

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS AND**  
**REVIEW REPORT OF INDEPENDENT**  
**ACCOUNTANTS**  
**SEPTEMBER 30, 2019 AND 2018**

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

## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of CLEVO CO.

### ***Introduction***

We have reviewed the accompanying consolidated balance sheets of Clevo Co. and subsidiaries (the “Group”) as at September 30, 2019 and 2018, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### ***Scope of Review***

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Basis for Qualified Conclusion***

As explained in Notes 4(3) and 6(5), we did not review the financial statements of certain insignificant consolidated subsidiaries and investees accounted for using equity method. The total assets of the subsidiaries (including investments accounted for using equity method) of NT\$11,612,552 thousand and NT\$16,561,592 thousand, constituting 11% and 16% of the consolidated total assets, and total liabilities of NT\$2,158,990 thousand and NT\$3,872,476 thousand, constituting 3% and 6% of the consolidated total liabilities as at September 30, 2019 and 2018, respectively, and total comprehensive (loss) income (including share of profit (loss) of associates and joint ventures accounted for using equity method and

share of other comprehensive income of associates and joint ventures accounted for using equity method) of (NT\$193,711) thousand, (NT\$47,151) thousand, NT\$21,360 thousand and NT\$118,890 thousand, constituting (16%), (2%), 183% and 45% of the consolidated total comprehensive (loss) income for the three-month and nine-month periods then ended, respectively. Those financial statements and information disclosed in Note 13 were not reviewed by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the review reports of the other independent accountants.

### ***Qualified Conclusion***

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for using equity method been reviewed by independent accountants, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2019 and 2018, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

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Feng, Min-Chuan

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Wu, Han-Chi

For and on behalf of PricewaterhouseCoopers, Taiwan

November 13, 2019

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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 review 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 review 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.

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

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2019, DECEMBER 31, 2018 AND SEPTEMBER 30, 2018**  
(Expressed in thousands of New Taiwan dollars)  
**(REVIEWED, NOT AUDITED)**

ASSETS	Notes	September 30, 2019		December 31, 2018		September 30, 2018		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 7,141,961	7	\$ 7,796,543	7	\$ 3,646,625	3
1110	Current financial assets at fair value through profit or loss	6(2)	1,734,202	2	1,322,990	1	1,393,619	1
1136	Current financial assets at amortised cost	6(1)	3,474,320	3	4,749,768	4	4,866,937	5
1150	Notes receivable, net	6(3)	-	-	-	-	1,090	-
1170	Accounts receivable, net	6(3)	2,420,918	2	1,623,861	2	1,987,125	2
1180	Accounts receivable due from related parties, net	6(3) and 7	1,045	-	3,166	-	-	-
1220	Current income tax assets		87,607	-	9,984	-	280	-
130X	Inventories	6(4) and 8	5,058,814	5	7,896,031	7	7,151,812	7
1460	Non-current assets or disposal groups classified as held for sale, net	6(11)	3,848,919	4	-	-	-	-
1470	Other current assets	7 and 8	925,002	1	2,188,836	2	2,238,822	2
11XX	<b>Total current assets</b>		<u>24,692,788</u>	<u>24</u>	<u>25,591,179</u>	<u>23</u>	<u>21,286,310</u>	<u>20</u>
<b>Non-current assets</b>								
1535	Non-current financial assets at amortised cost	6(1)	22,011	-	115,850	-	114,266	-
1550	Investments accounted for using equity method, net	6(5)	2,409,144	2	2,518,217	2	2,486,304	2
1600	Property, plant and equipment	6(6) and 8	6,920,173	7	9,970,165	9	9,272,842	9
1755	Right-of-use assets	6(7), 7 and 8	5,134,307	5	-	-	-	-
1760	Investment property, net	6(9) and 8	62,899,784	60	65,426,212	58	64,676,873	61
1780	Intangible assets	6(10)	31,689	-	21,311	-	23,299	-
1840	Deferred tax assets	6(27)	193,556	-	214,011	-	210,726	-
1985	Long-term prepaid rents	6(7) and 8	-	-	6,675,527	6	6,607,620	6
1990	Other non-current assets	8	1,774,561	2	1,927,385	2	1,678,520	2
15XX	<b>Total non-current assets</b>		<u>79,385,225</u>	<u>76</u>	<u>86,868,678</u>	<u>77</u>	<u>85,070,450</u>	<u>80</u>
1XXX	<b>Total assets</b>		<u>\$ 104,078,013</u>	<u>100</u>	<u>\$ 112,459,857</u>	<u>100</u>	<u>\$ 106,356,760</u>	<u>100</u>

(Continued)

**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2019, DECEMBER 31, 2018 AND SEPTEMBER 30, 2018**  
(Expressed in thousands of New Taiwan dollars)  
**(REVIEWED, NOT AUDITED)**

