6) and 8	5,822,337	6	9,970,165	9
1755	Right-of-use assets	6(7), 7 and 8	4,465,980	4	-	-
1760	Investment property, net	6(9) and 8	63,013,015	63	65,426,212	58
1780	Intangible assets	6(10)	29,926	-	21,311	-
1840	Deferred income tax assets	6(28)	181,794	-	214,011	-
1985	Long-term prepaid rents	6(7) and 8	-	-	6,675,527	6
1990	Other non-current assets	8	1,810,854	2	1,927,385	2
15XX	Total non-current assets		<u>78,777,887</u>	<u>78</u>	<u>86,868,678</u>	<u>77</u>
1XXX	Total assets		<u>\$ 100,386,735</u>	<u>100</u>	<u>\$ 112,459,857</u>	<u>100</u>

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

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 9,228,429	9	\$ 8,426,966	8
2120	Current financial liabilities at fair value through profit or loss		1,008	-	-	-
2130	Current contract liabilities	6(22)	574,301	1	3,146,037	3
2150	Notes payable		12,851	-	15,135	-
2170	Accounts payable		1,580,846	2	1,590,415	1
2180	Accounts payable - related parties	7	318,091	-	262,229	-
2200	Other payables	7	2,211,793	2	2,008,965	2
2230	Current income tax liabilities	6(28)	25,387	-	170,192	-
2250	Provisions for liabilities - current	6(17)	50,523	-	50,523	-
2280	Current lease liabilities	7	13,555	-	-	-
2320	Long-term liabilities, current portion	6(14)(15)	4,946,751	5	2,747,011	2
2399	Other current liabilities	6(13) and 7	2,037,032	2	646,170	1
21XX	Total current liabilities		<u>21,000,567</u>	<u>21</u>	<u>19,063,643</u>	<u>17</u>
Non-current liabilities						
2530	Corporate bonds payable	6(14)	5,000,000	5	5,000,000	5
2540	Long-term borrowings	6(15)	21,209,345	21	31,837,471	28
2570	Deferred income tax liabilities	6(28)	12,074,682	12	12,380,424	11
2580	Non-current lease liabilities	7	52,348	-	-	-
2670	Other non-current liabilities	6(5)(16) and 7	1,254,532	1	2,321,189	2
25XX	Total non-current liabilities		<u>39,590,907</u>	<u>39</u>	<u>51,539,084</u>	<u>46</u>
2XXX	Total liabilities		<u>60,591,474</u>	<u>60</u>	<u>70,602,727</u>	<u>63</u>
Equity attributable to owners of parent						
Share capital						
3110	Ordinary share	6(18)	6,697,630	7	6,797,630	6
Capital surplus						
3200	Capital surplus	6(19)	333,951	-	982,539	1
Retained earnings						
3310	Legal reserve	6(20)	1,724,342	2	1,578,852	1
3320	Special reserve		36,131,662	36	34,937,216	31
3350	Unappropriated retained earnings		1,100,739	1	1,547,516	1
Other equity interest						
3400	Other equity interest	6(21)	(4,836,021)	(5)	(2,720,683)	(2)
3500	Treasury shares	6(18)	(1,357,042)	(1)	(1,283,228)	(1)
31XX	Total equity attributable to owners of parent		<u>39,795,261</u>	<u>40</u>	<u>41,839,842</u>	<u>37</u>
36XX	Non-controlling interest		<u>-</u>	<u>-</u>	<u>17,288</u>	<u>-</u>
3XXX	Total equity		<u>39,795,261</u>	<u>40</u>	<u>41,857,130</u>	<u>37</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	TOTAL LIABILITIES AND EQUITY		<u>\$ 100,386,735</u>	<u>100</u>	<u>\$ 112,459,857</u>	<u>100</u>

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

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

	Items	Notes	Year ended December 31			
			2019		2018	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	\$ 21,900,662	100	\$ 19,796,072	100
5000	Operating costs	6(4)(26)(27) and 7	(16,849,737)	(77)	(14,515,709)	(74)
5900	Net operating margin		<u>5,050,925</u>	<u>23</u>	<u>5,280,363</u>	<u>26</u>
	Operating expenses	6(26)(27)				
6100	Selling expenses		(1,822,221)	(8)	(1,365,770)	(7)
6200	General and administrative expenses		(1,788,169)	(8)	(1,901,144)	(9)
6300	Research and development expenses		(561,398)	(3)	(528,608)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>5,026</u>	<u>-</u>	(<u>17,992</u>)	<u>-</u>
6000	Total operating expenses		(<u>4,166,762</u>)	(<u>19</u>)	(<u>3,813,514</u>)	(<u>19</u>)
6900	Operating profit		<u>884,163</u>	<u>4</u>	<u>1,466,849</u>	<u>7</u>
	Non-operating income and expenses					
7010	Other income	6(23)	572,271	2	616,195	3
7020	Other gains and losses	6(24) and 7	1,242,244	6	1,174,967	6
7050	Finance costs	6(25) and 7	(1,105,904)	(5)	(878,327)	(4)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(5)	<u>166,858</u>	<u>1</u>	(<u>24,009</u>)	<u>-</u>
7000	Total non-operating income and expenses		<u>875,469</u>	<u>4</u>	<u>888,826</u>	<u>5</u>
7900	Profit before income tax		<u>1,759,632</u>	<u>8</u>	<u>2,355,675</u>	<u>12</u>
7950	Income tax expense	6(28)	(<u>685,768</u>)	(<u>3</u>)	(<u>899,316</u>)	(<u>5</u>)
8200	Profit for the year		<u>\$ 1,073,864</u>	<u>5</u>	<u>\$ 1,456,359</u>	<u>7</u>

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

Items	Notes	Year ended December 31				
		2019		2018		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Loss on remeasurements on defined benefit plans	6(16)	\$ 4,189	-	(\$ 6,585)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(838)	-	1,317	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>3,351</u>	-	<u>(5,268)</u>	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	6(21)	(2,046,091)	(9)	(544,392)	(3)
8370	Share of other comprehensive loss of associates and joint ventures accounted for under equity method	6(21)	(90,518)	(1)	(49,680)	-
8399	Income tax relating to the components of other comprehensive income	6(28)	<u>34,476</u>	-	<u>(7,663)</u>	-
8360	Other comprehensive loss that will be reclassified to profit or loss		<u>(2,102,133)</u>	<u>(10)</u>	<u>(601,735)</u>	<u>(3)</u>
8300	Total other comprehensive loss for the year		<u>(\$ 2,098,782)</u>	<u>(10)</u>	<u>(\$ 607,003)</u>	<u>(3)</u>
8500	Total comprehensive (loss) income for the year		<u>(\$ 1,024,918)</u>	<u>(5)</u>	<u>\$ 849,356</u>	<u>4</u>
Net income attributable to:						
8610	Owners of the parent		<u>\$ 1,068,639</u>	<u>5</u>	<u>\$ 1,454,904</u>	<u>7</u>
8620	Non-controlling interest		<u>\$ 5,225</u>	<u>-</u>	<u>\$ 1,455</u>	<u>-</u>
Comprehensive (loss) income attributable to:						
8710	Owners of the parent		<u>(\$ 1,043,348)</u>	<u>(5)</u>	<u>\$ 847,022</u>	<u>4</u>
8720	Non-controlling interest		<u>\$ 18,430</u>	<u>-</u>	<u>\$ 2,334</u>	<u>-</u>
Earnings per share						
9750	Basic earnings per share	6(29)	<u>\$</u>	<u>1.75</u>	<u>\$</u>	<u>2.32</u>
9850	Diluted earnings per share	6(29)	<u>\$</u>	<u>1.74</u>	<u>\$</u>	<u>2.30</u>

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

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

	Equity attributable to owners of the parent												Non-controlling interest	Total equity
	Capital Reserves			Retained Earnings			Other Equity Interest							
	Notes	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		
Year ended December 31, 2018														
Balance at January 1, 2018		\$ 6,831,630	\$ 1,379,498	\$ 202,476	\$ 1,507,074	\$ 33,929,051	\$ 1,079,944	(\$ 2,138,991)	\$ 97,879	\$ 20,922	(\$ 625,346)	\$ 42,284,137	\$ 15,898	\$ 42,300,035
Effects of retrospective application and 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	15,898	42,300,035
Profit for the year		-	-	-	-	-	1,454,904	-	-	-	-	1,454,904	1,455	1,456,359
Other comprehensive income (loss) for the year 6(21)		-	-	-	-	(5,268)	(602,614)	-	-	-	(607,882)	879	(607,003)	
Total comprehensive income (loss) for the year		-	-	-	-	1,449,636	(602,614)	-	-	-	847,022	2,334	849,356	
Appropriations of 2017 earnings 6(20)		-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	-	71,778	(71,778)	-	-	-	-	-	-	-	
Special reserve		-	-	-	-	1,008,165	(1,008,165)	-	-	-	-	-	-	
Capital dividends		-	(546,530)	-	-	-	-	-	-	-	(546,530)	-	(546,530)	
Treasury stock acquired 6(31)		-	-	-	-	-	-	-	-	(657,882)	(657,882)	-	(657,882)	
Treasury stock retired 6(18)		(34,000)	-	(75,655)	-	-	-	-	-	-	(109,655)	-	(109,655)	
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	22,750	-	-	-	-	-	-	-	22,750	-	22,750
Changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	(944)	(944)	
Balance at December 31, 2018		\$ 6,797,630	\$ 832,968	\$ 149,571	\$ 1,578,852	\$ 34,937,216	\$ 1,547,516	(\$ 2,741,605)	\$ -	\$ 20,922	(\$ 1,283,228)	\$ 41,839,842	\$ 17,288	\$ 41,857,130
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	\$ 17,288	\$ 41,857,130
Profit for the year		-	-	-	-	-	1,068,639	-	-	-	-	1,068,639	5,225	1,073,864
Other comprehensive income (loss) for the year 6(21)		-	-	-	-	3,351	(2,115,338)	-	-	-	(2,111,987)	13,205	(2,098,782)	
Total comprehensive income (loss) for the year		-	-	-	-	1,071,990	(2,115,338)	-	-	-	(1,043,348)	18,430	(1,024,918)	
Appropriations of 2018 earnings 6(20)		-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	-	145,490	(145,490)	-	-	-	-	-	-	-	
Special reserve		-	-	-	-	1,194,446	(1,194,446)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(128,453)	-	-	-	(128,453)	-	(128,453)	
Capital dividends 6(20)		-	(513,810)	-	-	-	-	-	-	-	(513,810)	-	(513,810)	
Treasury stock acquired 6(31)		-	-	-	-	-	-	-	-	(386,017)	(386,017)	-	(386,017)	
Treasury stock retired 6(18)		(100,000)	(12,254)	(149,571)	-	(50,378)	-	-	-	312,203	-	-	-	
Adjustment to capital surplus arising from dividends paid to subsidiaries		-	-	27,047	-	-	-	-	-	-	-	27,047	-	27,047
Changes-in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	(35,718)	(35,718)	
Balance at December 31, 2019		\$ 6,697,630	\$ 306,904	\$ 27,047	\$ 1,724,342	\$ 36,131,662	\$ 1,100,739	(\$ 4,856,943)	\$ -	\$ 20,922	(\$ 1,357,042)	\$ 39,795,261	\$ -	\$ 39,795,261

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

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

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,759,632	\$ 2,355,675
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(26)	189,742	154,122
Amortisation	6(10)(26)	9,073	18,930
Expected credit (gain) loss	12(2)	(5,025)	17,992
Net (gain) loss on financial assets measured at fair value through profit or loss	6(24)	(377,049)	405,608
Interest expense	6(25)	1,105,904	878,327
Interest income	6(23)	(201,550)	(130,921)
Dividend income	6(23)	(26,052)	(33,114)
Share of (profit) loss of associates and joint ventures accounted for under the equity method	6(5)	(166,858)	24,009
(Gain) loss on disposal of property, plant and equipment	6(24)	(5,280)	1,490
Gain on disposal of investment property	6(24)	(463,078)	-
Gain on disposal of investments	6(24)	(311,286)	(928,375)
Impairment loss on non-financial assets	6(11)	160,539	-
Gain on adjustments of investment properties at fair value	6(9)(24)	(764,734)	(913,763)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets measured at fair value through profit or loss		978,899	(350,522)
Notes receivable, net		-	1,127
Accounts receivable, net		(364,099)	270,992
Inventories		1,184,684	(289,080)
Prepayments		-	(210,596)
Capitalisation of interest (inventories)	6(4)	(71,224)	(111,080)
Other current assets		287,114	182,366
Changes in operating liabilities			
Contract liabilities		99,173	52,018
Notes payable		(2,284)	-
Accounts payable		(9,569)	(262,484)
Accounts payable - related parties		55,862	(6,980)
Other payables		96,324	(204,811)
Other current liabilities		(60,720)	560
Other non-current liabilities		(111,240)	(1,249)
Cash inflow generated from operations		2,986,898	920,241
Interest received		206,879	128,788
Dividends received		26,052	33,114
Interest paid		(1,116,558)	(847,665)
Income taxes paid		(802,052)	(285,814)
Net cash flows from (used in) operating activities		<u>1,301,219</u>	<u>(51,336)</u>