LIABILITIES AND STOCKHOLDERS' EQUITY		Notes	September 30, 2019		December 31, 2018		September 30, 2018	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2100	Short-term borrowings	6(12)	\$ 10,729,956	10	\$ 8,426,966	8	\$ 7,832,041	7
2130	Current contract liabilities	6(22)	1,199,631	1	3,146,037	3	2,920,149	3
2150	Notes payable		17,262	-	15,135	-	3,192	-
2170	Accounts payable		1,939,558	2	1,590,415	1	1,727,380	2
2180	Accounts payable - related parties	7	354,406	1	262,229	-	202,216	-
2200	Other payables		2,328,834	2	2,008,965	2	1,892,619	2
2230	Current tax liabilities	6(28)	61,078	-	170,192	-	178,425	-
2250	Provisions for liabilities - current	6(17)	50,523	-	50,523	-	50,523	-
2280	Current lease liabilities	7	13,610	-	-	-	-	-
2320	Long-term liabilities, current portion	6(15)	5,822,240	6	2,747,011	2	8,197,561	8
2399	Other current liabilities	6(13) and 7	1,388,411	1	646,170	1	1,100,827	1
21XX	<b>Total current liabilities</b>		<u>23,905,509</u>	<u>23</u>	<u>19,063,643</u>	<u>17</u>	<u>24,104,933</u>	<u>23</u>
<b>Non-current liabilities</b>								
2530	Corporate bonds payable	6(14)	5,000,000	5	5,000,000	5	5,000,000	5
2540	Long-term borrowings	6(15)	20,667,400	20	31,837,471	28	22,286,961	21
2570	Deferred tax liabilities	6(27)	12,258,318	12	12,380,424	11	12,172,609	11
2580	Non-current lease liabilities	7	57,111	-	-	-	-	-
2670	Other non-current liabilities	6(5)(16) and 7	1,340,950	1	2,321,189	2	1,357,526	1
25XX	<b>Total non-current liabilities</b>		<u>39,323,779</u>	<u>38</u>	<u>51,539,084</u>	<u>46</u>	<u>40,817,096</u>	<u>38</u>
2XXX	<b>Total liabilities</b>		<u>63,229,288</u>	<u>61</u>	<u>70,602,727</u>	<u>63</u>	<u>64,922,029</u>	<u>61</u>
<b>Equity attributable to owners of parent</b>								
<b>Share capital</b>								
3110	Ordinary share	6(18)	6,697,630	6	6,797,630	6	6,797,630	6
<b>Capital surplus</b>								
3200	Capital surplus	6(19)	333,951	-	982,539	1	982,539	1
<b>Retained earnings</b>								
3310	Legal reserve	6(20)	1,724,342	2	1,578,852	1	1,578,852	2
3320	Special reserve		36,131,662	35	34,937,216	31	34,937,217	33
3350	Unappropriated retained earnings		1,254,622	1	1,547,516	1	1,520,905	1
<b>Other equity interest</b>								
3400	Other equity interest	6(21)	( 3,940,382)	( 4)	( 2,720,683)	( 2)	( 3,275,464)	( 3)
3500	Treasury shares	6(18)	( 1,357,042)	( 1)	( 1,283,228)	( 1)	( 1,123,611)	( 1)
31XX	<b>Total equity attributable to owners of parent</b>		<u>40,844,783</u>	<u>39</u>	<u>41,839,842</u>	<u>37</u>	<u>41,418,068</u>	<u>39</u>
36XX	<b>Non-controlling interest</b>		<u>3,942</u>	<u>-</u>	<u>17,288</u>	<u>-</u>	<u>16,663</u>	<u>-</u>
3XXX	<b>Total equity</b>		<u>40,848,725</u>	<u>39</u>	<u>41,857,130</u>	<u>37</u>	<u>41,434,731</u>	<u>39</u>
3X2X	<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<u>\$ 104,078,013</u>	<u>100</u>	<u>\$ 112,459,857</u>	<u>100</u>	<u>\$ 106,356,760</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  
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three-month periods ended September 30,				Nine-month periods ended September 30				
		2019		2018		2019		2018		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	<b>Sales revenue</b>	6(22) and 7	\$ 5,936,345	100	\$ 4,971,789	100	\$ 16,603,198	100	\$ 15,728,533	100
5000	<b>Operating costs</b>	6(4)(26)(27) and 7	( 4,555,368)	( 77)	( 3,528,763)	( 71)	( 12,715,102)	( 77)	( 11,642,692)	( 74)
5900	<b>Net operating margin</b>		<u>1,380,977</u>	<u>23</u>	<u>1,443,026</u>	<u>29</u>	<u>3,888,096</u>	<u>23</u>	<u>4,085,841</u>	<u>26</u>
	<b>Operating expenses</b>	6(26)(27)								
6100	Selling expenses		( 487,933)	( 8)	( 365,397)	( 8)	( 1,418,034)	( 9)	( 1,003,243)	( 6)
6200	General and administrative expenses		( 414,937)	( 7)	( 492,819)	( 10)	( 1,413,186)	( 8)	( 1,433,006)	( 9)
6300	Research and development expenses		( 143,670)	( 2)	( 165,687)	( 3)	( 416,797)	( 2)	( 395,451)	( 3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 1,986)	-	( 197)	-	( 13,818)	-	( 5,550)	-
6000	<b>Total operating expenses</b>		<u>( 1,048,526)</u>	<u>( 17)</u>	<u>( 1,024,100)</u>	<u>( 21)</u>	<u>( 3,234,199)</u>	<u>( 19)</u>	<u>( 2,837,250)</u>	<u>( 18)</u>
6900	<b>Operating profit</b>		<u>332,451</u>	<u>6</u>	<u>418,926</u>	<u>8</u>	<u>653,897</u>	<u>4</u>	<u>1,248,591</u>	<u>8</u>
	<b>Non-operating income and expenses</b>									
7010	Other income	6(23)	162,598	3	96,686	2	452,951	3	449,697	3
7020	Other gains and losses	6(24) and 7	447,496	7	293,995	6	1,496,337	9	1,185,717	7
7050	Finance costs	6(25) and 7	( 290,374)	( 5)	( 196,101)	( 4)	( 877,889)	( 5)	( 645,975)	( 4)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(5)	( 19,858)	-	( 36,737)	( 1)	( 65,042)	-	( 45,470)	-
7000	<b>Total non-operating income and expenses</b>		<u>299,862</u>	<u>5</u>	<u>157,843</u>	<u>3</u>	<u>1,136,441</u>	<u>7</u>	<u>943,969</u>	<u>6</u>
7900	<b>Profit before income tax</b>		<u>632,313</u>	<u>11</u>	<u>576,769</u>	<u>11</u>	<u>1,790,338</u>	<u>11</u>	<u>2,192,560</u>	<u>14</u>
7950	Income tax expense	6(28)	( 174,339)	( 3)	( 374,953)	( 8)	( 559,429)	( 4)	( 768,611)	( 5)
8200	<b>Profit for the period</b>		<u>\$ 457,974</u>	<u>8</u>	<u>\$ 201,816</u>	<u>3</u>	<u>\$ 1,230,909</u>	<u>7</u>	<u>\$ 1,423,949</u>	<u>9</u>
	<b>Other comprehensive income</b>									
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>									
8361	Financial statements translation differences of foreign operations	6(21)	( \$ 1,644,717)	( 28)	( \$ 2,042,072)	( 41)	( \$ 1,211,549)	( 7)	( \$ 1,101,021)	( 7)
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(21)	( 68,237)	( 1)	( 87,180)	( 2)	( 53,002)	-	( 61,562)	-
8399	Income tax relating to the components of other comprehensive income	6(28)	<u>61,597</u>	<u>1</u>	<u>26,946</u>	<u>1</u>	<u>45,330</u>	-	<u>5,527</u>	-
8360	<b>Other comprehensive income that will be reclassified to profit or loss</b>		<u>( 1,651,357)</u>	<u>( 28)</u>	<u>( 2,102,306)</u>	<u>( 42)</u>	<u>( 1,219,221)</u>	<u>( 7)</u>	<u>( 1,157,056)</u>	<u>( 7)</u>
8300	<b>Total other comprehensive loss for the period</b>		<u>( \$ 1,651,357)</u>	<u>( 28)</u>	<u>( \$ 2,102,306)</u>	<u>( 42)</u>	<u>( \$ 1,219,221)</u>	<u>( 7)</u>	<u>( \$ 1,157,056)</u>	<u>( 7)</u>
8500	<b>Total comprehensive income (loss) for the period</b>		<u>( \$ 1,193,383)</u>	<u>( 20)</u>	<u>( \$ 1,900,490)</u>	<u>( 39)</u>	<u>\$ 11,688</u>	<u>-</u>	<u>\$ 266,893</u>	<u>2</u>
	<b>Profit attributable to:</b>									
8610	Owners of the parent		<u>\$ 453,457</u>	<u>8</u>	<u>\$ 201,565</u>	<u>4</u>	<u>\$ 1,225,873</u>	<u>7</u>	<u>\$ 1,423,026</u>	<u>9</u>
8620	Non-controlling interest		<u>\$ 4,517</u>	<u>-</u>	<u>\$ 251</u>	<u>-</u>	<u>\$ 5,036</u>	<u>-</u>	<u>\$ 923</u>	<u>-</u>
	<b>Comprehensive income (loss) attributable to:</b>									
8710	Owners of the parent		<u>( \$ 1,197,717)</u>	<u>( 20)</u>	<u>( \$ 1,900,266)</u>	<u>( 38)</u>	<u>\$ 6,174</u>	<u>-</u>	<u>\$ 265,631</u>	<u>2</u>
8720	Non-controlling interest		<u>\$ 4,334</u>	<u>-</u>	<u>( \$ 224)</u>	<u>-</u>	<u>\$ 5,514</u>	<u>-</u>	<u>\$ 1,262</u>	<u>-</u>
	<b>Earnings per share</b>	6(29)								
9750	<b>Basic earnings per share</b>		<u>\$ 0.75</u>		<u>\$ 0.32</u>		<u>\$ 2.00</u>		<u>\$ 2.26</u>	
9850	<b>Diluted earnings per share</b>		<u>\$ 0.75</u>		<u>\$ 0.32</u>		<u>\$ 1.99</u>		<u>\$ 2.24</u>	

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

CLEVO CO. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018  
(Expressed in thousands of New Taiwan dollars)  
(REVIEWED, NOT AUDITED)

Notes	Equity attributable to owners of the parent												Non-controlling interest	Total equity
	Capital Surplus			Retained Earnings			Other Equity Interest							
	Ordinary share	Total capital surplus, additional paid-in capital	Capital surplus, treasury share transactions	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Asset revaluation increment	Treasury shares	Total			
<b>Nine-month period ended September 30, 2018</b>														
	\$ 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	
	-	-	-	-	-	97,879	-	(97,879)	-	-	-	-	-	
	6,831,630	1,379,498	202,476	1,507,074	33,929,051	1,177,823	(2,138,991)	-	20,922	(625,346)	42,284,137	15,898	42,300,035	
	-	-	-	-	-	1,423,026	-	-	-	-	1,423,026	923	1,423,949	
6(21)	-	-	-	-	-	-	(1,157,395)	-	-	-	(1,157,395)	339	(1,157,056)	
	-	-	-	-	-	1,423,026	(1,157,395)	-	-	-	265,631	1,262	266,893	
<b>Appropriations of 2017 earnings</b>														
6(20)	-	-	-	71,778	-	(71,778)	-	-	-	-	-	-	-	
	-	-	-	-	1,008,166	(1,008,166)	-	-	-	-	-	-	-	
	-	(546,530)	-	-	-	-	-	-	-	(546,530)	-	-	(546,530)	
6(31)	-	-	-	-	-	-	-	-	(607,920)	(607,920)	-	-	(607,920)	
6(18)	(34,000)	-	(52,905)	-	-	-	-	-	109,655	22,750	-	-	22,750	
	-	-	-	-	-	-	-	-	-	-	-	(497)	(497)	
	<u>\$ 6,797,630</u>	<u>\$ 832,968</u>	<u>\$ 149,571</u>	<u>\$ 1,578,852</u>	<u>\$ 34,937,217</u>	<u>\$ 1,520,905</u>	<u>(\$ 3,296,386)</u>	<u>\$ -</u>	<u>\$ 20,922</u>	<u>(\$ 1,123,611)</u>	<u>\$ 41,418,068</u>	<u>\$ 16,663</u>	<u>\$ 41,434,731</u>	
<b>Nine-month period ended September 30, 2019</b>														
	\$ 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	
	-	-	-	-	-	1,225,873	-	-	-	-	1,225,873	5,036	1,230,909	
6(21)	-	-	-	-	-	-	(1,219,699)	-	-	-	(1,219,699)	478	(1,219,221)	
	-	-	-	-	-	1,225,873	(1,219,699)	-	-	-	6,174	5,514	11,688	
<b>Appropriations of 2018 earnings</b>														
	-	-	-	145,490	-	(145,490)	-	-	-	-	-	-	-	
	-	-	-	-	1,194,446	(1,194,446)	-	-	-	-	-	-	-	
	-	-	-	-	-	(128,453)	-	-	-	(128,453)	-	-	(128,453)	
6(20)	-	(513,810)	-	-	-	-	-	-	-	(513,810)	-	-	(513,810)	
6(31)	-	-	-	-	-	-	-	-	(386,017)	(386,017)	-	-	(386,017)	
6(18)	(100,000)	(12,254)	(149,571)	-	-	(50,378)	-	-	312,203	-	-	-	-	
	-	-	27,047	-	-	-	-	-	-	-	27,047	-	27,047	
	-	-	-	-	-	-	-	-	-	-	-	(18,860)	(18,860)	
	<u>\$ 6,697,630</u>	<u>\$ 306,904</u>	<u>\$ 27,047</u>	<u>\$ 1,724,342</u>	<u>\$ 36,131,662</u>	<u>\$ 1,254,622</u>	<u>(\$ 3,961,304)</u>	<u>\$ -</u>	<u>\$ 20,922</u>	<u>(\$ 1,357,042)</u>	<u>\$ 40,844,783</u>	<u>\$ 3,942</u>	<u>\$ 40,848,725</u>	

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

CLEVO CO. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018  
(Expressed in thousands of New Taiwan dollars)  
(REVIEWED, NOT AUDITED)