(Continued)

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

	Notes	Years ended December 31,	
		2019	2018
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortized cost - current		\$ 3,078,996	(\$ 1,465,783)
Repayment of disposal of financial assets	6(30)	-	44,115
Disposal of subsidiaries	6(31)	961,772	994,893
Acquisition of property, plant and equipment	6(31)	(734,728)	(938,533)
Proceeds from disposal of property, plant and equipment	6(31)	133,696	11,464
Decrease in refundable deposits		47,549	1,163
Acquisition of intangible assets	6(11)	(18,830)	(2,158)
Acquisition of investment properties	6(31)	(214,450)	(198,729)
Proceeds from disposal of investment properties	6(9)	4,066,394	3,864
Interest paid (capitalisation of interest)	6(9)	(246,306)	(397,441)
Increase in long-term prepaid rent		-	(12,881)
Decrease (increase) in financial assets at amortized cost - non-current		92,333	(22,574)
Acquisition of investments accounted for under equity method		(1,000,000)	-
Decrease (increase) in other non-current assets		19,377	(374,166)
Receipts in advance due to disposal of property, plant and equipment		1,458,310	-
Net cash flows from (used in) investing activities		<u>7,644,113</u>	<u>(2,356,766)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings		70,491,330	72,058,041
Repayments of short-term borrowings		(69,461,113)	(69,856,355)
Increase in other payables		215,650	-
Proceeds from issuing bonds		5,000,000	-
Repayments of bonds payable		(4,800,000)	-
Proceeds from long-term borrowings		26,814,012	52,017,987
Repayments of long-term borrowings		(34,899,061)	(50,267,748)
(Decrease) increase in guarantee deposit		(1,191,970)	866,522
(Decrease) increase in other financial liabilities - current		(6,728)	6,728
Cash dividends paid	6(19)	(642,263)	(546,530)
Decrease in other financial liabilities - non-current		-	(585,947)
Acquisition of treasury stock	6(31)	(403,475)	(750,079)
Payments of lease liabilities		(7,614)	-
Changes in non-controlling interests		(22,742)	(944)
Net cash flows (used in) from financing activities		<u>(8,913,974)</u>	<u>2,941,675</u>
Changes in exchange rates		219,883	(259,609)
Net increase in cash and cash equivalents		251,241	273,964
Cash and cash equivalents at beginning of year		7,796,543	7,522,579
Cash and cash equivalents at end of year		<u>\$ 8,047,784</u>	<u>\$ 7,796,543</u>

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

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 21, 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 the FSC effective from 2019 are as follows:

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

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

IFRS 16, ‘Leases’

A. 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. The Group has elected to apply IFRS 16 by not restating the comparative information (referred herein as the ‘modified retrospective approach’) when applying “IFRSs” effective in 2019 as endorsed by the FSC. Accordingly, the Group increased ‘right-of-use asset’ by \$6,675,527 and decreased long-term prepaid rents by \$6,675,527 with respect to the lease contracts of lessees on January 1, 2019.
- C. The Group has used the following practical expedients permitted by the standard at the date of initial application of IFRS 16:
- (a) Reassessment as to whether a contract is, or contains, a lease is not required, instead, the application of IFRS 16 depends on whether or not the contracts were previously identified as leases applying IAS 17 and IFRIC 4.
 - (b) The accounting for operating leases whose period will end before December 31, 2019 as short-term leases and accordingly, rent expense of \$9,312 was recognised in 2019.
- D. The Group recognised lease liabilities which had previously been classified as ‘operating leases’ under the principles of IAS 17, ‘Leases’. The reconciliation between operating lease commitments under IAS 17 measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate and lease liabilities recognised as of January 1, 2019 is as follows:

Operating lease commitments disclosed by applying IAS 17 as at December 31, 2018	\$	89,702
Less: Short-term leases	(89,702)
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	\$	-

- E. 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 Group

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) 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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
The Company	Clevo Computer Singapore Pte Ltd.	Management and advisory of computers	100	100	
The Company	Clevo (Cayman Islands) Holding Company	Investing	100	100	
The Company	Kapok Computer (Samoa) Corporation	Investing	100	100	
The Company	Kapok Computer Co., Ltd.	Design and sale of computers and computer peripherals	100	100	
The Company	Clevo Investment Co., Ltd.	Investing	100	100	
The Company	Buynow On-line Holding Corporation	Investing	100	100	
The Company	Lunaria Investment GK	Building leasing	-	98.99	(Note 6)
Clevo (Cayman Islands) Holding Company	Buynow Global Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Hangzhou) Corporation	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Clevo (Cayman Islands) Holding Company	Buynow (Zhengzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow Group (Changsha) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Nanchang) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Flying Wolf Investment Limited	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Xiamen) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow Group (Xian) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Changchun) Corporation	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Clevo (Cayman Islands) Holding Company	Buynow Group (Qingdao) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Wuxi) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Flying International Investment Limited	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Chongqing) Limited	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Daqing) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Zibo) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Beijing) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Yancheng) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Skill Develop International Limited	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Clevo (Cayman Islands) Holding Company	Buynow (Yingkou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Anshan) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Huizhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Guiyang) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Dezhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Luoyang) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Smarter Capital Limited	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Clevo (Cayman Islands) Holding Company	Buynow (Fujian Quanzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Jinzhou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Clevo (China) Investment Co., Ltd.	Investing in companies, setting up R&D department and consultation service	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Shantou) Corporation	Investing	100	100	
Clevo (Cayman Islands) Holding Company	Clevo (HK) Investment Holding Limited	Investing	100	100	
Clevo (HK) Investment Holding Limited	Clevo Japan GK	Investing	100	100	
Buynow On-line Holding Corporation	Buynow On-line Limited	Investing	100	100	
Skill Develop International Limited	Well Asia Investment Limited	Investing	100	100	
Clevo Computer Singapore Pte Ltd.	Buynow (Chengdu) Corporation	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Clevo Computer Singapore Pte Ltd.	Buynow (Nanjing) Facility Leasing and Management Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronics products	100	100	
Clevo Computer Singapore Pte Ltd.	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and services for related electronics products	100	100	
Clevo Computer Singapore Pte Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals; Display, advisory and after-sales service of digital products; Property management of self-owned buildings	8.82	8.82	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow Group (Qingdao) Corporation	Qingdao Buynow Technology Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals; Display, advisory and after-sales service of digital products; Property management of self-owned buildings	20.59	20.59	(Note 1)
Kapok Computer (Samoa) Corporation	Kapok Computer (Kunshan) Co., Ltd.	Manufacturing, sale, research and development and maintenance service of computers, notebooks, tablets, information and communication products and computer components	100	100	
Buynow Global Corporation	Shanghai Buynow Electronic Information Co., Ltd.	Rental of exhibition, advisory, maintenance service and property management of computer and related electronics products	21.21	21.21	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow Global Corporation	Quality Trust Property Management Co., Ltd.	Property management, advisory of real estate, building leasing, housekeeping service, parking lot service, car wash service and business service	100	100	
Buynow Global Corporation	Kunshan Kaishuo Trading Co., Ltd.	Mechanical equipment and accessories, wire and cable, air conditioning equipment, building and decoration material, lighting equipment, Kitchen appliance, water cleaner, pipeline and accessories, fire safety equipment, compressor and accessories, wholesale of elevators and appliances, import and export and advisory services	100	100	
Buynow (Hangzhou) Corporation	Buynow (Hangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, research and development and after-sales service of computers and computer peripherals; Property management of buildings	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow Group (Xian) Corporation	Buynow (Xian) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow Group (Changsha) Corporation	Buynow (Changsha) Industry Co., Ltd.	Manufacturing, sale, research and development and after-sales services of computers and computer peripherals; Property management of buildings	100	100	
Buynow (Zhengzhou) Corporation	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Nanchang) Corporation	Buynow (Nanchang) Industry Co., Ltd.	Manufacturing, sale, research and development and after-sales services of computers and computer peripherals; Property management of buildings	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow (Guangzhou) Corporation	Buynow (Guangzhou) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Xiamen) Corporation	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Changchun) Corporation	Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals; Property management of buildings	95.24	95.24	(Note 1)
Flying Wolf Investment Limited	Buynow (Changchun) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals; Property management of buildings	4.76	4.76	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Flying Wolf Investment Limited	Buynow Electronic Information (Shenyang) Co., Ltd.	Research and development of computers and computer peripherals and electronic products; Advisory services of economic information	100	100	
Flying Wolf Investment Limited	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	28.57	28.57	(Note 1)
Buynow (Wuxi) Corporation	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computer software and digital products	71.43	71.43	(Note 1)
Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow (Chengdu) Corporation	Buynow (Chengdu) Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals; Property management of buildings	100	100	
Flying International Investment Limited	Tianjin Buynow Electronic Information Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals and digital products	100	100	
Buynow (Chongqing) Limited	Buynow (Chongqing) Industry Co., Ltd.	Manufacturing, sale, research and development of computers and computer peripherals (not including electronic publishing), shopping mall management, wholesale and retail of electronic products, property management and parking lot service	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow On-line Limited	Shanghai Buynow Online Information Technology Co., Ltd.	Wholesale and retail, import and export, and after-sales service of household appliances, computer and computer components, communication equipment, electrical devices, office supplies and complementary products; Development, technology transfer, advisory, service and training for internet, computer software and hardware and communication equipment	100	100	
Buynow (Daqing) Corporation	Daqing Buynow Electronic Information Co., Ltd.	Manufacturing, retail and wholesale of computers and computer peripherals; Electronic information shopping mall management	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Well Asia Investment Limited	Guangdong Buynow Real Estate Management Co., Ltd.	Self-owned property management and leasing; Manufacturing, research and development of computer software and hardware and digital products	65	65	(Note 1)
Buynow (Zibo) Corporation	Zibo Buynow Electronic Information Co., Ltd.	Manufacturing, sale, maintenance service, research and development of computers and computer peripherals and digital products; Advisory services for business management; Leasing of self-owned buildings, parking lot management, shopping mall management and property management	100	100	
Buynow (Beijing) Corporation	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	76	76	(Note 3)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow (Yancheng) Corporation	Buynow (Yancheng) Electronic Information Technology Development Co. Ltd.	Manufacturing, maintenance service, research and development of computers and computer peripherals and digital products, and advisory of business management	100	100	
Buynow (Huizhou) Corporation	Buynow (Hangzhou) Electronic Information Co., Ltd.	Industrial investment, management advisory of business, property management, computer network workshop and advertisement production	40	40	(Note 1)
Buynow (Yingkou) Corporation	Yingkou Buynow Electronic Information Co., Ltd.	Manufacturing, maintenance service, research and development of computers and computer peripherals and digital products, and business management advisory services	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow (Anshan) Corporation	Anshan Buynow Electronic Information Co., Ltd.	Manufacturing, maintenance service, research and development of computers and computer peripherals and digital products, and business management advisory services	100	100	
Buynow (Guiyang) Corporation	Guiyang Buynow Electronic Information Co., Ltd.	Research and development of computers and computer peripherals and electronic products, and business management advisory services	100	100	
Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	Manufacturing, maintenance service, research and development of computers and computer peripherals and digital products, and business management advisory services	100	100	
Smarter Capital Limited	Buynow SZ. Corporation	Investing	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow SZ. Corporation	Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	100	100	
Buynow (Dezhou) Corporation	Dezhou Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; Business management advisory services and shopping mall management	100	100	
Buynow (Luoyang) Corporation	Luoyang Buynow Electronic Information Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; Business management advisory services and shopping mall management	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow (Fujian Quanzhou) Corporation	Quanzhou Buynow Industry Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; Business management advisory services and shopping mall management	100	100	
Buynow (Jinzhou) Corporation	Buynow (Jinzhou) Industry Co., Ltd.	Manufacturing of computer software and hardware and consumer electronic products; Business management advisory services and shopping mall management	100	100	
Buynow (Shantou) Corporation	Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory services	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Kapok Computer Co., Ltd.	Kunshan Kaiming Trading Co., Ltd.	Provide market management services for operators of laptop computers, tablets, desktop computers, palmtop computers, information and communication products and computer components	100	100	
Shanghai Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huihei Advertisement Co., Ltd.	Advertising design and marketing	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	80	80	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Quality Trust Property Management Co., Ltd.	Wuxi Quantai Property Management Co., Ltd.	Property management, real estate advisory services, building leasing, housekeeping service, parking lot service, car wash service and business service	100	100	
Buynow (Wuxi) Corporation	Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	100	100	
Buynow (Wuxi) Corporation	Beijing Kaiye Electronic Technology Co., Ltd.	Technology extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	10	10	(Note 2)
Buynow (Fujian) Electronic Co., Ltd.	Xiamen Lejing Internet Bar Co., Ltd.	Internet café and internet message service	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow Electronic Information Co., Ltd.	Guandong Huijing Real Estate Development Co., Ltd.	Self-owned property management and leasing, manufacturing, sale, research and development of computer software and hardware and digital products	35	35	(Note 1)
Buynow Electronic Information Co., Ltd.	Buynow (Hangzhou) Electronic Information Co., Ltd.	Industrial investment, business management advisory services, property management, computer network workshop and advertisement production	60	60	(Note 1)
Clevo (China) Investment Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	20	20	(Note 1)
Clevo (China) Investment Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Leasing of exhibition space for computer and electronic products, information advisory, maintenance service and property	78.79	78.79	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Clevo (China) Investment Co., Ltd.	Qingdao Buynow Technology Industrial Co., Ltd.	Leasing of exhibition space for computer and electronic products, information advisory, maintenance service and property management	70.59	70.59	(Note 1)
Suzhou Jinzuo Corporation Limited	Suzhou Buynow Department Store Co., Ltd.	Wholesale and retail of daily goods, office supplies, shoes, hats and bags, household appliance, sporting goods, hardware electronic, watch and the first-class medical device	-	100	(Note 5)
Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	20	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow Electronic Information (Zhengzhou)	Beijing Kaiye Electronic Technology Co., Ltd.	Technology extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory services, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	20	(Note 2)
Buynow (Changchun) Industry Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology extension services, computer maintenance, public parking lot service for motorcycle, property management, business management advisory, and business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	20	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow (Hangzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology extension services, computer maintenance, public parking lot service for motorcycle, property management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	20	20	(Note 2)
Tianjin Buynow Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Technology extension services, computer maintenance, public parking lot service for motorcycle, property management, business management and advisory, business building leasing, wholesale of computer and computer peripherals, hardware electronic products and household appliances	10	10	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Daqing Buynow Corporation	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	-	5.42	(Note 3, Note 4)
Zibo Buynow Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	-	6.97	(Note 3, Note 4)
Shanghai Buynow Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	-	11.61	(Note 3, Note 4)
Buynow (Changchun) Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	12.39	-	(Note 4)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
Buynow Electronic Information (Zhengzhou)	Beijing Clevo Investment Management Consultant Co., Ltd.	Business advisory of investment management, wholesale agency of electronic products, import and export of goods and property management	11.61	-	(Note 4)