	Notes	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,790,338	\$ 2,192,560
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(26)	145,695	123,920
Amortisation	6(10)(26)	6,571	14,311
Expected credit (gain) loss	12(2)	( 13,818 )	5,550
Net (gain) loss on financial assets mandatorily measured at fair value through profit or loss	6(24)	( 538,384 )	329,373
Interest expense	6(25)	877,889	645,975
Interest income	6(23)	( 152,815 )	( 77,631 )
Dividend income	6(23)	( 25,178 )	( 32,364 )
Share of (profit) loss of associates and joint ventures accounted for under the equity method	6(5)	( 65,042 )	45,470
(Gain) loss on disposal of property, plant and equipment	6(24)	( 2,218 )	2,855
Gain on disposal of investment property	6(24)	( 463,078 )	-
Gain on disposal of investments	6(24)	( 65,089 )	939,800
Impairment loss on non-financial assets	6(11)	160,539	-
Gain on adjustment of investment properties at fair value	6(9)(24)	( 848,197 )	( 882,487 )
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		121,197	( 327,119 )
Notes receivable, net		-	37
Accounts receivable, net		( 781,521 )	( 77,050 )
Inventories		813,011	426,275
Capitalisation of interest (inventories)	6(4)	( 24,928 )	( 82,216 )
Other current liabilities		427,030	( 206,535 )
Other non-current liabilities		23,733	( 35,515 )
Changes in operating liabilities			
Contract liabilities		( 567,826 )	( 173,870 )
Notes payable		2,127	( 11,943 )
Accounts payable		349,143	( 125,519 )
Accounts payable - related parties		92,177	( 66,993 )
Other payables		( 448,442 )	( 8,858 )
Other current liabilities		738,008	13,367
Other non-current liabilities		( 57,167 )	21,266
Cash inflow generated from operations		1,493,755	773,059
Interest received		119,367	76,917
Dividends received		19,172	28,837
Interest paid		( 904,415 )	( 643,692 )
Income taxes paid		( 543,791 )	( 222,199 )
Net cash flows from operating activities		<u>184,088</u>	<u>12,922</u>

(Continued)



**CLEVO CO. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018**  
(Expressed in thousands of New Taiwan dollars)  
(REVIEWED, NOT AUDITED)

	Notes	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Repayment of disposal of available-for-sale financial assets	6(31)	\$ -	\$ 44,115
Disposal of subsidiaries	6(31)	961,722	994,893
Acquisition of property, plant and equipment	6(31)	( 718,549 )	( 815,145 )
Proceeds from disposal of property, plant and equipment	6(31)	174,216	7,478
Decrease in refundable deposits		52,524	4,465
Acquisition of intangible assets	6(11)	( 17,871 )	( 1,468 )
Acquisition of investment properties	6(31)	82,460	( 440,270 )
Proceeds from disposal of investment properties	6(9)	4,066,394	3,861
Interest paid (capitalisation of interest)	6(9)	( 123,653 )	( 283,798 )
Increase in long-term prepaid rent		-	( 1,556 )
Decrease (increase) in financial assets at amortised cost - current		1,275,448	( 1,508,140 )
Decrease (increase) in financial assets at amortised cost - non-current		93,839	( 155,614 )
Proceeds from disposal of intangible assets		619	-
Net cash flows from (used in) investing activities		<u>5,847,149</u>	<u>( 2,151,179 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from short-term borrowings		50,596,961	41,299,938
Repayments of short-term borrowings		( 48,200,543 )	( 39,726,074 )
Proceeds from long-term borrowings		18,813,999	32,797,008
Repayments of long-term borrowings		( 26,716,934 )	( 34,937,800 )
Decrease in guarantee deposit		( 891,334 )	( 101,967 )
Increase in other financial liabilities - current		4,234	448,578
Cash dividends paid	6(19)	( 642,263 )	( 546,530 )
Decrease in other financial liabilities - non-current		-	( 588,832 )
Acquisition of treasury stock	6(31)	( 403,475 )	( 607,920 )
Payments of lease liabilities		( 3,848 )	-
Changes in non-controlling interests		( 6,381 )	( 497 )
Net cash flows used in financing activities		<u>( 7,449,584 )</u>	<u>( 1,964,096 )</u>
Changes in exchange rates		763,765	226,399
Net decrease in cash and cash equivalents		( 654,582 )	( 3,875,954 )
Cash and cash equivalents at beginning of period		<u>7,796,543</u>	<u>7,522,579</u>
Cash and cash equivalents at end of period		<u>\$ 7,141,961</u>	<u>\$ 3,646,625</u>

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

CLEVO CO. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

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

(Reviewed, not audited)

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 November 13, 2019.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by 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 \$66,393 was recognised in the third quarter of 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	(	<u>89,702)</u>
Total lease contracts amount recognised as lease liabilities by applying IFRS 16 on January 1, 2019	\$	<u><u>-</u></u>

(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

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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2021
The above standards and interpretations have no significant impact to the 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” and the International Accounting Standards 34, ‘Interim financial reporting’ as endorsed by the FSC.

##### (2) Basis of preparation

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

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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
			September 30, 2019	December 31, 2018	September 30, 2018	
The Company	Clevo Computer Singapore Pte Ltd.	Management and advisory of computers	100	100	100	
The Company	Clevo (Cayman Islands) Holding Company	Investing	100	100	100	
The Company	Kapok Computer (Samoa) Corporation	Investing	100	100	100	
The Company	Kapok Computer Co., Ltd.	Design and sale of computers and computer peripherals	100	100	100	
The Company	Clevo Investment Co., Ltd.	Investing	100	100	100	
The Company	Buynow On-line Holding Corporation	Investing	100	100	100	
The Company	Lunaria Investment GK	Building leasing	98.99	98.99	98.99	
Clevo (Cayman Islands) Holding Company	Buynow Global Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Hangzhou) Corporation	Investing	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 2018	
Clevo (Cayman Islands) Holding Company	Buynow (Zhengzhou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow Group (Changsha) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Nanchang) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Flying Wolf Investment Limited	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Xiamen) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow Group (Xian) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Changchun) Corporation	Investing	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 2018	
Clevo (Cayman Islands) Holding Company	Buynow Group (Qingdao) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Wuxi) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Flying International Investment Limited	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Chongqing) Limited	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Daqing) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Zibo) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Beijing) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Yancheng) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Skill Develop International Limited	Investing	100	100	100	



Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 2018	
Clevo (Cayman Islands) Holding Company	Buynow (Yingkou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Anshan) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Huizhou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Guiyang) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Dezhou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Luoyang) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Smarter Capital Limited	Investing	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 2018	
Clevo (Cayman Islands) Holding Company	Buynow (Fujian Quanzhou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Buynow (Jinzhou) Corporation	Investing	100	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	100	
Clevo (Cayman Islands) Holding Company	Buynow (Shantou) Corporation	Investing	100	100	100	
Clevo (Cayman Islands) Holding Company	Clevo (HK) Investment Holding Limited	Investing	100	100	100	
Clevo (HK) Investment Holding Limited	Clevo Japan GK	Investing	100	100	100	
Buynow On-line Holding Corporation	Buynow On-line Limited	Investing	100	100	100	
Skill Develop International Limited	Well Asia Investment Limited	Investing	100	100	100	
Clevo Computer Singapore Pte Ltd.	Buynow (Chengdu) Corporation	Investing	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	8.82	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	21.21	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	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	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	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	4.76	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	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	100	



Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	100	(Note 3)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	100	
Smarter Capital Limited	Buynow SZ. Corporation	Investing	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 2018	
Buynow SZ. Corporation	Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	100	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	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	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	100	
Buynow (Shantou) Corporation	Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory services	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	100	
Shanghai Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of computers and computer peripherals	-	-	100	(Note 5)
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huihei Advertisment Co., Ltd.	Advertising design and marketing	100	100	100	
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	80	80	80	(Note 1)



Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	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	10	10	10	(Note 2)
Buynow (Fujian) Electronic Co., Ltd.	Xiamen Lejing Internet Bar Co., Ltd.	Internet café and internet message service	100	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	60	(Note 1)
Clevo (China) Investment Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	20	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 management	78.79	78.79	78.79	(Note 1)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	100	(Note 7)
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	20	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	20	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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	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	10	(Note 2)

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 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)
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., Daqing Buynow Electronic Information Co., Ltd., and Zibo Buynow Electronic Information Co., Ltd. sold 11.61%, 5.42% and 8.97% 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: Shanghai Buynow Computer Market Management Co., Ltd. was liquidated and dissolved on October 22, 2018.

Note 6: The financial statements of certain consolidated subsidiaries for the nine-month periods ended September 30, 2019 and 2018 were not reviewed by independent accountants. The total assets of these unreviewed subsidiaries as of September 30, 2019 and 2018 were \$9,203,408 thousand and \$14,075,288 thousand, constituting 9% and 13% of total consolidated assets, respectively, and the total liabilities were \$2,100,696 thousand and \$3,813,085 thousand, constituting 3% and 6% of the consolidated total liabilities, respectively. The total comprehensive (loss) income was (\$1,323) thousand and \$213,609 thousand, constituting (11%) and 80% of the consolidated total comprehensive income for the nine-month periods ended September 30, 2019 and 2018, respectively.

Note 7: Suzhou Buynow Department Store Co., Ltd. was liquidated and dissolved on August 13, 2019.

C. Subsidiaries not included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2019	December 31, 2018	September 30, 2018	
The Company	Clevo France Sarl	Design and sale of computers and computer peripherals	100	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 September 30, 2019, December 31, 2018 and September 30, 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) 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

(17) 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 payment is 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;
- (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.

(18) 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.

(19) 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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'.

(26) Derecognition of financial liabilities

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

(27) 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.

(28) 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.

(29) 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.

(30) 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.
- iii. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. And, the related information is disclosed accordingly.



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.

(31) 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.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(32) 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.

(33) 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.

(34) 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.

(35) 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.