Note 1: The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 2: Buynow (Wuxi) Electronic Technology Development Co., Ltd., Kalor Buynow (Heifei) Electronic Information Co., Ltd., Buynow (Zhengzhou) Electronic Information Co., Ltd., Buynow (Changchun) Industry Co., Ltd., and Buynow (Hangzhou) Electronic Information Co., Ltd. acquired 10%, 20%, 20%, 20%, and 20% of the shares of Beijing Kaiye Electronic Technology Co., Ltd., respectively. Additionally, Shanghai Buynow Electronic Information Co., Ltd. sold 100% of shares in Beijing Kaiye Electronic Technology Co., Ltd. to Tianjin Buynow Electronic Information Co., Ltd. on April 30, 2018. The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 3: Buynow (Beijing) Corporation sold 24% of shares in Beijing Clevo Investment Management Consultant Co., Ltd. to Daqing Buynow Electronic Information Co., Ltd., Zibo Buynow Electronic Information Co., Ltd., and Shanghai Buynow Electronic Information Co., Ltd. on September 10, 2018. Daqing Buynow Electronic Information Co., Ltd., Zibo Buynow Electronic Information Co., Ltd., and Shanghai Buynow Electronic Information Co., Ltd. acquired 5.42%, 6.97% and 11.61% of the shares, respectively. The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 4: On July 1, 2018, Shanghai Buynow Electronic Information Co., Ltd., sold 11.61% of shares held in Beijing Clevo Investment Management Consultant Co., Ltd. to Buynow (Zhengzhou) Corporation, respectively; Daqing Buynow Electronic Information Co., Ltd. and Zibo Buynow Electronic Information Co., Ltd. sold 5.42% and 6.97% of shares held in Beijing Clevo Investment Management Consultant Co., Ltd. to Buynow (Changchun), respectively. The parent company of the Group held 100% of the shares in these subsidiaries, and the subsidiaries were included in the consolidated financial statements.

Note 5: Suzhou Buynow Department Store Co., Ltd. was liquidated and dissolved on August 13,

2019.

Note 6: LUNARIA INVESTMENT GK remitted all capital back after disposing property on July 18, 2019.

C. Subsidiaries not included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2019	December 31, 2018	
The Company	Clevo France Sarl	Design and sale of computers and computer peripherals	100	100	(Note)

Note: As CLEVO FRANCE SARL has ceased operations, there was no outstanding balance in all balance sheet and income statement accounts of the subsidiary as of December 31, 2019 and 2018.

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

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

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

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

(8) Financial assets at amortised cost

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

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

(12) Leasing arrangements (lessor) - operating leases

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

(13) Inventories

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

(14) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using equity method / associates

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

(16) Investment accounted for using equity method - joint ventures

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

(17) Property, plant and equipment

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

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

(18) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

Effective 2019

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.
The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the

amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) Operating leases (lessee)

Prior to 2019

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

(20) Investment property

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

(21) Intangible assets

A. Computer software

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

B. Goodwill

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

(22) Impairment of non-financial assets

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

impairment had not been recognised.

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

(23) 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.

(24) 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.

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

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

(26) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss

over the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(27) Derecognition of financial liabilities

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

(28) 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.

(29) 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.

(30) Provisions

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

(31) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

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

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

(32) Income tax

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

sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(33) 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.

(34) 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.

(35) Revenue recognition

A. Sales of goods

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

(b) The computers are often sold with volume discounts based on aggregate sales over a 12-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts and sales

discounts and allowances, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected volume discounts and sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 days to 120 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

- (c) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (d) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Booth rental revenue

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

C. Land development and resale

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

D. Hotel revenue

- (a) The main services the Group provides are food services and accommodations.
- (b) Food services revenue is recognised at a point in time when the products are sold to the customers and the payments are charged immediately. The Group's sales policy offers customers the rights of return within a certain time period. The estimate of sales return is evaluated with expected method based on historical experiences at the time of sale, and accumulated revenue the Group recognised shall not be reversed in the following years according to historical experiences. The validity of this assumption and estimated amount of returns are reassess at each reporting date.
- (c) The accommodations revenue is recognised on a straight-line basis throughout the period of stay of the customer. The customer pays at the time specified in the payment schedule.

E. Incremental costs of obtaining a contract

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

those costs.

(36) Government grants

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

(37) Operating segments

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

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

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

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

Investment property

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

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

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

As of December 31, 2019, the carrying amount of inventories was \$4,163,768.

B. Investment property measured at fair value

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

As of December 31, 2019, the carrying amount of investment property was \$60,013,015.

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	\$ 1,923	\$ 5,604
Checking accounts and demand deposits	4,777,958	3,736,018
Time deposits	3,267,903	4,054,921
	<u>\$ 8,047,784</u>	<u>\$ 7,796,543</u>

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

B. Time deposits pledged to others as collateral for borrowings and those with maturity over three months totaling to \$1,694,289 and \$4,865,618 were classified as financial assets at amortised cost as of December 31, 2019 and 2018, respectively.

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

<u>Assets items</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 502,651	\$ 977,886
Beneficiary certificates	280,809	477,229
Valuation adjustment	238,734	(132,125)
	<u>\$ 1,022,194</u>	<u>\$ 1,322,990</u>
<u>Liabilities items</u>		
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 at fair value through profit or loss are listed below:

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 321,445	(\$ 192,845)
Beneficiary certificates	367,898	(229,362)
	<u>689,343</u>	<u>(422,207)</u>
Financial liabilities designated as at fair value through profit or loss		
Forward foreign exchange contracts	(1,008)	-
	<u>\$ 688,335</u>	<u>(\$ 422,207)</u>

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

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

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

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

(3) Notes and accounts receivable

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Accounts receivable	\$ 2,045,675	\$ 1,679,433
Accounts receivable - related parties	1,022	3,166
Less: Allowance for uncollectible accounts	(48,704)	(55,572)
	<u>\$ 1,997,993</u>	<u>\$ 1,627,027</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>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 1,652,030	\$ 1,022,099
Up to 30 days	273,007	474,839
31 to 90 days	69,102	89,944
91 to 180 days	19,222	32,332
Over 180 days	33,336	63,385
	<u>\$ 2,046,697</u>	<u>\$ 1,682,599</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 (including notes receivable) from contracts with customers amounted to \$2,046,697, \$1,682,599, and \$2,011,990, respectively.

C. The Group has no accounts receivable and notes 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 Group's notes and accounts receivable was \$1,997,993 and \$1,627,027, respectively.

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

F. Information related to credit risk of accounts receivable and notes 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	\$ 1,387,108	\$ (58,204)	\$ 1,328,904
Semi-finished goods	106,863	(2,818)	104,045
Finished goods	88,018	-	88,018
Merchandise inventory	8,009	(259)	7,750
Inventory in transit	4,324	-	4,324
	<u>1,594,322</u>	<u>(61,281)</u>	<u>1,533,041</u>
Buildings and land held for sale	<u>2,660,057</u>	<u>(29,330)</u>	<u>2,630,727</u>
	<u>\$ 4,254,379</u>	<u>(\$ 90,611)</u>	<u>\$ 4,163,768</u>

	December 31, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 2,052,170	(\$ 47,274)	\$ 2,004,896
Semi-finished goods	145,171	(3,419)	141,752
Finished goods	126,648	(618)	126,030
Merchandise inventory	36,988	-	36,988
Inventory in transit	2,942	-	2,942
	<u>2,363,919</u>	<u>(51,311)</u>	<u>2,312,608</u>
Construction in progress	4,874,213	-	4,874,213
Buildings and land held for sale	747,333	(38,123)	709,210
	<u>5,621,546</u>	<u>(38,123)</u>	<u>5,583,423</u>
	<u>\$ 7,985,465</u>	<u>(\$ 89,434)</u>	<u>\$ 7,896,031</u>

A. The cost of inventories recognised as expense was \$16,849,737 and \$14,515,709, including \$7,624 and \$22,389 that the Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold due to the sales of building and land held for sale for the years ended December 31, 2019 and 2018, respectively as well as the amounts of \$11,740 and \$67,933 that the Group wrote down from cost to net realisable value accounted for as increase in cost of goods sold for the years ended December 31, 2019 and 2018, respectively.

B. The amount of capitalised borrowings cost for the years ended December 31, 2019 and 2018 was \$71,224 and \$11,080, respectively, and the capitalised rate was 4.35%~5.94% and 3.95%~5.94%, respectively.

C. As of December 31, 2019, inventories pledged are described in Note 8.

(5) Investments accounted for using equity method

	December 31, 2019	December 31, 2018
Associates:		
Chicony Square (Wuhan) Inc.	\$ 2,389,234	\$ 2,482,777
Chicony Chengdu International Inc.	41,773	35,440
Joint ventures:		
TAIPEI TWIN CORPORATION	999,457	-
	<u>\$ 3,430,464</u>	<u>\$ 2,518,217</u>
Other non-current liabilities		
	December 31, 2019	December 31, 2018
Chicony Square (Cayman) Inc.	\$ 17,764	\$ 48,753

A. Associates:

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

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Method of measurement
		December	December		
		31, 2019	31, 2018		
Chicony Square (Wuhan) Inc.	China (Note 2)	30%	30%	Significant influence associate	Equity method
Chicony Square (Cayman) Inc.	China (Note 3)	30%	30%	Significant influence associate	Equity method
Chicony Chengdu International Inc.	China (Note 2)	3.75% (Note 1)	3.75% (Note 1)	Significant influence associate	Equity method

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

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

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

(b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Chicony Square (Wuhan) Inc.	
	December 31, 2019	December 31, 2018
Current assets	\$ 429,929	\$ 1,817,711
Non-current assets	7,578,121	7,457,179
Current liabilities	(43,936)	(998,964)
Total net assets	<u>\$ 7,964,114</u>	<u>\$ 8,275,926</u>
Carrying amount of the associate	<u>\$ 2,389,234</u>	<u>\$ 2,482,777</u>
	Chicony Square (Cayman) Inc.	
	December 31, 2019	December 31, 2018
Current assets	\$ 2,360	\$ 2,376
Non-current assets	2,388,929	2,273,678
Current liabilities	(193,754)	(129,914)
Non-current liabilities	(2,256,750)	(2,308,650)
Total net assets	<u>(\$ 59,215)</u>	<u>(\$ 162,510)</u>
Carrying amount of the associate	<u>(\$ 17,764)</u>	<u>(\$ 48,753)</u>

	Chicony Chengdu International Inc.	
	December 31, 2019	December 31, 2018
Current assets	\$ 32	\$ 33
Non-current assets	1,113,910	945,023
Total net assets	<u>\$ 1,113,942</u>	<u>\$ 945,056</u>
Carrying amount of the associate	<u>\$ 41,773</u>	<u>\$ 35,440</u>

	Chicony Square (Wuhan) Inc.	
	Years ended December 31,	
	2019	2018
Profit (loss) for the year from continuing operations	\$ 389,368	(\$ 87,046)
Other comprehensive loss, net of tax	(260,909)	(154,550)
Total comprehensive income (loss)	<u>\$ 128,459</u>	<u>(\$ 241,596)</u>

	Chicony Square (Cayman) Inc.	
	Years ended December 31,	
	2019	2018
Profit (loss) for the year from continuing operations	\$ 138,855	(\$ 1,865)
Other comprehensive loss, net of tax	(35,560)	(9,820)
Total comprehensive income (loss)	<u>\$ 103,295</u>	<u>(\$ 11,685)</u>

	Chicony Chengdu International Inc.	
	Years ended December 31,	
	2019	2018
Profit for the year from continuing operations	\$ 209,526	\$ 70,978
Other comprehensive loss, net of tax	(40,640)	(11,223)
Total comprehensive income	<u>\$ 168,886</u>	<u>\$ 59,755</u>

B. Joint ventures

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio 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 ventures that are material to the Group is as follows:

Balance sheet

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

Statement of comprehensive income

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

- (b) The Company and EPOQUE CORPORATION participated in the land development project of Taipei City Western District Gateway Project-Taipei Main Station Special Zone C1/D1 (Eastern Part) to jointly establish TAIPEI TWIN CORPORATION. The investments amounting to \$1 million from both the Company and EPOQUE CORPORATION account for 50% of the total investment and the shareholding ratio is 50% for each. TAIPEI TWIN CORPORATION will be jointly controlled by both parties based on the agreement of joint ventures.

(6) Property, plant and equipment

2019

	Land	Buildings and structures	Machinery and equipment	Molding equipment	Computers and communication equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>											
Cost	\$ 186,563	\$ 2,851,422	\$ 783,110	\$ 14,487	\$ 99,556	\$ 46,106	\$ 187,216	\$ 124,842	\$ 58,751	\$ 6,687,026	\$ 11,039,079
Accumulated depreciation and impairment	-	(517,584)	(190,016)	(6,935)	(72,607)	(34,764)	(111,780)	(119,331)	(15,897)	-	(1,068,914)
	<u>\$ 186,563</u>	<u>\$ 2,333,838</u>	<u>\$ 593,094</u>	<u>\$ 7,552</u>	<u>\$ 26,949</u>	<u>\$ 11,342</u>	<u>\$ 75,436</u>	<u>\$ 5,511</u>	<u>\$ 42,854</u>	<u>\$ 6,687,026</u>	<u>\$ 9,970,165</u>
Opening net book amount as at January 1	\$ 186,563	\$ 2,333,838	\$ 593,094	\$ 7,552	\$ 26,949	\$ 11,342	\$ 75,436	\$ 5,511	\$ 42,854	\$ 6,687,026	\$ 9,970,165
Additions	-	580,803	139,691	-	5,770	790	4,504	14,878	1,280	-	747,716
Reclassifications	-	(289,642)	(20,119)	-	-	-	(4)	14,699	(11,588)	(4,124,893)	(4,431,547)
Disposals	-	(7,466)	(77,986)	-	(8,243)	(1,165)	(4,043)	(6,203)	(8,687)	-	(113,793)
Depreciation charge	-	(32,205)	(47,208)	(2,744)	(8,856)	(1,632)	(11,740)	(5,266)	(5,127)	-	(114,778)
Net exchange differences	-	(83,994)	(22,408)	(291)	(2,847)	(1,286)	(15,628)	3,400	(1,862)	(110,510)	(235,426)
Closing net book amount as at December 31	<u>\$ 186,563</u>	<u>\$ 2,501,334</u>	<u>\$ 565,064</u>	<u>\$ 4,517</u>	<u>\$ 12,773</u>	<u>\$ 8,049</u>	<u>\$ 48,525</u>	<u>\$ 27,019</u>	<u>\$ 16,870</u>	<u>\$ 2,451,623</u>	<u>\$ 5,822,337</u>
<u>At December 31</u>											
Cost	\$ 186,563	\$ 3,112,276	\$ 720,609	\$ 12,661	\$ 70,205	\$ 36,542	\$ 163,868	\$ 53,889	\$ 34,332	\$ 2,451,623	\$ 6,842,568
Accumulated depreciation and impairment	-	(610,942)	(155,545)	(8,144)	(57,432)	(28,493)	(115,343)	(26,870)	(17,462)	-	(1,020,231)
	<u>\$ 186,563</u>	<u>\$ 2,501,334</u>	<u>\$ 565,064</u>	<u>\$ 4,517</u>	<u>\$ 12,773</u>	<u>\$ 8,049</u>	<u>\$ 48,525</u>	<u>\$ 27,019</u>	<u>\$ 16,870</u>	<u>\$ 2,451,623</u>	<u>\$ 5,822,337</u>

2018

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

Note: Refer to Note 6(31) B for the effect of changes between consolidated entities.

A. Refer to Note 6(9) D for the amount of borrowing costs capitalised as part of property, plant, and equipment and the range of the interest rates for the years ended December 31, 2019 and 2018.

B. The significant components of the Group's buildings and structures, including main construction, steel structure, and related equipment of underground mezzanine are depreciated from 2 to 15 years.

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

(7) Leasing arrangements - lessee

A. The Group leases various assets including land use right and office. Rental contracts are typically made for periods of 5 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
	Carrying amount	Carrying amount
Land	\$ 4,400,077	\$ -
Land (shown as long-term prepaid rents)	-	6,675,527
Office	65,903	-
	<u>\$ 4,465,980</u>	<u>\$ 6,675,527</u>

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
	Depreciation charge	Rent expense
Land	\$ 67,350	\$ 7,295
Office	7,614	-
	<u>\$ 74,964</u>	<u>\$ 7,295</u>

C. For the year ended December 31, 2019, the additions to right-of-use assets was \$74,442.

D. For the year ended December 31, 2019, the Group's total cash outflow for leases was \$67,933.

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

	<u>Years ended December 31,</u>	
<u>Items affecting profit or loss</u>	<u>2019</u>	<u>2018</u>
Interest expense on lease liabilities	\$ 1,007	\$ -
Expense on short-term lease contracts	\$ 59,312	\$ 159,473

F. Buynow (Xian), Guiyang Buynow, Yinkou Buynow, Anshan Buynow, Dezhou Buynow, Luoyang Buynow, Shantow Buynow, Buynow (Jinzhou) and Kapok (Kunshan) acquired the land use right from their respective local government agencies for a period of 40 to 50 years. Except for the land use right of Kapok (Kunshan) which is for factory land use (as of December 31, 2019, the amount was \$21,010), others are for shopping mall land use.

G. Guiyang Buynow and Yinkou Buynow entered into the state-owned construction land use right assignment contracts for the years ended December 31, 2014 and 2013 with their local government agencies. The total consideration was RMB 327,101, of which RMB 306,538 was paid and RMB 20,563 remains unpaid, as of December 31, 2019. As of December 31, 2019, the transfer of property rights has not yet been completed.

(8) Leasing arrangements - lessor

Effective 2019

- A. The Group leases various assets classified as investment property. Rental contracts are typically made for periods of 1 and 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the year ended December 31, 2019, the Group recognised rent income on investment property in the amount of \$3,039,613, 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>
2020	\$ 481,891
2021	487,450
2022	374,230
2023	373,339
2024	379,124
2025	388,569
2026 and after	1,655,531
	<u>\$ 4,140,134</u>

(9) Investment property

	<u>2019</u>	<u>2018</u>
At January 1	\$ 65,426,212	\$ 69,922,175
Additions from subsequent expenditures	133,425	150,264
Disposals	(3,551,575)	(3,864)
Reclassifications	2,460,226	-
Effect of changes between consolidated entities (Note)	-	(4,964,608)
Net gains from fair value adjustment	764,734	913,763
Net exchange differences	(2,220,007)	(591,518)
At December 31	<u>\$ 63,013,015</u>	<u>\$ 65,426,212</u>

Note: Refer to Note 6(31) B. for the effect of changes between consolidated entities.

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

	Years ended December 31,	
	2019	2018
Rental income from investment property	\$ 3,039,613	\$ 3,311,017
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 1,026,110	\$ 1,092,985
Direct operating expenses arising from the investment property that did not generate rental income during the year	\$ 140,298	\$ 131,369

B. Measurement of investment property at fair value

The fair value of the investment property held by the Group as at December 31, 2019 and 2018 was \$63,013,015 and \$65,426,212, respectively, which was valued by independent appraisers. Valuations were made using the income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

- (a) Investment property is mainly divided into Taiwan-computer segment and China-Buynow Plaza. Currently, the lease terms of investment property for different segments are: approximately 2 to 5 years for Taiwan-computer segment; 19 years (from 2007 to 2026) for Buynow (Changsha); 35 years (from 2007 to 2042) for Buynow (Nanchang); 20 years (from 2008 to 2028) for Beijing Clevo Investment; 18 years (from 2016 to 2034) for Buynow (Quanzhou); 10 years (from 2017 to 2027) for Suzhou Jinzuo; 6 to 10 years (from 2019 to 2029) for Buynow (Anshan); 15 years (from 2019 to 2034) for Luoyang Buynow, and 1 year for remaining segments. The comparison information between local rent and similar objective property rent is provided in the ‘Summary of fair value disclosure on investment property’ (referred herein as “the following table”).
- (b) Movements of average occupancy rates in the prior year and earnings in prior years are provided in the following table.
- (c) The Group adopts the discounted cash flow analysis under income approach. The estimation process of the appraisal method is subject to the determination of the annual rent growth rate range using the comparison information between local rent and similar objective property rent, and takes into consideration vacancy loss to estimate net rent income over the next ten years as future cash inflow and discounted to the date of appraisal with the discount rate described in (d). In addition, considering the ending balance of disposal value of the objective property is calculated based on the operating revenue over the next year starting from the disposal date to estimated remaining lives of the use right at the disposal date, which will be capitalised based on the estimated discount rate and annual rent growth rate as well as discounted to the appraisal date. The market value is calculated based on the ending disposal value plus the present value of rent for each period.

Future cash outflow consists of expenses directly and necessarily related to leasing such as related fees, utilities and promotion costs; and operating expenses necessarily related to operations (i.e. repair expenses), taxes, insurance fees, and capital expenditures. The rates of changes used in the estimation of future movements are in accordance with the rent growth rate used in the imputed rent income.

- (d) The information on the range of discount rates is provided in the following table. The discount rates are determined to take into consideration the interest rate of time deposits or government bonds, as well as the Group's liquidity, risk, value-added and degree of difficulty of management.
- (e) The fair values of investment property under construction at the appraisal date and income estimation process were first determined by considering the growth of rent income under the forecast market conditions when the construction was completed, and were discounted using expected rental growth rate and vacancy loss to the appraisal date with a 10-year estimation period. Subsequently, the aforementioned discounted values reduced the necessary engineering costs and expenses incurred from appraisal date to expected completion date plus the discounted estimated salvage values.
- (f) The appraisal reports adopted by the Group are co-certified by the real estate appraisers, Charlie Yang and Jia-Hui Chen from Cushman & Wakefield Limited (referred herein as "Cushman & Wakefield") and Cushman & Wakefield Limited (HK). The appraisal dates are January 1, 2019 and 2018.
- (g) The Japan-investment property held by the Group was sold on July 18, 2019, therefore the appraisal reports adopted by Japan-investment property of the Group are co-certified by the real estate appraisers, Charlie Yang and Yoji Kawakami from Cushman & Wakefield Limited and Cushman & Wakefield Limited (Japan). The appraisal dates are December 31, 2019 and 2018.