(36) 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 September 30, 2019, the carrying amount of inventories was \$5,058,814.

**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 September 30, 2019, the carrying amount of investment property was \$62,899,784.

**6. DETAILS OF SIGNIFICANT ACCOUNTS**

**(1) Cash and cash equivalents**

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Cash on hand and revolving funds	\$ 2,247	\$ 5,604	\$ 2,550
Checking accounts and demand deposits	4,942,522	3,736,018	2,919,968
Time deposits	<u>2,197,192</u>	<u>4,054,921</u>	<u>724,107</u>
	<u>\$ 7,141,961</u>	<u>\$ 7,796,543</u>	<u>\$ 3,646,625</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 \$3,496,331, \$4,865,618 and \$4,981,203 were classified as financial assets at amortised cost as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.

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

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 853,948	\$ 977,886	\$ 975,557
Beneficiary certificates	<u>475,209</u>	<u>477,229</u>	<u>473,787</u>
	1,329,157	1,455,115	1,449,344
Valuation adjustment	<u>405,045</u>	<u>( 132,125)</u>	<u>( 55,725)</u>
	<u>\$ 1,734,202</u>	<u>\$ 1,322,990</u>	<u>\$ 1,393,619</u>

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

	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 95,880	(\$ 62,623)
Beneficiary certificates	<u>106,217</u>	<u>( 134,969)</u>
	<u>\$ 202,097</u>	<u>(\$ 197,592)</u>
	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 324,905	(\$ 122,950)
Beneficiary certificates	<u>278,568</u>	<u>( 211,599)</u>
	<u>\$ 603,473</u>	<u>(\$ 334,549)</u>

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

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(3).

(3) Notes and accounts receivable

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Notes receivable	\$ -	\$ -	\$ 1,090
Accounts receivable	\$ 2,463,076	\$ 1,679,433	\$ 2,030,640
Accounts receivable - related parties	1,045	3,166	-
Less: Allowance for uncollectible accounts	<u>( 42,158)</u>	<u>( 55,572)</u>	<u>( 43,515)</u>
	<u>\$ 2,421,963</u>	<u>\$ 1,627,027</u>	<u>\$ 1,987,125</u>

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

	<u>September 30, 2019</u>		<u>December 31, 2018</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 1,858,890	\$ -	\$ 1,022,099	\$ -
Up to 30 days	433,229	-	474,839	-
31 to 90 days	45,638	-	89,944	-
91 to 180 days	59,443	-	32,332	-
Over 180 days	66,921	-	63,385	-
	<u>\$ 2,464,121</u>	<u>\$ -</u>	<u>\$ 1,682,599</u>	<u>\$ -</u>

	<u>September 30, 2018</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 1,479,522	\$ 1,090
Up to 30 days	359,044	-
31 to 90 days	70,293	-
91 to 180 days	47,397	-
Over 180 days	74,384	-
	<u>\$ 2,030,640</u>	<u>\$ 1,090</u>

The above ageing analysis was based on past due date.

- B. As of September 30, 2019, December 31, 2018, September 30, 2018 and January 1, 2018, the balances of receivables (including notes receivable) from contracts with customers amounted to \$2,464,121, \$1,682,599, \$2,031,730 and \$2,011,990, respectively.
- C. The Group has no accounts receivable and notes receivable pledged to others.
- D. As at September 30, 2019, December 31, 2018 and September 30, 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 \$2,421,963, \$1,627,027 and \$1,988,215, 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

	September 30, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,650,474	\$ (50,860)	\$ 1,599,614
Semi-finished goods	118,495	( 2,171)	116,324
Work in progress	106,286	( 657)	105,629
Finished goods	5,338	-	5,338
Merchandise inventory	8,088	-	8,088
Inventory in transit	-	-	-
	<u>1,888,681</u>	<u>( 53,688)</u>	<u>1,834,993</u>
Construction in progress	-	-	-
Buildings and land held for sale	<u>3,281,263</u>	<u>( 57,442)</u>	<u>3,223,821</u>
	<u>3,281,263</u>	<u>( 57,442)</u>	<u>3,223,821</u>
	<u>\$ 5,169,944</u>	<u>(\$ 111,130)</u>	<u>\$ 5,058,814</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	<u>2,942</u>	<u>-</u>	<u>2,942</u>
	<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	<u>747,333</u>	<u>( 38,123)</u>	<u>709,210</u>
	<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>
	September 30, 2018		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,702,853	(\$ 47,476)	\$ 1,655,377
Semi-finished goods	168,641	( 2,929)	165,712
Finished goods	11,093	( 721)	10,372
Merchandise inventory	8,020	-	8,020
Inventory in transit	<u>7,654</u>	<u>-</u>	<u>7,654</u>
	<u>1,898,261</u>	<u>( 51,126)</u>	<u>1,847,135</u>
Construction in progress	4,654,639	-	4,654,639
Buildings and land held for sale	<u>687,790</u>	<u>( 37,752)</u>	<u>650,038</u>
	<u>5,342,429</u>	<u>( 37,752)</u>	<u>5,304,677</u>
	<u>\$ 7,240,690</u>	<u>(\$ 88,878)</u>	<u>\$ 7,151,812</u>



- A. The cost of inventories recognised as expense was \$4,555,368, \$3,528,763, \$12,715,102 and \$11,642,692, including \$20,226, \$0, \$20,226 and \$21,363 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 three-month and nine-month periods ended September 30, 2019 and 2018, respectively as well as the amounts of \$8,735, \$7,532, \$17,589 and (\$1,011) that the Group wrote down (reversed) from cost to net realisable value accounted for as (reduction) increase in cost of goods sold for the three-month and nine-month periods ended September 30, 2019 and 2018, respectively.
- B. The amount of capitalised borrowings cost for the three-month and nine-month periods ended September 30, 2019 and 2018 was (\$1,702), \$26,054, \$24,928 and \$82,216, respectively, and the capitalised rate was 4.35%~5.94%, 4.50%~5.32%, 4.35%~5.94% and 4.50%~5.32%, respectively.
- C. As of September 30, 2019, inventories pledged are described in Note 8.

(5) Investments accounted for using equity method

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Chicony Square (Wuhan) Inc.	\$ 2,372,442	\$ 2,482,777	\$ 2,453,436
Chicony Square (Cayman) Inc.	-	-	-
Chicony Chengdu International Inc.	<u>36,702</u>	<u>35,440</u>	<u>32,868</u>
	<u>\$ 2,409,144</u>	<u>\$ 2,518,217</u>	<u>\$ 2,486,304</u>
Other non-current liabilities			
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Chicony Square (Cayman) Inc.	<u>\$ 58,294</u>	<u>\$ 48,753</u>	<u>\$ 59,391</u>

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Shareholding ratio</u>		<u>Nature of relationship</u>	<u>Method of measurement</u>
		<u>September 30, 2019</u>	<u>December 31, 2018</u>		
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

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

	<u>Chicony Square (Wuhan) Inc.</u>		
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Current assets	\$ 446,291	\$ 1,817,711	\$ 1,779,884
Non-current assets	7,493,327	7,457,179	7,378,819
Current liabilities	( 31,477)	( 998,964)	( 980,584)
Total net assets	<u>\$ 7,908,141</u>	<u>\$ 8,275,926</u>	<u>\$ 8,178,119</u>
Carrying amount of the associate	<u>\$ 2,372,442</u>	<u>\$ 2,482,777</u>	<u>\$ 2,453,436</u>

	<u>Chicony Square (Cayman) Inc.</u>		
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Current assets	\$ 2,396	\$ 2,376	\$ 2,356
Non-current assets	2,314,042	2,273,678	2,202,914
Current liabilities	( 184,702)	( 129,914)	( 111,765)
Non-current liabilities	( 2,326,050)	( 2,308,650)	( 2,291,475)
Total net assets	<u>(\$ 194,314)</u>	<u>(\$ 162,510)</u>	<u>(\$ 197,970)</u>
Carrying amount of the associate	<u>(\$ 58,294)</u>	<u>(\$ 48,753)</u>	<u>(\$ 59,391)</u>

Chicony Chengdu International Inc.

	September 30, 2019	December 31, 2018	September 30, 2018
Current assets	\$ 33	\$ 33	\$ 32
Non-current assets	978,692	945,023	876,451
Total net assets	<u>\$ 978,725</u>	<u>\$ 945,056</u>	<u>\$ 876,483</u>
Carrying amount of the associate	<u>\$ 36,702</u>	<u>\$ 35,440</u>	<u>\$ 32,868</u>

Statement of comprehensive income

Chicony Square (Wuhan) Inc.

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Profit (loss) for the period from continuing operations	(\$ 7,327)	(\$ 76,016)
Other comprehensive loss, net of tax	( 197,679)	( 255,627)
Total comprehensive loss	<u>(\$ 205,006)</u>	<u>(\$ 331,643)</u>

Chicony Square (Wuhan) Inc.

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Profit (loss) for the period from continuing operations	\$ 225,317	(\$ 116,392)
Other comprehensive loss, net of tax	( 152,830)	( 184,946)
Total comprehensive income (loss)	<u>\$ 72,487</u>	<u>(\$ 301,338)</u>

Chicony Square (Cayman) Inc.

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Loss for the period from continuing operations	(\$ 53,628)	(\$ 42,719)
Other comprehensive loss, net of tax	( 26,054)	( 30,599)
Total comprehensive loss	<u>(\$ 79,682)</u>	<u>(\$ 73,318)</u>

Chicony Square (Cayman) Inc.