Summary of fair value disclosure on investment property:

Year ended December 31, 2019	Computer segment	Buynow plaza
Comparative information between local rent and similar objective property rent (dollar / square or square meter / month)	\$639~\$660	\$144~\$5,485
Movements of earnings in the prior year	\$65,401	\$19,147~\$311,906
Average occupancy rates	100%	90%

Year ended December 31, 2018	Computer segment	Buynow plaza	Japan-investment property
Comparative information between local rent and similar objective property rent (dollar / square or square meter / month)	\$646~\$682	\$137~\$5,597	\$3,548~\$4,094
Movements of earnings in the prior year	\$66,904	\$29,711~\$419,157	\$22,487~\$69,542
Average occupancy rates	100%	88%	98%

Discount rate	December 31, 2019	December 31, 2018
-Computer segment	3.65%	3.65%
-Buynow plaza	4.75%~6.75%	4.75%~6.75%
-Japan-investment property	-	3.8%~3.9%

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

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

	Years ended December 31,	
	2019	2018
Amount capitalised	\$246,306	\$397,411
Range of the interest rates for capitalisation	4.35%~5.94%	3.95%~5.94%

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

(10) Intangible assets

	2019		
	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1</u>			
Cost	\$ 10,632	\$ 10,679	\$ 21,311
Accumulated amortisation and impairment	-	-	-
	<u>\$ 10,632</u>	<u>\$ 10,679</u>	<u>\$ 21,311</u>
At January 1	\$ 10,632	\$ 10,679	\$ 21,311
Additions	18,830	-	18,830
Disposals	(628)	-	(628)
Amortisation charge	(9,073)	-	(9,073)
Net exchange differences	(105)	(409)	(514)
December 31	<u>\$ 19,656</u>	<u>\$ 10,270</u>	<u>\$ 29,926</u>
<u>At December 31</u>			
Cost	\$ 19,656	\$ 10,270	\$ 29,926
Accumulated amortisation and impairment	-	-	-
	<u>\$ 19,656</u>	<u>\$ 10,270</u>	<u>\$ 29,926</u>
	2018		
	<u>Software</u>	<u>Goodwill</u>	<u>Total</u>
<u>At January 1</u>			
Cost	\$ 20,214	\$ 10,828	\$ 31,042
Accumulated amortisation and impairment	-	-	-
	<u>\$ 20,214</u>	<u>\$ 10,828</u>	<u>\$ 31,042</u>
At January 1	\$ 20,214	\$ 10,828	\$ 31,042
Additions	2,158	-	2,158
Effect of changes between consolidated entities (Note)	(65)	-	(65)
Amortisation charge	(11,635)	-	(11,635)
Net exchange differences	(40)	(149)	(189)
December 31	<u>\$ 10,632</u>	<u>\$ 10,679</u>	<u>\$ 21,311</u>
<u>At December 31</u>			
Cost	\$ 10,632	\$ 10,679	\$ 21,311
Accumulated amortisation and impairment	-	-	-
	<u>\$ 10,632</u>	<u>\$ 10,679</u>	<u>\$ 21,311</u>

Note: Refer to Note 6(31) B. for the effect of changes between consolidated entities.

Goodwill arises from Buynow segment of the Group.

Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2019	2018
Manufacturing costs	\$ -	\$ 207
Administrative expenses	4,551	7,617
Research and development expenses	4,522	3,811
	<u>\$ 9,073</u>	<u>\$ 11,635</u>

(11) Non-current assets held for sale

The assets related to property, plant and equipment and right-of-use assets of Shantou Buynow Mall Co., Ltd. (part of Buynow plaza segment) have been reclassified as disposal group held for sale following the approval of the Group's Board of Directors on May 24, 2019 to sell property, plant and equipment and right-of-use assets to Chicony Industry (Wuhan) Co., Ltd. The completion date for the transaction is expected by 2020. As of December 31, 2019, the assets of the disposal group held for sale amounted to \$3,786,016.

A. Assets of disposal group held for sale:

	December 31, 2019
Property, plant and equipment	\$ 3,164,097
Right-of-use assets	1,019,397
	<u>4,183,494</u>
Accumulated impairment	(160,539)
Net exchange differences	(236,939)
	<u>\$ 3,786,016</u>

B. Impairment loss of \$160,539 was recognised in other gains and losses as a result of the remeasurement of the disposal group held for sale at the lower of its carrying amount or fair value less costs to sell. Information relating to fair value is provided in Note 12(3).

C. As of March 31, 2019, the advance disposals of property receipts obtained from Chicony Industry (Wuhan) Co., Ltd. amounted to \$1,458,310.

(12) Short-term borrowings

Type of borrowings	December 31, 2019	Interest rate range	Collateral
Bank borrowings			
Bank secured borrowings	\$ 86,265	4.57%	Letter of credit
Bank secured borrowings	212,806	3.19%~3.40%	Long-term prepaid rent and property, plant and equipment
Bank secured borrowings	215,663	4.57%	Time deposits pledged
Bank secured borrowings	722,495	3.19%~5.50%	Investment property
Bank unsecured borrowings	7,991,200	0.95%~3.50%	Promissory note
	<u>\$ 9,228,429</u>		

<u>Type of borrowings</u>	<u>December 31, 2018</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank secured borrowings	\$ 419,119	5.00%~5.65%	Letter of credit
Bank secured borrowings	206,650	3.55%~4.57%	Long-term prepaid rent and property, plant and equipment
Bank secured borrowings	921,731	3.55%~5.65%	Investment property
Bank secured borrowings	2,228,788	3.64%~4.75%	Time deposits pledged
Bank unsecured borrowings	4,650,678	0.95%~4.90%	Promissory note
	<u>\$ 8,426,966</u>		

(13) Other current liabilities

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Advance rental revenue	\$ 448,507	\$ 536,034
Advance disposals of property receipts (Note)	1,458,310	-
Other current liabilities	130,215	110,136
	<u>\$ 2,037,032</u>	<u>\$ 646,170</u>

Note: It refers to advance receipts from non-current assets held for sale.

(14) 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:

<u>Type of Bonds</u>	<u>Issuance date</u>	<u>Period</u>	<u>Amount</u>	<u>Coupon rate</u>	<u>Payment term</u>	<u>Security</u>
Secured bonds payable	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.

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(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2019
Unsecured borrowings	Borrowing period is from September 28, 2018 to March 16, 2023; interest is payable monthly, principal is payable at maturity date	0.91%~1.31%	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 in installments	1.318%~1.797%	Promissory note	6,000,000
				<hr/>
				11,390,000
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 June 8, 2015 to June 8, 2025; interest is payable monthly, principal is payable in installments	1.60%~6.37%	Investment property	6,198,091
Secured borrowings	Borrowing period is from June 14, 2017 to June 7, 2022; interest is payable monthly, principal is payable at maturity date	5.32%~5.5%	Investment property	1,912,927
Secured borrowings	Borrowing period is from December 6, 2016 to August 17, 2028; interest is payable quarterly, principal is payable in installments	5.13%~6.93%	Investment property	3,983,966
Secured borrowings	Borrowing period is from December 15, 2016 to December 14, 2020; interest is payable quarterly, principal is payable at maturity date	5.11%~5.94%	Investment property	901,554
Secured borrowings	Borrowing period is from September 28, 2019 to March 27, 2021; interest is payable quarterly, principal is payable at maturity date	4.75%	Time deposits pledged	99,436
Secured borrowings	Borrowing period is from September 28, 2018 to September 27, 2020; interest is payable monthly, principal is payable at maturity date	5.00%	Letter of credit	177,897
Secured borrowings	Borrowing period is from June 11, 2018 to June 10, 2021; interest is payable monthly, principal is payable in installments	5.70%	Letter of credit	42,225
				<hr/>
				14,566,096
				25,956,096
Less: Current portion of long-term loans				(4,746,751)
				<hr/>
				\$ 21,209,345

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2018
Unsecured borrowings	Borrowing period is from September 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable at maturity date	0.91%~1.40%	Promissory note	\$ 7,655,000
Unsecured borrowings	Borrowing period is from December 28, 2018 to December 28, 2023; interest is payable monthly, principal is payable in installments	1.309%~1.797%	Promissory note	6,000,000
Unsecured borrowings	Borrowing period is from June 29, 2015 to November 20, 2020; interest is payable quarterly, principal is payable in installments	3.14%~4.27%	Promissory note	3,088,190
				16,743,190
Secured borrowings	Borrowing period is from March 20, 2018 to March 20, 2023; interest is payable monthly, principal is payable at maturity date	1.33%	Property, plant and equipment and investment property	1,250,000
Secured borrowings	Borrowing period is from July 27, 2016 to July 27, 2021; interest is payable monthly, principal is payable at maturity date	1.6%~6.72%	Investment property	2,510,975
Secured borrowings	Borrowing period is from March 30, 2009 to June 8, 2025; interest is payable monthly, principal is payable in installments	1.6%~5.9%	Investment property	6,123,268
Secured borrowings	Borrowing period is from December 1, 2014 to December 1, 2019; interest is payable monthly, principal is payable in installments	5.58%	Investment property and inventories	136,514
Secured borrowings	Borrowing period is from June 14, 2017 to June 7, 2022; interest is payable monthly, principal is payable at maturity date	5.13%~5.94%	Letter of credit	781,704
Secured borrowings	Borrowing period is from November 6, 2014 to November 4, 2021; interest is payable quarterly, principal is payable at maturity date	0.58%~5.94%	Investment property	2,700,102
Secured borrowings	Borrowing period is from April 23, 2009 to October 17, 2027; interest is payable quarterly, principal is payable in installments	4.90%~6.93%	Investment property	4,338,729
				17,841,292
				34,584,482
Less: Current portion of long-term loans				(2,747,011)
				\$ 31,837,471

(16) Pensions

A. Defined benefit pension plans

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

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

	<u>December 31, 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>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2019</u>			
Balance at January 1	\$ 398,118	(\$ 313,572)	\$ 84,546
Current service cost	818	-	818
Interest expense (income)	4,300	(3,388)	912
	<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	(9,763)	(10,716)	(20,479)
	<u>6,527</u>	<u>(10,716)</u>	<u>(4,189)</u>
Pension fund contribution	-	(10,002)	(10,002)
Paid pension	(22,283)	22,283	-
Balance at December 31	<u>(\$ 15,756)</u>	<u>(\$ 315,395)</u>	<u>\$ 72,085</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2018</u>			
Balance at January 1	\$ 386,348	(\$ 298,507)	\$ 87,841
Current service cost	837	-	837
Interest expense (income)	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:

	Years ended December 31,	
	2019	2018
Discount rate	0.76%	1.08%
Future salary increases	2.50%	2.50%

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.

(f) Expected contributions to the defined benefit pension plans of the Group 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		23,519
	\$	<u>262,237</u>

B. Defined contribution plans

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

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

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

(17) Provisions

	<u>Warranty</u>
At January 1, 2019	\$ 50,523
Additional provisions	64,910
Used during the year	(64,910)
At December 31, 2019	<u>\$ 50,523</u>

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

Analysis of total provisions:

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

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

(18) Share capital

A. As of December 31, 2019, the Company's authorized 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 authorized capital in the articles of incorporation to \$9,000,000, consisting of 900 million shares of ordinary stock, with a par value of \$10 (in dollars) per share. The foregoing includes 20 million shares reserved for employee stock options with a par value of \$10 (in dollars) per share, which the Board of Directors are authorized to issue depending on actual demand.

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

	2019	2018
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:

Name of company holding the shares	Reason for reacquisition	December 31, 2019	
		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

Name of company holding the shares	Reason for reacquisition	December 31, 2018	
		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.

(19) 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.

(20) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. According to the law or the authority, the special surplus reserve shall be set or reversed. If there is still surplus, the Board of Directors shall draft the allocation resolved by the shareholders' meeting.

B. The Company belongs to high tech and electronics industry and as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans, based on vision of industrial development, capital expenditure demand, sound financial plan and protect the right and interests of investors. According to the dividend policy, cash dividends shall account for at least 10% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be

included in the distributable earnings.

- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
- (c) According to Jin-Guan-Zheng-Fa-Zi Letter No. 1030006415, dated March 18, 2014, investment properties are initially and subsequently measured using fair value model. Changes of value due to appreciation as of December 31, 2013 are reflected in the increase in Appropriated Retained Earnings. The Company will recognise the reversal of earnings if subsequently disposed or the investment properties decrease.
- E. The appropriations of 2018 and 2017 earnings as resolved by the shareholders on June 18, 2019 and June 15, 2018, respectively are as follows:

	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 by the stockholders during their meeting on June 18, 2019 and June 15, 2018. The dividends per share are both NTD 0.8, and the total amount is \$513,810 and \$546,530, respectively.

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

- F. The appropriations of 2019 net income were resolved 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 of \$248,905 as resolved by the Board of Directors during its meeting on March 31, 2020 and the dividends per share is NTD 0.4.

- G. For the information relating to employees' compensation (bonuses) and directors' and supervisors' remuneration, please refer to Note 6(27).

(21) Other equity items

	2019		
	Currency		
	translation	Revaluation	Total
At January 1	(\$ 2,741,605)	\$ 20,922	(\$ 2,720,683)
Currency translation differences:			
-Group	(2,084,716)	-	(2,084,716)
-Tax on Group	41,793	-	41,793
-Associates	(90,518)	-	(90,518)
-Tax on associates	18,103	-	18,103
At December 31	(\$ 4,856,943)	\$ 20,922	(\$ 4,836,021)

	2018			
	Available-for-	Currency		
	sale investment	translation	Revaluation	Total
At January 1	\$ 97,879	(\$ 2,138,991)	\$ 20,922	(\$ 2,020,190)
Effect of retrospective application and retrospective restatement	(97,879)	-	-	(97,879)
Valuation adjustment	-	-	-	-
Currency translation differences:				
-Group	- (545,271)	-	-	(545,271)
-Tax on Group	- (17,600)	-	-	(17,600)
-Associates	- (49,680)	-	-	(49,680)
-Tax on associates	- 9,937	-	-	9,937
At December 31	\$ -	(\$ 2,741,605)	\$ 20,922	(\$ 2,720,683)

(22) Operating revenue

	Years ended December 31,	
	2019	2018
Revenue from contracts with customers		
-Sales revenue of computer products	\$ 15,376,562	\$ 14,568,469
-Land development and resale	2,596,326	924,514
-Hotel revenue	92,901	99,349
-Other revenue	795,260	892,723
Others-rental revenue	3,039,613	3,311,017
	<u>\$ 21,900,662</u>	<u>\$ 19,796,072</u>

A. Disaggregation of revenue from contracts with customers

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

Year ended December 31, 2019	Computer Segment	Buynow Plaza			Total
	Computer products	Land development and resale	Hotel accommodations revenue	Others	
Total segment revenue	\$ 26,992,247	\$ 2,596,326	\$ 92,901	\$ 795,260	\$ 30,476,734
Inter-segment revenue	(11,615,685)	-	-	-	(11,615,685)
Revenue from external customer contracts	<u>\$ 15,376,562</u>	<u>\$ 2,596,326</u>	<u>\$ 92,901</u>	<u>\$ 795,260</u>	<u>\$ 18,861,049</u>
Timing of revenue recognition					
At a point in time	\$ 15,376,562	\$ 2,596,326	\$ -	\$ 795,260	\$ 18,768,148
Over time	-	-	92,901	-	92,901
	<u>\$ 15,376,562</u>	<u>\$ 2,596,326</u>	<u>\$ 92,901</u>	<u>\$ 795,260</u>	<u>\$ 18,861,049</u>

Year ended December 31, 2018	Computer Segment	Buynow Plaza			Total
	Computer products	Land development and resale	Hotel accommodations revenue	Others	
Total segment revenue	\$ 25,425,143	\$ 924,514	\$ 99,349	\$ 483,733	\$ 26,932,739
Inter-segment revenue	(10,856,674)	-	-	-	(10,856,674)
Revenue from external customer contracts	<u>\$ 14,568,469</u>	<u>\$ 924,514</u>	<u>\$ 99,349</u>	<u>\$ 483,733</u>	<u>\$ 16,076,065</u>
Timing of revenue recognition					
At a point in time	\$ 14,568,469	\$ 924,514	\$ -	\$ 483,733	\$ 15,976,716
Over time	-	-	99,349	-	99,349
	<u>\$ 14,568,469</u>	<u>\$ 924,514</u>	<u>\$ 99,349</u>	<u>\$ 483,733</u>	<u>\$ 16,076,065</u>

B. Contract assets and liabilities

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>January 1, 2018</u>
Contract liabilities:			
Contract liabilities – Advance real estate receipts	\$ 527,687	\$ 3,114,721	\$ 2,520,270
Contract liabilities – Advance sales receipts	46,614	31,316	573,749
	<u>\$ 574,301</u>	<u>\$ 3,146,037</u>	<u>\$ 3,094,019</u>

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

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance real estate receipts	\$ 2,206,164	\$ 336,165
Advance sales receipts	31,316	538,338
	<u>\$ 2,237,480</u>	<u>\$ 874,503</u>

(23) Other income

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Interest income:		
Interest income from bank deposits	\$ 201,550	\$ 130,921
Rent income	69,125	64,491
Dividend income	26,052	33,114
Other income	274,544	387,669
	<u>\$ 571,271</u>	<u>\$ 616,195</u>

(24) Other gains and losses

	Years ended December 31,	
	2019	2018
Gains (losses) on disposals of property, plant, and equipment	\$ 5,280	(\$ 1,490)
Gains (losses) on disposals of investment property	463,078	-
Gains (losses) on disposals of investments	311,286	928,377
Foreign exchange gains (losses)	(358,224)	(209,160)
Gains (losses) on financial assets at fair value through profit or loss	377,049	(405,608)
Gains on fair value adjustment, investment property	767,210	913,763
Impairment loss recognised in profit or loss, non-current asset held for sale	(160,539)	-
Other losses	(162,896)	(50,915)
	<u>\$ 1,242,244</u>	<u>\$ 1,174,967</u>

(25) Finance costs

	Years ended December 31,	
	2019	2018
Interest expense	<u>\$ 1,105,904</u>	<u>\$ 878,327</u>

(26) Expenses by nature

	Years ended December 31,	
	2019	2018
Employee benefit expense	\$ 2,334,145	\$ 2,351,030
Depreciation charges on property, plant and equipment	114,778	154,122
Amortisation charges on right-of-use assets	74,964	-
Amortisation charges on intangible assets	9,073	11,635
Amortisation charges on long-term prepaid rent	-	7,295
	<u>\$ 2,532,960</u>	<u>\$ 2,524,082</u>

(27) Employee benefit expense

	Years ended December 31,	
	2019	2018
Wages and salaries	\$ 1,887,155	\$ 1,873,840
Labour and health insurance fees	58,181	57,483
Pension costs	37,690	37,744
Other personnel expenses	351,119	381,963
	<u>\$ 2,334,145</u>	<u>\$ 2,351,030</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, respectively. 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 2019 and 2018 as resolved by the Board of Directors were both in agreement with those amounts recognised in the 2019 and 2018 financial statements, respectively.

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2019	2018
Current tax:		
Current tax on profits for the year	\$ 479,082	\$ 799,712
Prior year income tax underestimation	3,038	9,839
Total current tax	<u>482,120</u>	<u>809,551</u>
Deferred tax:		
Origination and reversal of temporary differences	203,648	18,365
Impact of change in tax rate	-	71,400
Total deferred tax	<u>203,648</u>	<u>89,765</u>
Income tax expense	<u>\$ 685,768</u>	<u>\$ 899,316</u>

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

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

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2019	2018
Tax calculated based on profit before tax and statutory tax rate	\$ 401,474	\$ 922,660
Temporary differences not recognised as deferred tax assets	(104,769)	(326,640)
Tax exempt loss by tax regulation	(41,312)	19,533
Effect from expenses disallowed by tax regulation	237,705	38,022
Taxable loss not recognised as deferred tax assets	251,632	153,751
Effect from taxable loss	(62,000)	10,751
Prior year income tax underestimation	3,038	9,839
Effect from changes in tax regulation	-	71,400
Income tax expense	<u>\$ 685,768</u>	<u>\$ 899,316</u>

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

2019

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Temporary differences					
Unrealised exchange losses	\$ 875	\$ 58,125	\$ -	\$ -	\$ 59,000
Unrealised sales gain	-	-	-	-	-
Allowance for bad debts	13,371	(1,694)	-	-	11,677
Allowance for spare valuation losses	1,526	-	-	-	1,526
Allowance for inventory valuation losses	2,260	1,111	-	-	3,371
Unused compensated absences	5,065	-	-	-	5,065
Rent by straight-line method	74,878	(25,267)	-	-	49,611
Accrued pension liability	16,910	(1,654)	(838)	-	14,418
Currency translation differences	-	-	-	-	-
Tax losses	99,126	(62,000)	-	-	37,126
	<u>214,011</u>	<u>(31,379)</u>	<u>(838)</u>	<u>-</u>	<u>181,794</u>
Deferred tax liabilities:					
Temporary differences					
Unrealised exchange gain	(12,715)	11,809	-	-	(906)
Foreign investment income using equity method	(569,883)	60,137	-	-	(509,746)
Difference from amortisation of long-term prepaid rent	(8,064)	398	-	-	(7,666)
Rent by straight-line method	(88,094)	9,091	-	-	(79,003)
Unrealised sales losses	13	(555)	-	-	(542)
Other operating revenue	(668)	-	-	-	(668)
Currency translation differences	(13,384)	-	34,476	-	21,092
Increase in revaluation	(4,285)	-	-	-	(4,285)
Fair value adjustment, investment property	<u>(11,683,344)</u>	<u>(253,149)</u>	<u>-</u>	<u>443,535</u>	<u>(11,492,958)</u>
	<u>(12,380,424)</u>	<u>(172,269)</u>	<u>34,476</u>	<u>443,535</u>	<u>(12,074,682)</u>
	<u>(\$ 12,166,413)</u>	<u>(\$ 203,648)</u>	<u>\$ 33,638</u>	<u>\$ 443,535</u>	<u>(\$ 11,892,888)</u>

	2018				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Deferred tax assets					
Temporary differences					
Unrealised exchange losses	\$ 875	\$ -	\$ -	\$ -	\$ 875
Unrealised sales gain	268	(268)	-	-	-
Allowance for bad debts	19,840	(6,469)	-	-	13,371
Allowance for spare valuation losses	1,298	228	-	-	1,526
Allowance for inventory valuation losses	1,991	269	-	-	2,260
Unused compensated absences	4,341	724	-	-	5,065
Rent by straight-line method	75,502	(624)	-	-	74,878
Accrued pension liability	14,934	659	1,317	-	16,910
Currency translation differences	185	-	(185)	-	-
Tax losses	88,375	10,751	-	-	99,126
	<u>207,609</u>	<u>5,270</u>	<u>1,132</u>	<u>-</u>	<u>214,011</u>
Deferred tax liabilities:					
Temporary differences					
Unrealised exchange gain	(26,734)	14,019	-	-	(12,715)
Foreign investment income using equity method	(485,759)	(84,124)	-	-	(569,883)
Difference from amortisation of long-term prepaid rent	(9,680)	1,616	-	-	(8,064)
Rent by straight-line method	(80,070)	(8,024)	-	-	(88,094)
Unrealised sales losses	-	13	-	-	13
Other operating revenue	101	(769)	-	-	(668)
Currency translation differences	(5,906)	-	(7,478)	-	(13,384)
Increase in revaluation	(4,285)	-	-	-	(4,285)
Fair value adjustment, investment property	(11,831,910)	(17,766)	-	166,332	(11,683,344)
	<u>(12,444,243)</u>	<u>(95,035)</u>	<u>(7,478)</u>	<u>166,332</u>	<u>(12,380,424)</u>
	<u>(\$ 12,236,634)</u>	<u>(\$ 89,765)</u>	<u>(\$ 6,346)</u>	<u>\$ 166,332</u>	<u>(\$ 12,166,413)</u>

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

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

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

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets from the Company's subsidiaries are as follows:

December 31, 2019				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2015	\$ 439,200	\$ 439,200	\$ 439,200	2020
2016	446,349	446,349	446,349	2021
2017	770,462	770,462	770,462	2022
2018	950,820	950,820	950,820	2023
2019	726,290	726,290	726,290	2024
	<u>\$ 3,333,121</u>	<u>\$ 3,333,121</u>	<u>\$ 3,333,121</u>	

December 31, 2018				
<u>Year incurred</u>	<u>Amount filed/ assessed</u>	<u>Unused amount</u>	<u>Unrecognised deferred tax assets</u>	<u>Expiry year</u>
2014	\$ 469,812	\$ 469,812	\$ 469,812	2019
2015	433,899	433,899	433,899	2020
2016	491,057	491,057	491,057	2021
2017	855,496	855,496	855,496	2022
2018	615,003	615,003	615,003	2023
	<u>\$ 2,865,267</u>	<u>\$ 2,865,267</u>	<u>\$ 2,865,267</u>	

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

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Deductible temporary differences	\$ 9,176	\$ 45,880

G. 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 temporary differences unrecognised as deferred tax liabilities were \$523,846 and \$1,633,198, respectively.