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Loss for the period from continuing operations	(\$ 11,079)	(\$ 36,615)
Other comprehensive loss, net of tax	( 20,707)	( 17,726)
Total comprehensive loss	<u>(\$ 31,786)</u>	<u>(\$ 54,341)</u>

	<u>Chicony Chengdu International Inc.</u>	
	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
Loss for the period from continuing operations	(\$ 43,643)	(\$ 29,844)
Other comprehensive loss, net of tax	( 29,776)	( 34,970)
Total comprehensive loss	<u>(\$ 73,419)</u>	<u>(\$ 64,814)</u>

	<u>Chicony Chengdu International Inc.</u>	
	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Profit for the period from continuing operations	\$ 57,334	\$ 11,441
Other comprehensive loss, net of tax	( 23,665)	( 20,258)
Total comprehensive income	<u>\$ 33,669</u>	<u>(\$ 8,817)</u>

- C. The amounts of associates accounted for under the equity method recognised by the Group were based on the financial statements of each associate that were not reviewed by the independent accountants for the corresponding periods. For the three-month and nine-month periods ended September 30, 2019 and 2018, the Group recognised share of profit (loss) and other comprehensive income of associates amounting to (\$74,447), (\$106,480), \$22,683 and (\$94,719), respectively. On September 30, 2019 and 2018, the investments accounted for under the equity method amounted to \$2,409,144 and \$2,486,304 and the credit balance of long-term investments (shown as other non-current liabilities) amounted to \$58,294 and \$59,391, respectively. On December 31, 2018, the amounts of associates accounted for under the equity method recognised by the Group were based on the financial statements of each associate that were audited by the independent accountants for the corresponding period. The related investments accounted for under equity method and the credit balance of long-term investments (shown as other non-current liabilities) amounted to \$2,518,217 and \$48,753 as of September 30, 2019 and 2018, respectively.

(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	-	590,160	120,598	-	1,616	466	4,996	8,847	1,086	-	727,769
Reclassifications	-	( 269,069)	933	-	-	( 4)	16,124	( 11,780)	( 2,939,861)	( 3,203,657)	
Disposals	-	( 8,717)	( 124,432)	-	( 7,472)	( 821)	( 99,402)	( 3,096)	( 13,522)	-	( 257,462)
Depreciation charge	-	( 25,127)	( 36,083)	( 2,124)	( 5,559)	( 1,539)	( 9,359)	( 3,978)	( 3,934)	-	( 87,703)
Net exchange differences	-	( 48,966)	( 13,062)	( 170)	( 2,452)	( 1,119)	( 14,624)	95	( 1,085)	( 147,556)	( 228,939)
Closing net book amount as at September 30	<u>\$186,563</u>	<u>\$ 2,572,119</u>	<u>\$ 541,048</u>	<u>\$ 5,258</u>	<u>\$ 13,082</u>	<u>\$ 8,329</u>	<u>(\$ 42,957)</u>	<u>\$ 23,503</u>	<u>\$ 13,619</u>	<u>\$ 3,599,609</u>	<u>\$ 6,920,173</u>
<u>At September 30</u>											
Cost	\$186,563	\$ 3,161,055	\$ 682,616	\$ 14,163	\$ 76,010	\$ 38,131	\$ 71,065	\$ 48,690	\$ 29,987	\$ 3,599,609	\$ 7,907,889
Accumulated depreciation and impairment	-	( 588,936)	( 141,568)	( 8,905)	( 62,928)	( 29,802)	( 114,022)	( 25,187)	( 16,368)	-	( 987,716)
	<u>\$186,563</u>	<u>\$ 2,572,119</u>	<u>\$ 541,048</u>	<u>\$ 5,258</u>	<u>\$ 13,082</u>	<u>\$ 8,329</u>	<u>(\$ 42,957)</u>	<u>\$ 23,503</u>	<u>\$ 13,619</u>	<u>\$ 3,599,609</u>	<u>\$ 6,920,173</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	-	4,167	78,490	-	10,171	1,244	4,600	-	4,393	918,913	1,021,978
Reclassifications	-	-	-	-	-	-	-	-	-	88,336	88,336
Disposals	-	-	( 83)	-	( 6,103)	( 1,200)	( 956)	( 1,834)	( 157)	-	( 10,333)
Depreciation charge	-	( 59,736)	( 35,378)	( 2,152)	( 10,028)	( 1,830)	( 10,836)	( 579)	( 3,381)	-	( 123,920)
Effect of changes between consolidated entities (Note)	-	-	( 13)	-	( 206)	-	-	-	( 19)	-	( 238)
Net exchange differences	-	( 19,342)	( 4,534)	( 247)	( 936)	( 1,020)	( 1,763)	( 187)	( 1,045)	( 148,764)	( 177,838)
Closing net book amount as at September 30	<u>\$ 186,563</u>	<u>\$ 902,127</u>	<u>\$ 235,277</u>	<u>\$ 8,195</u>	<u>\$ 28,464</u>	<u>\$ 10,795</u>	<u>\$ 63,175</u>	<u>\$ 7,300</u>	<u>\$ 37,936</u>	<u>\$ 7,793,010</u>	<u>\$ 9,272,842</u>
<u>At September 30</u>											
Cost	\$ 186,563	\$ 1,396,832	\$ 406,683	\$ 14,346	\$ 99,744	\$ 44,586	\$ 172,743	\$ 123,713	\$ 53,698	\$ 7,793,010	\$ 10,291,918
Accumulated depreciation and impairment	-	( 494,705)	( 171,406)	( 6,151)	( 71,280)	( 33,791)	( 109,568)	( 116,413)	( 15,762)	-	( 1,019,076)
	<u>\$ 186,563</u>	<u>\$ 902,127</u>	<u>\$ 235,277</u>	<u>\$ 8,195</u>	<u>\$ 28,464</u>	<u>\$ 10,795</u>	<u>\$ 63,175</u>	<u>\$ 7,300</u>	<u>\$ 37,936</u>	<u>\$ 7,793,010</u>	<u>\$ 9,272,842</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 three-month and nine month periods ended September 30, 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>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 5,063,587	\$ -	\$ -
Land (shown as long-term prepaid rents)	-	6,675,527	6,607,620
Office	70,720	-	-
	<u>\$ 5,134,307</u>	<u>\$ 6,675,527</u>	<u>\$ 6,607,620</u>

	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
	<u>Depreciation charge</u>	<u>Rent expense</u>
Land	\$ 13,822	\$ 1,811
Office	3,848	-
	<u>\$ 17,670</u>	<u>\$ 1,811</u>

	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
	<u>Depreciation charge</u>	<u>Rent expense</u>
Land	\$ 54,144	\$ 5,513
Office	3,848	-
	<u>\$ 57,992</u>	<u>\$ 5,513</u>

C. For the three-month and nine-month periods ended September 30, 2019, the additions to right-of-use assets was both \$74,442.

D. For the nine-month period ended September 30, 2019, the Group's total cash outflow for leases was \$70,750.

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

	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 509</u>	<u>\$ -</u>
Expense on short-term lease contracts	<u>(\$ 31,939)</u>	<u>\$ 67,143</u>

<u>Items affecting profit or loss</u>	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Interest expense on lease liabilities	\$ 509	\$ -
Expense on short-term lease contracts	\$ 66,393	\$ 186,966

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 September 30, 2019, the amount was \$21,528), 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 September 30, 2019. As of September 30, 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 three-month and nine-month periods ended September 30, 2019, the Group recognised rent income on investment property in the amount of \$744,974 and \$2,362,630, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>September 30, 2019</u>
2019	\$ 107,625
2020	416,464
2021	420,019
2022	305,331
2023	280,063
2024	289,255
2025 and after	1,331,710
	<u>\$ 3,150,467</u>



(9) Investment property

	<u>2019</u>	<u>2018</u>
At January 1	\$ 65,426,212	\$ 69,922,175
Additions from subsequent expenditures	87,571	125,343
Disposals	( 4,066,394)	( 3,861)
Reclassifications	1,295,118	-
Effect of changes between consolidated entities (Note)	-	( 4,964,608)
Net gains from fair value adjustment	848,197	882,487
Net exchange differences	( 690,920)	( 1,284,663)
At September 30	<u>\$ 62,899,784</u>	<u>\$ 64,676,873</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:

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Rental income from investment property	\$ 744,974	\$ 806,529
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 242,463	\$ 277,924
Direct operating expenses arising from the investment property that did not generate rental income during the period	\$ 30,204	\$ 29,832
	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Rental income from investment property	\$ 2,362,630	\$ 2,524,778
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 760,323	\$ 838,563
Direct operating expenses arising from the investment property that did not generate rental income during the period	\$ 109,397	\$ 83,432

B. Measurement of investment property at fair value

The fair value of the investment property held by the Group as at September 30, 2019, December 31, 2018 and September 30, 2018 was \$62,899,784, \$65,426,212, and \$64,676,873, 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; 15 years (from 2017 to 2023) for Buynow (Huizhou); 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. The Group continued to adopt the appraisal reports of partial investment property on January 1, 2019 and 2018 in the financial statements on September 30, 2019 and 2018. The reasonableness of the reports was reasonably assessed by the real estate appraisers, Charlie Yang from Cushman & Wakefield and Jia-Hui Chen from Cushman & Wakefield Limited (HK) and the review opinion reports were also co-certified.
- (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 September 30, 2019, December 31, 2018, and September 30, 2018.