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

I. Under the amendments to the Income Tax Act which was promulgated by the President of the Republic of China on February 7, 2018, the Company's applicable income tax rate was raised from 17% to 20% effective from January 1, 2018. The Group has assessed the impact of the change in income tax rate.

(29) 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	\$ 1,068,639	611,110	\$ 1.75
<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' compensation	-	4,081	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,068,639	615,191	\$ 1.74

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

(30) Operating leases

Prior to 2019

A. The Group leases investment property to others under non-cancellable operating lease agreements. These leases have terms expiring between 2007 and 2028, and all these lease agreements are not renewable at the end of the lease period. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	December 31, 2018
Not later than one year	\$ 438,333
Later than one year but not later than five years	1,454,122
Later than five years	1,657,993
	<u>\$ 3,550,448</u>

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

	<u>December 31, 2018</u>
Not later than one year	\$ 179,403
Later than one year but not later than five years	<u>179,403</u>
	<u><u>\$ 358,806</u></u>

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(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31,	
	2019	2018
Purchase of property, plant and equipment	\$ 747,716	\$ 1,230,592
Add: Ending balance of prepayment	103,138	-
Less: Opening balance of prepayment	-	(1,125)
Less: Capitalisation of interest	(116,126)	(290,934)
Cash paid during the year	<u>\$ 734,728</u>	<u>\$ 938,533</u>
Purchase of investment property	\$ 133,425	\$ 150,264
Add: Opening balance of payable	1,077,057	1,169,114
Less: Ending balance of payable	(996,032)	(1,077,057)
Less: Effect of changes between consolidated entities	-	(43,592)
Cash paid during the year	<u>\$ 214,450</u>	<u>\$ 198,729</u>
Proceeds from disposal of property, plant and equipment	\$ 119,074	\$ 11,464
Add: Opening balance of receivable	-	-
Less: Ending balance of receivable	14,622	-
Cash received during the year	<u>\$ 133,696</u>	<u>\$ 11,464</u>
Disposal of available-for-sale financial assets	\$ -	\$ -
Add: Opening balance of receivable	-	44,115
Less: Ending balance of receivable	-	-
Cash received during the year	<u>\$ -</u>	<u>\$ 44,115</u>
Disposal of subsidiary	\$ -	\$ 2,013,423
Add: Opening balance of other receivables	961,722	-
Less: Cash by subsidiary	-	(94,516)
Less: Ending balance of other receivables	-	(961,772)
Effect on exchange	-	37,758
Cash received during the year	<u>\$ 961,722</u>	<u>\$ 994,893</u>
Purchase of treasury stocks	\$ 386,017	\$ 767,537
Add: Opening balance of payable	17,458	-
Less: Ending balance of payable	-	(17,458)
Cash paid during the year	<u>\$ 403,475</u>	<u>\$ 750,079</u>

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

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

(32) Changes in liabilities from financing activities

	Short-term	Long-term	Bonds payable	Liabilities from financing activities- gross
	<u>borrowings</u>	<u>borrowings</u>	<u>Bonds payable</u>	<u>gross</u>
At January 1, 2019	\$ 8,426,966	\$ 34,584,482	\$ 5,000,000	\$ 48,011,448
Changes in cash flow from financing activities	1,030,217	(8,085,049)	200,000	(6,854,832)
Impact of changes in foreign exchange rate	(228,754)	(543,337)	-	(772,091)
At December 31, 2019	<u>\$ 9,228,429</u>	<u>\$ 25,956,096</u>	<u>\$ 5,200,000</u>	<u>\$ 40,384,525</u>

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

Note: Refer to Note 6(31) B. for effect of changes between consolidated entities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Kent Hsu	Chairman
Changchun-hong Hyatt Hotel Management Co., Ltd.	Other related party
Chicony Energy Saving Technology (Shanghai) Co., Ltd.	Other related party
Chicony Electronics (Suzhou) Co., Ltd.	Other related party
Chicony Power Technology Co., Ltd.	Other related party
Honghui Real Estate Company	Other related party
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Associate
Chicony Square (Wuhan) Inc.	Associate
Chicony Industry (Wuhan) Co., Ltd.	Associate
Chicony Square (Wuhan) Inc.	Associate
Chicony Square (Cayman) Inc.	Associate
Epoque Corporation	Same chairman

(2) Significant related party transactions

A. Operating revenue

	Years ended December 31,	
	2019	2018
Sales of goods:		
-Associates	\$ 31,762	\$ -
Sales of services:		
-Other related parties	\$ 48	\$ 208
-Associates	1,815	14,327
	<u>\$ 1,863</u>	<u>\$ 14,535</u>

The sales of the Group's subsidiary, Shantou Buynow Mall Co., Ltd., to associates are unique. Accordingly, the sales prices are uncomparable and credit terms are the same with third parties, which are within 1 ~ 5 months.

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

B. Purchases

	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Purchases of goods:		
-Other related parties	\$ <u>938,107</u>	\$ <u>815,877</u>

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

C. Receivables from related parties

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Accounts receivable:		
-Associates	\$ <u>1,022</u>	\$ <u>3,166</u>

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

D. Payables to related parties

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Accounts payable:		
-Other related party	\$ <u>38,091</u>	\$ <u>262,229</u>

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

E. Other receivables from related parties (shown as other current asset)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Other receivables:		
-Chicony Dalu Enterprise (Chengdu) Co., Ltd.	\$ 14,622	\$ -
-CHICONY SQUARE (WUHAN) INC.	-	961,722
Others	<u>3,204</u>	<u>-</u>
	<u>\$ 17,826</u>	<u>\$ 961,722</u>

The receivables from related parties are mainly from sales of subsidiaries. The Group - Clevo (Cayman Islands) has already obtained \$892,533 (CNY\$ 199,000 thousand) of guarantee deposit from Chicony Square (Wuhan) Inc. as of December 31, 2018. The receivables were collected as of

March 31, 2019.

F. Advance disposals of property (shown as other current liabilities)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Chicony Industry (Wuhan) Co., Ltd.	\$ 1,458,310	\$ -

G. Guarantee deposit

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
-CHICONY SQUARE (WUHAN) INC.	\$ -	\$ 892,533

H. Property transactions

(a) Disposal of property, plant and equipment:

	<u>Year ended December 31, 2019</u>	
	<u>Disposal proceeds</u>	<u>Gain (loss) on disposal</u>
Chicony Industry (Wuhan) Co., Ltd.	\$ 47,971	\$ 2,394
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	108,776	2,820
	<u>\$ 156,747</u>	<u>\$ 5,214</u>

(b) Disposal of other assets:

		<u>Year ended December 31, 2019</u>	
	<u>Accounts</u>	<u>Disposal proceeds</u>	<u>Gain</u>
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Intangible assets	<u>\$ 1,518</u>	<u>\$ -</u>

			<u>Year ended December 31, 2019</u>		
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Disposal proceeds</u>	<u>Gain/(loss)</u>
CHICONY SQUARE (WUHAN) INC.	Disposal of subsidiaries	15,000,000	BUYNOW (WUHAN) CORPORATION	<u>\$ 2,013,423</u>	<u>\$ 944,976</u>

I. Loans from related parties

Loans from related parties

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Other payables		
Honghui Real Estate Company	\$ 215,650	\$ -
Other liabilities - current and non-current		
CHICONY SQUARE (CAYMAN) INC.	424,269	434,026
Chicony Square (Wuhan) Inc.	12,940	6,728
	<u>\$ 652,859</u>	<u>\$ 440,754</u>

The loans from associates and other related parties are payable at maturity within 1~5 years after the loan is made and carry interest at 0%~5.78% and 0%~5% per annum for the years ended December 31, 2019 and 2018, respectively. The amount of interest payable (recognised as other payables) as of December 31, 2019 and 2018 was \$2,171 and \$102, respectively. Additionally, interest expense recognised for the years ended December 31, 2019 and 2018 was \$5,933 and \$8,187, respectively.

J. Lease transactions - lessee

(a) The Group leased buildings from Honghui Real Estate Company for the year ended December 31, 2019. Rental contracts are typically made for a period of 5 years. The lease is subject to IFRS 16 as the usage of lease was included in the operating plan. Rents are paid at the end of month.

(b) Acquisition of right-of-use assets:

	<u>December 31, 2019</u>
Other related parties	<u>\$ 74,442</u>

In accordance with IFRS 16, the Group increased right-of-use assets by \$74,442 on July 1, 2019.

(c) Rent expense of short-term leases

	<u>Year ended December 31, 2019</u>
Other related parties	<u>\$ 11,159</u>

(d) Lease liabilities

(i) Outstanding balance:

	<u>Year ended December 31, 2019</u>
Other related parties	<u>\$ 65,903</u>

(ii) Interest expense

	<u>Year ended December 31, 2019</u>
Other related parties	<u>\$ 1,007</u>

K. Others

(a) The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu for the years ended December 31, 2019 and 2018.

(b) The Company and EPOQUE CORPORATION participated in the land development project of Taipei City Western District Gateway Project-Taipei Main Station Special Zone C1/D1 (Eastern Part) to jointly establish TAIPEI TWIN CORPORATION. The related information is provided in Note 6(5).

(3) Key management compensation

	Years ended December 31,	
	2019	2018
Salaries and other short-term employee benefits	\$ 98,923	\$ 104,476
Post-employment benefits	1,277	1,427
	<u>\$ 100,200</u>	<u>\$ 105,903</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2019	December 31, 2018	
Inventories	\$ 1,059,844	\$ 383,644	Long-term borrowings
Financial assets at amortised cost (current and non-current)	1,694,289	4,940,430	STANDBY L/C, long-term and short-term borrowings
Property, plant and equipment (non-depreciated balance)	3,758,135	1,644,480	Long-term borrowings
Investment property and right-of-use asset (long-term prepaid rents)	61,269,162	59,758,127	Long-term and short-term borrowings
	<u>\$ 67,781,430</u>	<u>\$ 66,726,681</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2019 and 2018, the Company 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 Group are the joint guarantors and co-issuers of the guarantee notes.
- C. As of December 31, 2019 and 2018, the Group's total contract prices for signed construction contracts amounted to \$71,992,848 and \$13,259,931, of which \$7,327,890 and \$12,292,558 were

paid and \$664,958 and \$967,373 remain unpaid, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) The Board of Directors has resolved the appropriation of 2019 earnings on March 31, 2020. Details are provided in Note 6(20) F.

(2) At the beginning of 2020, due to the impact of the spread of coronavirus, the Group postponed its plans to gradually resume the production of its subsidiaries in China after the Lunar New Year holiday to February 10, 2020 in line with the local regulations. As the pandemic continues to evolve, the Group 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 Group'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 Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the year ended December 31, 2019, the Group's strategy, which was unchanged from 2018, was to maintain the gearing ratio within 40% to 60%. The gearing ratios at December 31, 2019 and 2018 were as follows:

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Total borrowings	\$ 40,384,525	\$ 48,011,448
Less: Cash and cash equivalents	(8,047,784)	(7,796,543)
Net debt	32,336,741	40,214,905
Total equity	39,795,261	41,857,130
Total capital	<u>\$ 72,132,002</u>	<u>\$ 82,072,035</u>
Gearing ratio	45%	49%

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(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	\$ 1,022,194	\$ 1,322,990
Financial assets at amortised cost	<u>11,819,345</u>	<u>15,606,732</u>
	<u>\$ 12,841,539</u>	<u>\$ 16,929,722</u>
 <u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss	\$ 1,008	\$ -
Financial liabilities at amortised cost	<u>45,639,071</u>	<u>53,964,173</u>
	<u>\$ 45,640,079</u>	<u>\$ 53,964,173</u>
Lease liability	<u>\$ 65,903</u>	<u>\$ -</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts receivable (including related parties), other receivables, guarantee deposits paid and time deposits unqualified as cash equivalents; financial liabilities at amortised cost include short-term borrowings, accounts and notes payable (including related parties), other payables, corporate bonds payable, long-term borrowings and guarantee deposits received.

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

affecting cost of forecast inventory purchases.