Summary of fair value disclosure on investment property:

Nine-month period ended September 30, 2019	Computer segment	Buynow plaza	Japan-investment property
Comparative information between local rent and similar objective property rent (dollar / square or square meter / month)	\$550~\$650	\$136~\$5,555	\$3,700~\$4,269
Movements of earnings in the prior year	\$66,907	\$29,485~\$415,977	\$23,595~\$72,723
Average occupancy rates	100%	88%	97%
Nine-month period ended September 30, 2018	Computer segment	Buynow plaza	Japan-investment property
Comparative information between local rent and similar objective property rent (dollar / square or square meter / month)	\$570~\$720	\$138~\$5,635	\$3,273~\$3,818
Movements of earnings in the prior year	\$70,251	\$24,157~\$378,488	\$22,476~\$68,957
Average occupancy rates	100%	88%	97%
Discount rate	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
-Computer segment	3.65%	3.65%	3.65%
-Buynow plaza	4.75%~6.75%	4.75%~6.75%	4.75%~6.75%
-Japan-investment property	3.8%~3.9%	3.8%~3.9%	3.8%~3.9%

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

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

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Amount capitalised	\$160,941	\$283,798
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	17,871	-	17,871
Disposals	( 638)	-	( 638)
Amortisation charge	( 6,571)	-	( 6,571)
Net exchange differences	( 46)	( 238)	( 284)
September 30	<u>\$ 21,248</u>	<u>\$ 10,441</u>	<u>\$ 31,689</u>
<u>At September 30</u>			
Cost	\$ 21,248	\$ 10,441	\$ 31,689
Accumulated amortisation and impairment	-	-	-
	<u>\$ 21,248</u>	<u>\$ 10,441</u>	<u>\$ 31,689</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	1,468	-	1,468
Effect of changes between consolidated entities (Note)	( 65)	-	( 65)
Amortisation charge	( 8,798)	-	( 8,798)
Net exchange differences	( 95)	( 253)	( 348)
September 30	<u>\$ 12,724</u>	<u>\$ 10,575</u>	<u>\$ 23,299</u>
<u>At September 30</u>			
Cost	\$ 12,724	\$ 10,575	\$ 23,299
Accumulated amortisation and impairment	-	-	-
	<u>\$ 12,724</u>	<u>\$ 10,575</u>	<u>\$ 23,299</u>

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

Goodwill arose from Buynow segment of the Group.

Details of amortisation on intangible assets are as follows:

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Manufacturing costs	\$ -	\$ -
Administrative expenses	1,282	1,884
Research and development expenses	1,148	978
	<u>\$ 2,430</u>	<u>\$ 2,862</u>

  

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Manufacturing costs	\$ -	\$ 207
Administrative expenses	3,197	5,757
Research and development expenses	3,374	2,834
	<u>\$ 6,571</u>	<u>\$ 8,798</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. The completion date for the transaction is expected by December 2019. As of September 30, 2019, the assets of the disposal group held for sale amounted to \$3,848,919.

A. Assets of disposal group held for sale:

	September 30, 2019
Property, plant and equipment	\$ 3,028,013
Right-of-use assets	975,554
	4,003,567
Accumulated impairment	(154,648)
	<u>\$ 3,848,919</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).

(12) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2019</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank secured borrowings	\$ 378,142	4.57%~5.22%	Letter of credit
Bank secured borrowings	222,477	3.39%~3.51%	Long-term prepaid rent and property, plant and equipment
Bank secured borrowings	1,411,200	3.09%~4.57%	Time deposits pledged
Bank secured borrowings	949,997	3.39%~5.65%	Investment property
Bank unsecured borrowings	7,768,140	0.95%~4.90%	Promissory note
	<u>\$ 10,729,956</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>		

<u>Type of borrowings</u>	<u>September 30, 2018</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Bank secured borrowings	\$ 375,675	4.87%~5.22%	Letter of credit
Bank secured borrowings	231,335	3.55%~3.59%	Long-term prepaid rent and property, plant and equipment
Bank secured borrowings	528,760	4.57%~4.75%	Demand deposits pledged
Bank secured borrowings	981,536	3.55%~5.65%	Investment property
Bank unsecured borrowings	5,714,735	0.90%~4.57%	Promissory note
	<u>\$ 7,832,041</u>		

(13) Other current liabilities

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Advance rental revenue	\$ 472,349	\$ 536,034	\$ 559,465
Advance disposals of property receipts (Note)	876,982	-	-
Other current liabilities	39,080	110,136	541,392
	<u>\$ 1,388,411</u>	<u>\$ 646,170</u>	<u>\$ 1,100,857</u>

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

(14) Bonds payable

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Secured bonds payable	\$ 5,200,000	\$ 5,000,000	\$ 5,000,000
Less: Current portion	( 200,000)	-	-
	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

A. On August 22, 2019, Clevo Co. issued \$5,000,000 secured bonds, as approved by the regulatory authority. As of September 30, 2019, the outstanding bonds payable was \$5,000,000.

B. On August 12, 2015, Clevo Co. issued \$5,000,000 secured bonds, as approved by the regulatory authority. As of September 30, 2019, the outstanding bonds payable was \$200,000.

C. The terms of the secured bonds are as follows:

Type of Bonds	Issuance date	Period	Amount	Coupon rate	Payment term	Security
Secured bonds payable	2015/8/28	5 years	\$5,000,000	Not exceeding fixed rate of 1.5%	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.
Secured bonds payable	2019/8/26	5 years	\$5,000,000	Not exceeding fixed rate of 0.8%	Principal is due at maturity. Interest is paid annually at simple interest rate.	Authorise Taiwan Cooperative Bank to execute corporate bond guarantee according to the guarantee agreement.

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(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 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%~1.35%	Promissory note	\$ 5,490,000
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
Unsecured borrowings	Borrowing period is from June 29, 2015 to November 15, 2021; interest is payable quarterly, principal is payable in installments	2.78%~3.63%	Promissory note	1,106,391
				<hr/>
				12,596,391
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 June 8, 2015 to June 8, 2025; interest is payable monthly, principal is payable in installments	1.60%~6.37%	Investment property	6,580,525
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	722,255
Secured borrowings	Borrowing period is from December 7, 2011 to August 17, 2028; interest is payable quarterly, principal is payable in installments	4.90%~6.93%	Investment property	4,863,985
Secured borrowings	Borrowing period is from March 28, 2019 to April 25, 2022; interest is payable quarterly, principal is payable at maturity date	4.75%~5.70%	Time deposits pledged	276,484
				<hr/>
				13,693,249
				<hr/>
				26,289,640
Less: Current portion of long-term loans				( 5,622,240)
				<hr/>
				\$ 20,667,400

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

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	September 30, 2018
Unsecured borrowings	Borrowing period is from October 11, 2017 to March 20, 2023; interest is payable monthly, principal is payable at maturity date	1.26% ~ 1.40%	Promissory note	\$ 6,755,000
Unsecured borrowings	Borrowing period is from June 30, 2014 to June 28, 2019; interest is payable monthly, principal is payable in installments	1.80%	Promissory note	4,200,000
Unsecured borrowings	Borrowing period is from June 29, 2015 to November 20, 2020; interest is payable quarterly, principal is payable in installments	2.99% ~ 3.83%	Promissory note	2,890,299
				13,845,299
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 January 15, 2018 to September 28, 2023; interest is payable monthly, principal is payable at maturity date	1.60%	Investment property	1,300,000
Secured borrowings	Borrowing period is from March 30, 2009 to June 8, 2025; interest is payable monthly, principal is payable in installments	1.60% ~ 5.70%	Investment property	6,550,600
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	135,183
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	798,848
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	2,685,567
Secured borrowings	Borrowing period is from April 23, 2009 to August 17, 2028; interest is payable quarterly, principal is payable in installments	4.51% ~ 6.93%	Investment property	3,919,025
				16,639,223
				30,484,522
Less: Current portion of long-term loans				( 8,197,561)
				\$ 22,286,961

## (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) For the aforementioned pension plan, the Group recognised pension costs of \$2,471, \$2,685, \$7,459 and \$8,800 for the three-month and nine-month periods ended September 30, 2019 and 2018, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2020 amount to \$11,937.

### 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 three-month and nine-month periods ended September 30, 2019 and 2018 were \$8,882, \$9,048, \$27,165 and \$26,733, respectively.

(17) Provisions

	<u>Warranty</u>
At January 1, 2019	\$ 50,523
Additional provisions	47,283
Used during the period	( 47,283)
At September 30, 2019	<u>\$ 50,523</u>

Analysis of total provisions:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Current	<u>\$ 50,523</u>	<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 September 30, 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:

	<u>2019</u>	<u>2018</u>
At January 1	679,763	683,163
Capital reduction by treasury stock	( 10,000)	( 3,400)
At September 30	<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	<u>September 30, 2019</u>	
		Number of shares	Carrying amount
The Company	To be reissued to employees	37,500 thousand	\$ 1,153,554
Subsidiary-Kapok Computer	Long-term investment	16,967 thousand	95,305
Subsidiary-Clevo Investment	Long-term investment	10,081 thousand	108,183

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

		September 30, 2018	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	30,000 thousand	\$ 920,123
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 on the increase of 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 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	<u>128,453</u>	\$ 0.20	<u>-</u>	\$ -
	<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. The dividends per share is NTD 0.8, and the total amount is \$513,810. 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. 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	( 1,212,027)	-	( 1,212,027)
–Tax on Group	34,730	-	34,730
–Associates	( 53,002)	-	( 53,002)
–Tax on associates	<u>10,600</u>	<u>-</u>	<u>10,600</u>
At September 30	<u>(\$ 3,961,304)</u>	<u>\$ 20,922</u>	<u>(\$ 3,940,382)</u>



	2018			
	Available-for- sale investment	Currency translation	Revaluation	Total
At January 1	\$ 97,879	(\$ 2,138,991)	\$ 20,922	(\$ 2,020,190)
Effect of retrospective application (and retrospective restatement)	( 97,879)	-	-	( 97,879)
Valuation adjustment	-	-	-	-
Currency translation differences:				-
–Group	-	( 1,101,270)	-	( 1,101,270)
–Tax on Group	-	( 6,876)	-	( 6,876)
–Associates	-	( 61,652)	-	( 61,652)
–Tax on associates	-	12,403	-	12,403
At September 30	<u>\$ -</u>	<u>(\$ 3,296,386)</u>	<u>\$ 20,922</u>	<u>(\$ 3,275,464)</u>