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

	December 31, 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	\$ 283,362	30.09	\$ 8,526,363
USD:RMB	1,788	6.98	53,790
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 using the equity method</u>			
USD:NTD	114,007	30.09	3,430,464
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	18,212	30.09	547,999
USD:RMB	193,362	6.98	5,817,064

December 31, 2018			
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 355,173	30.78	\$ 10,932,225
USD:RMB	7,741	6.86	238,434
RMB:NTD	392,489	4.49	1,762,276
HKD:NTD	37,042	3.93	145,575
JPY:NTD	139,333	0.28	39,013
<u>Investments accounted for using the equity method</u>			
USD:NTD	81,813	30.78	2,518,217
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	130,901	30.78	4,029,133
USD:RMB	244,788	6.86	7,539,813
JPY:NTD	11,400	0.28	3,192

- vii. The total exchange loss, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2019 and 2018 amounted to (\$358,224) and (\$209,160), respectively.

viii. 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%	\$ 68,211	\$ -
USD:RMB	1%	430	-
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%	4,384	-
USD:RMB	1%	46,537	-

Year ended December 31, 2018			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 87,458	\$ -
USD:RMB	1%	1,907	-
RMB:NTD	1%	14,098	-
HKD:NTD	1%	1,208	-
JPY:NTD	1%	312	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	32,233	-
USD:RMB	1%	60,319	-
JPY:NTD	1%	26	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets

at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2019 and 2018 would have increased/decreased by \$10,136 and \$12,342, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss.

Cash flow and fair value interest rate risk

- i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the years ended December 31, 2019 and 2018, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, US dollars, RMB dollars, and JPY dollars.
- ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2019 and 2018 would have decreased/increased by \$276,327 and \$345,047, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. Individual risk limits are set based on internal or external ratings in accordance with limits set by the credit department. The utilisation of credit limits is regularly monitored.
- iv. For banks and financial institutions, only independently rated parties with a best rating are accepted.
- v. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
 - (i) If the contract payments were past due over 30 days based on the terms, there has been

a significant increase in credit risk on that instrument since initial recognition.

- (ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.
- vi. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- vii. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- viii. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- ix. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2019 and 2018, the Group's written-off financial assets that are still under recourse procedures amounted to \$0 and \$50,259, respectively.
- x. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 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	0.03%~0.05%	0.03%~59.94%	0.03%~72.42%
Total book value	\$ 1,652,030	\$ 342,109	\$ 19,222
Loss allowance	772	13,835	3,129
	181~270 days past due	Over 270 days	Total
Expected loss rate	0.03%~100%	100.00%	
Total book value	\$ 4,403	\$ 28,933	\$ 2,046,697
Loss allowance	2,035	28,933	48,704

	Not past due	1~90 days past due	91~180 days past due
<u>At December 31, 2018</u>			
Expected loss rate	0.03%~0.05%	0.27%~21.59%	12.51%~39.51%
Total book value	\$ 1,022,099	\$ 564,783	\$ 32,332
Loss allowance	557	10,214	6,025
	181~270 days past due	Over 270 days	Total
Expected loss rate	35.77%~74.57%	100.00%	
Total book value	\$ 34,399	\$ 28,986	\$ 1,682,599
Loss allowance	9,790	28,986	55,572

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

	2019
	Accounts receivable
At January 1	\$ 55,572
Reversal of impairment	(5,026)
Effect of foreign exchange	(1,842)
At December 31	\$ 48,704
	2018
	Accounts receivable
At January 1	\$ 97,704
Provision for impairment	17,992
Write-offs	(50,259)
Effect of foreign exchange	(6,459)
Effect of changes between consolidated entities (Note)	(3,406)
At December 31	\$ 55,572

Note: Refer to Note 6(31) B. for effect of changes between consolidated entities.

(c) Liquidity risk

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

December 31, 2019	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>				
Lease liability	\$ 14,095	\$ 14,816	\$ 40,441	\$ -
Bonds payable	240,000	40,000	5,120,000	-
Long-term borrowings (including current portion)	5,109,333	6,795,065	13,232,231	18,791,124
Guarantee deposits	-	693,756	-	-
Long-term accounts payable to related parties	-	-	424,269	-

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)	3,802,851	12,576,403	19,426,728	1,467,491
Guarantee deposits	-	1,635,227	-	-
Long-term accounts payable to related parties	-	-	434,026	-

Except for the abovementioned, the non-derivative financial liabilities of the Group are all expiring within one year.

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

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, financial assets at amortised cost, other financial assets, short-term borrowings, notes payable, accounts payable (including related parties), other payables, 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, 2019 and 2018 is as follows:

(a) The related information on 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	\$ 624,112	\$ -	\$ -	\$ 624,112
Beneficiary certificates	10,000	388,082	-	398,082
Investment property (Note)	-	-	<u>63,013,015</u>	<u>63,013,015</u>
	<u>\$ 634,112</u>	<u>\$ 388,082</u>	<u>\$ 63,013,015</u>	<u>\$ 64,035,209</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	\$ 895,174	\$ -	\$ -	\$ 895,174
Beneficiary certificates	14,497	413,319	-	427,816
Investment property (Note)	-	-	<u>65,426,212</u>	<u>65,426,212</u>
	<u>\$ 909,671</u>	<u>\$ 413,319</u>	<u>\$ 65,426,212</u>	<u>\$ 66,749,202</u>

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

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

	<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 consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- D. For the years ended December 31, 2019 and 2018, there was no transfer between Level 1 and Level 2.
- E. The movement of Level 3 for the years ended December 31, 2019 and 2018 are provided in Note 6(9).
- F. For the years ended December 31, 2019 and 2018, there was no transfer into or out from Level 3.
- G. Financial & Administrative segment is in charge of valuation procedures for fair value measurements being categorised within Level 3 (investment property), which is based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer. The Group sets up valuation policies, valuation processes, and rules for measuring fair value of investment property and ensures 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	\$ 63,013,015	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note 1)	The higher the long-term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

Note 1: The range of long-term rent revenue growth rate is (10%)~20%; the range of discount rate is provided in Note 6(9).

	Fair value at December 31, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 65,426,212	Income approach of discounted cash flow method	Long-term rent revenue growth rate and discount rate	(Note 1)	The higher the long-term rent revenue growth rate, the higher the fair value; The higher the discount rate, the lower the fair value

Note 1: The range of long-term rent revenue growth rate is (10%)~20%; the range of discount rate is provided in Note 6(9).

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

The disclosures of investee companies were based on financial statements reviewed by independent accountants and the following transactions with subsidiaries were eliminated when preparing consolidated financial statements. The following disclosure information is for reference only.

A. Loans to others: Please refer to table 1.

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer

to table 4.

F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.

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

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

I. Trading in derivative instruments undertaken during the reporting periods: As of December 31, 2019, the Group's open interest derivative instruments were (\$1,008). The Group recognised net profit amounting to \$17,923 on derivative instruments for the year ended December 31, 2019.

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

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

C. Significant transactions, price, payment term and unrealised gain or loss, either directly or indirectly through a third area, with investee companies in the Mainland Area:

Significant sales (purchases), property transactions, accounts receivable (payable), provision of endorsements and guarantees from notes or provides collaterals and accommodation of funds for the year ended December 31, 2019, either directly or indirectly through a third area, with investee companies in the Mainland Area are provided in Note 13(1) A, B, E, G, H, J.

14. SEGMENT INFORMATION

(1) General information

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

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

(2) Measurement of segment information

The Group's accounting policies of operating segments are the same as Note 4. Management has determined the Group's operating segment profit or loss is measured based on operating income before tax (not including extraordinary profit and loss) for performance assessment basis. The Group

considers the sale and transfer among segments as transactions with third parties. Reporting amount and reports for operating decision-maker are the same.

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

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

<u>Year ended December 31, 2019</u>	<u>Segment</u>	<u>Buynow Plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 15,376,563	\$ 6,422,332	\$ 101,767	\$ 21,900,662
Inter-segment revenue	11,615,684	7,635	(692)	11,622,627
Total segment revenue	<u>\$ 26,992,247</u>	<u>\$ 6,429,967</u>	<u>\$ 101,075</u>	<u>\$ 33,523,289</u>
External-segment income (before tax)	<u>\$ 264,806</u>	<u>\$ 1,429,007</u>	<u>\$ 65,819</u>	<u>\$ 1,759,632</u>
Segment income (after tax)	<u>\$ 445,484</u>	<u>\$ 564,310</u>	<u>\$ 64,070</u>	<u>\$ 1,073,864</u>
Segment income (loss), including				
Interest income	<u>\$ 159,437</u>	<u>\$ 42,086</u>	<u>\$ 27</u>	<u>\$ 201,550</u>
Interest expense	<u>(\$ 739,392)</u>	<u>(\$ 360,558)</u>	<u>(\$ 5,954)</u>	<u>(\$ 1,105,904)</u>
Depreciation and amortisation	<u>\$ 87,772</u>	<u>\$ 111,043</u>	<u>\$ -</u>	<u>\$ 198,815</u>
Income tax expense	<u>\$ 198,250</u>	<u>\$ 484,210</u>	<u>\$ 3,308</u>	<u>\$ 685,768</u>

<u>Year ended December 31, 2018</u>	<u>Segment</u>	<u>Buynow Plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 14,568,469	\$ 5,067,546	\$ 160,057	\$ 19,796,072
Inter-segment revenue	10,850,534	6,140	8,479	10,865,153
Total segment revenue	<u>\$ 25,419,003</u>	<u>\$ 5,073,686</u>	<u>\$ 168,536</u>	<u>\$ 30,661,225</u>
External-segment income (before tax)	<u>(\$ 374,029)</u>	<u>\$ 2,587,448</u>	<u>\$ 142,256</u>	<u>\$ 2,355,675</u>
Segment income (after tax)	<u>(\$ 498,365)</u>	<u>\$ 1,812,350</u>	<u>\$ 142,374</u>	<u>\$ 1,456,359</u>
Segment income (loss), including				
Interest income	<u>\$ 108,629</u>	<u>\$ 22,289</u>	<u>\$ 3</u>	<u>\$ 130,921</u>
Interest expense	<u>\$ 337,903</u>	<u>\$ 530,932</u>	<u>\$ 9,492</u>	<u>\$ 878,327</u>
Depreciation and amortisation	<u>\$ 87,772</u>	<u>\$ 85,280</u>	<u>\$ -</u>	<u>\$ 173,052</u>
Income tax expense	<u>\$ 123,937</u>	<u>\$ 775,098</u>	<u>\$ 281</u>	<u>\$ 899,316</u>

For the segment information of depreciation expense, segment assets and liabilities in 2019, the adoption of IFRS 16, 'Leases', had the impact only on Buynow plaza.

(4) Reconciliation for segment income (loss)

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

<u>Revenue</u>	<u>Years ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Reportable segments revenue	\$ 33,422,214	\$ 30,492,689
Other segments revenue	101,075	168,536
Elimination of intersegment revenue	<u>(11,622,627)</u>	<u>(10,865,153)</u>
Total revenue	<u>\$ 21,900,662</u>	<u>\$ 19,796,072</u>

Income/(Loss)	Years ended December 31,	
	2019	2018
Reportable segments income (after tax)	\$ 1,009,794	\$ 1,313,984
Other segments income (after tax)	64,070	142,375
Elimination of intersegment transactions	-	-
Income after tax from continuing operations	<u>\$ 1,073,864</u>	<u>\$ 1,456,359</u>

(5) Information on products and services

Income/(Loss)	Years ended December 31,	
	2019	2018
Sales revenue of computer products	15,376,562	14,568,469
Rental revenue	3,039,613	3,311,017
Land development and resale from Buynow	2,596,326	924,514
Hotel revenue	92,901	99,349
Other revenue	795,260	892,723
	<u>\$ 21,900,662</u>	<u>\$ 19,796,072</u>

(6) Geographical information

Geographical information for the years ended December 31, 2019 and 2018 is as follows:

Revenue	December 31, 2019	December 31, 2018
Sales revenue of computer products		
China	\$ 6,405,354	\$ 4,939,952
Asia-Pacific	4,676,854	5,194,552
Europe	2,802,651	3,150,751
the Americas	1,491,704	1,283,214
	15,376,563	14,568,469
Rental revenue		
China	2,938,538	3,151,767
Asia-Pacific	101,075	159,250
	3,039,613	3,311,017
Land development and resale		
China	2,596,326	924,514
	2,596,326	924,514
Hotel revenue		
China	92,900	99,349
	92,900	99,349
Other revenue		
China	794,567	891,917
Asia-Pacific	693	806
	795,260	892,723
Total revenue	\$ 21,900,662	\$ 19,796,072

Non-current assets	Years ended December 31,	
	2019	2018
China	\$ 73,217,222	\$ 78,869,139
Japan	\$ -	\$ 3,322,548
Taiwan	\$ 1,948,406	\$ 1,944,763

(7) Major customer information

Major customer information of the Group for the year ended December 31, 2019 is as follows:

Non-current assets	Year ended December 31, 2019
	Revenue
A	\$ 4,785,403

For the year ended December 31, 2018, none of the revenue from major customers is greater than 10% of the consolidated operating revenue.

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
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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
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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	-	-

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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
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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
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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)	-	-

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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)	-	-	-

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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	-	-

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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.