(22) Operating revenue

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Revenue from contracts with customers		
-Sales revenue of computer products	\$ 4,394,899	\$ 3,728,296
-Land development and resale	604,963	200,641
-Hotel revenue	19,992	23,381
-Other revenue	130,301	128,837
Others-rental revenue	786,190	890,634
	<u>\$ 5,936,345</u>	<u>\$ 4,971,789</u>

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Revenue from contracts with customers		
-Sales revenue of computer products	\$ 11,319,497	\$ 11,652,423
-Land development and resale	2,200,485	830,277
-Hotel revenue	71,603	77,340
-Other revenue	503,055	364,660
Others-rental revenue	2,508,558	2,803,833
	<u>\$ 16,603,198</u>	<u>\$ 15,728,533</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:

Three-month period ended September 30, 2019	Computer Segment	Buynow Plaza			Total
	Computer products	Land development and resale	Hotel accommodations revenue	Others	
Total segment revenue	\$ 8,013,829	\$ 604,963	\$ 19,992	\$ 130,301	\$ 8,769,085
Inter-segment revenue	( 3,618,930)	-	-	-	( 3,618,930)
Revenue from external customer contracts	<u>\$ 4,394,899</u>	<u>\$ 604,963</u>	<u>\$ 19,992</u>	<u>\$ 130,301</u>	<u>\$ 5,150,155</u>
Timing of revenue recognition					
At a point in time	\$ 4,394,899	\$ 604,963	\$ -	\$ 130,301	\$ 5,130,163
Over time	-	-	19,992	-	19,992
	<u>\$ 4,394,899</u>	<u>\$ 604,963</u>	<u>\$ 19,992</u>	<u>\$ 130,301</u>	<u>\$ 5,150,155</u>

Nine-month period ended September 30, 2019	Computer Segment	Buynow Plaza			Total
	Computer products	Land development and resale	Hotel accommodations revenue	Others	
Total segment revenue	\$ 20,134,840	\$ 2,200,485	\$ 71,603	\$ 503,055	\$ 22,909,983
Inter-segment revenue	( 8,815,343)	-	-	-	( 8,815,343)
Revenue from external customer contracts	<u>\$ 11,319,497</u>	<u>\$ 2,200,485</u>	<u>\$ 71,603</u>	<u>\$ 503,055</u>	<u>\$ 14,094,640</u>
Timing of revenue recognition					
At a point in time	\$ 11,319,497	\$ 2,200,485	\$ -	\$ 503,055	\$ 14,023,037
Over time	-	-	71,603	-	71,603
	<u>\$ 11,319,497</u>	<u>\$ 2,200,485</u>	<u>\$ 71,603</u>	<u>\$ 503,055</u>	<u>\$ 14,094,640</u>

Three-month period ended September 30, 2018	Computer Segment	Buynow Plaza			Total
	Computer products	Land development and resale	Hotel accommodations revenue	Others	
Total segment revenue	\$ 6,418,319	\$ 200,641	\$ 23,381	\$ 128,837	\$ 6,771,178
Inter-segment revenue	( 2,690,023)	-	-	-	( 2,690,023)
Revenue from external customer contracts	<u>\$ 3,728,296</u>	<u>\$ 200,641</u>	<u>\$ 23,381</u>	<u>\$ 128,837</u>	<u>\$ 4,081,155</u>
Timing of revenue recognition					
At a point in time	\$ 3,728,296	\$ 200,641	\$ -	\$ 128,837	\$ 4,057,774
Over time	-	-	23,381	-	23,381
	<u>\$ 3,728,296</u>	<u>\$ 200,641</u>	<u>\$ 23,381</u>	<u>\$ 128,837</u>	<u>\$ 4,081,155</u>

Nine-month period ended September 30, 2018	Computer Segment	Buynow Plaza			Total
	Computer products	Land development and resale	Hotel accommodations revenue	Others	
Total segment revenue	\$ 20,309,757	\$ 830,277	\$ 77,340	\$ 364,660	\$ 21,582,034
Inter-segment revenue	( 8,657,334)	-	-	-	( 8,657,334)
Revenue from external customer contracts	<u>\$ 11,652,423</u>	<u>\$ 830,277</u>	<u>\$ 77,340</u>	<u>\$ 364,660</u>	<u>\$ 12,924,700</u>
Timing of revenue recognition					
At a point in time	\$ 11,652,423	\$ 830,277	\$ -	\$ 364,660	\$ 12,847,360
Over time	-	-	77,340	-	77,340
	<u>\$ 11,652,423</u>	<u>\$ 830,277</u>	<u>\$ 77,340</u>	<u>\$ 364,660</u>	<u>\$ 12,924,700</u>

B. Contract assets and liabilities

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

	September 30, 2019	December 31, 2018	September 30, 2018	January 1, 2018
Contract liabilities:				
Contract liabilities –				
Advance				
real estate receipts	\$ 1,165,829	\$ 3,114,721	\$ 2,876,082	\$ 2,520,270
Contract liabilities –				
Advance				
sales receipts	<u>33,802</u>	<u>31,316</u>	<u>44,067</u>	<u>573,749</u>
	<u>\$ 1,199,631</u>	<u>\$ 3,146,037</u>	<u>\$ 2,920,149</u>	<u>\$ 3,094,019</u>

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

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance real estate receipts	\$ 489,261	\$ 4,886
Advance sales receipts	( <u>3,389</u> )	<u>405,827</u>
	<u>\$ 485,872</u>	<u>\$ 410,713</u>
	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Advance real estate receipts	\$ 1,889,828	\$ 332,769
Advance sales receipts	<u>31,316</u>	<u>573,749</u>
	<u>\$ 1,921,144</u>	<u>\$ 906,518</u>

(23) Other income

	<u>Three-month period ended</u> <u>September 30, 2019</u>	<u>Three-month period ended</u> <u>September 30, 2018</u>
Interest income:		
Interest income from bank deposits	\$ 38,650	\$ 25,148
Rent income	17,265	16,884
Dividend income	1,630	1,858
Other income	105,053	52,796
	<u>\$ 162,598</u>	<u>\$ 96,686</u>

	<u>Nine-month period ended</u> <u>September 30, 2019</u>	<u>Nine-month period ended</u> <u>September 30, 2018</u>
Interest income:		
Interest income from bank deposits	\$ 152,815	\$ 77,631
Rent income	51,832	47,080
Dividend income	25,178	32,364
Other income	223,126	292,622
	<u>\$ 452,951</u>	<u>\$ 449,697</u>

(24) Other gains and losses

	<u>Three-month period ended</u> <u>September 30, 2019</u>	<u>Three-month period ended</u> <u>September 30, 2018</u>
Losses on disposals of property, plant, and equipment	(\$ 2,558)	(\$ 845)
Gains on disposals of investment property	463,078	-
Gains on disposals of investments	41,098	173
Foreign exchange losses	( 166,710)	( 359,155)
Gains (losses) on financial assets at fair value through profit or loss	160,999	( 205,826)
Gains on fair value adjustment, investment property	7,491	863,767
Other losses	( 55,902)	( 4,119)
	<u>\$ 447,496</u>	<u>\$ 293,995</u>

	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Gains (losses) on disposals of property, plant, and equipment	\$ 2,218	(\$ 2,855)
Gains (losses) on disposals of investment property	463,078	-
Gains (losses) on disposals of investments	65,089	( 5,176)
Gains (losses) on disposals of subsidiary	-	944,976
Foreign exchange gains (losses)	( 136,094)	( 287,870)
Gains (losses) on financial assets at fair value through profit or loss	538,384	( 329,373)
Gains on fair value adjustment, investment property	848,197	882,487
Impairment loss recognised in profit or loss, non-current asset held for sale	( 160,539)	-
Other losses	( 123,996)	( 16,472)
	<u>\$ 1,496,337</u>	<u>\$ 1,185,717</u>

(25) Finance costs

	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
Interest expense from bank borrowings	\$ 320,570	\$ 311,507
Less: Capitalisation of qualifying assets	( 30,196)	( 115,406)
Financial costs	<u>\$ 290,374</u>	<u>\$ 196,101</u>

	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Interest expense from bank borrowings	\$ 1,063,758	\$ 1,011,989
Less: Capitalisation of qualifying assets	( 185,869)	( 366,014)
Financial costs	<u>\$ 877,889</u>	<u>\$ 645,975</u>

(26) Expenses by nature

	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
Employee benefit expense	\$ 642,059	\$ 657,918
Depreciation charges on property, plant and equipment	23,687	38,908
Amortisation charges on right-of-use assets	17,670	-
Amortisation charges on intangible assets	2,430	2,862
Amortisation charges on long-term prepaid rent	-	1,811
	<u>\$ 685,846</u>	<u>\$ 701,499</u>

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Employee benefit expense	\$ 1,783,600	\$ 1,792,246
Depreciation charges on property, plant and equipment	87,703	123,920
Amortisation charges on right-of-use assets	57,992	-
Amortisation charges on intangible assets	6,571	8,798
Amortisation charges on long-term prepaid rent	-	5,513
	<u>\$ 1,935,866</u>	<u>\$ 1,930,477</u>

(27) Employee benefit expense

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Wages and salaries	\$ 511,284	\$ 537,755
Labour and health insurance fees	16,241	16,405
Pension costs	11,353	11,733
Other personnel expenses	103,181	92,025
	<u>\$ 642,059</u>	<u>\$ 657,918</u>

	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Wages and salaries	\$ 1,433,786	\$ 1,419,780
Labour and health insurance fees	44,979	44,320
Pension costs	34,624	35,533
Other personnel expenses	270,211	292,613
	<u>\$ 1,783,600</u>	<u>\$ 1,792,246</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 three-month and nine-month periods ended September 30, 2019 and 2018, employees' compensation was accrued at (\$3,330), \$20,431, \$86,840 and \$88,431, respectively; while directors' and supervisors' remuneration was accrued at \$5,250, \$13,887, \$13,760 and \$15,887, 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 nine-month period ended September 30, 2019.

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

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

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Current tax:		
Current tax on profits for the period	\$ 497,612	\$ 503,690
Prior year income tax underestimation	-	519
Total current tax	<u>497,612</u>	<u>504,209</u>
Deferred tax:		
Origination and reversal of temporary differences	( 323,273)	( 129,256)
Total deferred tax	<u>( 323,273)</u>	<u>( 129,256)</u>
Income tax expense	<u>\$ 174,339</u>	<u>\$ 374,953</u>
	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Current tax:		
Current tax on profits for the period	\$ 611,794	\$ 1,027,602
5% tax on undistributed surplus earnings	3,956	-
Prior year income tax underestimation	-	10,235
Total current tax	<u>615,750</u>	<u>1,037,837</u>
Deferred tax:		
Origination and reversal of temporary differences	( 56,321)	( 340,626)
Impact of change in tax rate	-	71,400
Total deferred tax	<u>( 56,321)</u>	<u>( 269,226)</u>
Income tax expense	<u>\$ 559,429</u>	<u>\$ 768,611</u>



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

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Currency translation differences	\$ 61,597	\$ 26,946
	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Currency translation differences	\$ 45,330	\$ 5,527

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

C. 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>Three-month period ended September 30, 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	\$ 453,457	605,216	\$ 0.75
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 453,457	605,216	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	2,761	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 453,457	607,977	\$ 0.75

Three-month period ended September 30, 2018			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 201,565	622,716	\$ 0.32
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 201,565	622,716	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	3,049	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 201,565	625,765	\$ 0.32

Nine-month period ended September 30, 2019			
	<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	\$ 1,225,873	613,097	\$ 2.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,225,873	613,097	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	3,785	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,225,873	616,882	\$ 1.99

	<u>Nine-month period ended September 30, 2018</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,423,026	630,439	\$ 2.26
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	1,423,026	630,439	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	3,775	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,423,026	634,214	\$ 2.24

(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:

	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Not later than one year	\$ 438,333	\$ 563,472
Later than one year but not later than five years	1,454,122	2,012,622
Later than five years	1,657,993	2,245,122
	<u>\$ 3,550,448</u>	<u>\$ 4,821,216</u>

B. The Group leases malls under non-cancellable operating lease agreements. These leases have terms expiring between 2007 and 2028, and all these lease agreements are renewable at the end of the lease period. Rental is increased irregularly to reflect market rental rates. Partial leases are charged extra rents following the changes of local price indexes. The Group recognised rental expenses of \$67,143 and \$186,966 for these leases in profit or loss for the three-month and nine-month periods ended September 30, 2018. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Not later than one year	\$ 89,702	\$ 177,654
Later than one year but not later than five years	-	221,082
	<u>\$ 89,702</u>	<u>\$ 398,736</u>

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(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Purchase of property, plant and equipment	\$ 727,769	\$ 1,021,978
Add: Ending balance of prepayment	65,851	-
Less: Opening balance of prepayment	-	( 1,125)
Less: Capitalisation of interest	( 75,071)	( 205,708)
Cash paid during the period	<u>\$ 718,549</u>	<u>\$ 815,145</u>
Purchase of investment property	\$ 87,571	\$ 125,343
Add: Opening balance of payable	1,077,057	1,169,114
Less: Ending balance of payable	( 1,247,088)	( 810,595)
Less: Effect of changes between consolidated entities	-	( 43,592)
Cash paid during the period	<u>(\$ 82,460)</u>	<u>\$ 440,270</u>
Proceeds from disposal of property, plant and equipment	\$ 259,680	\$ -
Add: Opening balance of receivable	-	-
Less: Ending balance of receivable	( 85,464)	-
Cash received during the period	<u>\$ 174,216</u>	<u>\$ -</u>
Disposal of available-for-sale financial assets	\$ -	\$ -
Add: Opening balance of receivable	-	44,115
Less: Ending balance of receivable	-	-
Cash received during the period	<u>\$ -</u>	<u>\$ 44,115</u>
Disposal of subsidiary	\$ -	\$ 2,013,423
Add: Opening balance of other receivable	961,722	-
Less: Cash by subsidiary	-	( 94,516)
Less: Ending balance of other receivable	-	( 924,014)
Cash received during the period	<u>\$ 961,722</u>	<u>\$ 994,893</u>
Purchase of treasury stocks	\$ 386,017	\$ 607,920
Add: Opening balance of payable	17,458	-
Less: Ending balance of payable	-	-
Cash paid during the period	<u>\$ 403,475</u>	<u>\$ 607,920</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
	borrowings	borrowings		
At January 1, 2019	\$ 8,426,966	\$ 34,584,482	\$ 5,000,000	\$ 48,011,448
Changes in cash flow from financing activities	2,396,418	( 7,902,935)	-	( 5,506,517)
Impact of changes in foreign exchange rate	( 93,428)	( 191,907)	-	( 285,335)
At September 30, 2019	<u>\$ 10,729,956</u>	<u>\$ 26,489,640</u>	<u>\$ 5,000,000</u>	<u>\$ 42,219,596</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	1,573,864	( 2,140,792)	-	( 566,928)
Impact of changes in foreign exchange rate	36,705	( 73,609)	-	( 36,904)
Changes in loss of control in subsidiaries (Note)	-	( 2,706,706)	-	( 2,706,706)
At September 30, 2018	<u>\$ 7,832,041</u>	<u>\$ 30,484,522</u>	<u>\$ 5,000,000</u>	<u>\$ 43,316,563</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

### (2) Significant related party transactions

#### A. Operating revenue

	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Sales of goods:		
-Associates	\$ -	\$ -
Sales of services:		
-Other related parties	\$ -	\$ 40
-Associates	-	2,198
	<u>\$ -</u>	<u>\$ 2,238</u>

	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Sales of goods:		
-Associates	\$ <u>31,426</u>	\$ <u>-</u>
Sales of services:		
-Other related parties	\$ 1,261	\$ 155
-Associates	<u>602</u>	<u>10,628</u>
	<u>\$ 1,863</u>	<u>\$ 10,783</u>

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

**B. Purchases**

	<u>Three-month period ended September 30, 2019</u>	<u>Three-month period ended September 30, 2018</u>
Purchases of goods:		
-Other related parties	\$ <u>315,401</u>	\$ <u>163,966</u>
	<u>Nine-month period ended September 30, 2019</u>	<u>Nine-month period ended September 30, 2018</u>
Purchases of goods:		
-Other related parties	\$ <u>673,221</u>	\$ <u>587,619</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>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Accounts receivable:			
-Associates	\$ <u>1,045</u>	\$ <u>3,166</u>	\$ <u>-</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>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Accounts payable:			
-Other related party	\$ <u>354,406</u>	\$ <u>262,229</u>	\$ <u>202,216</u>

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



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

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Other receivables:			
-Chicony Dalu Enterprise (Chengdu) Co., Ltd.	\$ 43,813	\$ -	\$ -
-Chicony Industry (Wuhan) Co., Ltd.	52,576	-	-
-Chicony Square (Wuhan) Inc.	-	961,722	924,014
	<u>\$ 96,389</u>	<u>\$ 961,722</u>	<u>\$ 924,014</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. Guarantee deposit

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Chicony Square (Wuhan) Inc.	\$ -	\$ 892,533	\$ -

G. Property transactions

(a) Disposal of property, plant and equipment:

	<u>Nine-month period ended September 30, 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>Nine-month period ended September 30, 2019</u>	
<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Disposal proceeds</u>	<u>Gain</u>
Chicony Dalu Enterprise (Chengdu) Co., Ltd.	Intangible assets	-	\$ 1,518	\$ -

<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Nine-month period ended</u>		
			<u>Disposal proceeds</u>	<u>Gain/(loss)</u>	
Chicony Square (Wuhan) Inc.	Disposal of subsidiaries	15,000,000	Buynow (Wuhan) Corporation	\$ 2,013,423	\$ 944,976

#### H. Loans from related parties

Loans from related parties (shown as other liabilities – current and non-current)

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Chicony Industry (Wuhan) Co., Ltd.	\$ -	\$ -	\$ 444,137
Chicony Square (Cayman) Inc.	437,297	434,026	430,797
Chicony Square (Wuhan) Inc.	10,962	6,728	4,441
	<u>\$ 448,259</u>	<u>\$ 440,754</u>	<u>\$ 879,375</u>

The loans from associates are payable at maturity within 1~5 years after the loan is made and carry interest both at 0%~5% per annum for the years ended December 31, 2019 and 2018. The amount of interest payable (recognised as other payables) as of September 30, 2019, December 31, 2018 and September 30, 2018 was \$420, \$102, and \$843, respectively. Additionally, interest expense recognised for the three-month and nine-month periods ended September 30, 2019 and 2018 was \$121, \$462, \$1,320 and \$8,127, respectively.

#### I. Lease transactions - lessee

(a) The Group leases buildings from Honghui Real Estate Company for the nine-month period ended September 30, 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 year.

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

	<u>September 30, 2019</u>
Other related parties	\$ 74,442

On July 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by \$74,442.

(c) Rent expense of short-term leases

	<u>Nine-month period ended</u>	<u>Nine-month period ended</u>
	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Other related parties	\$ 11,159	\$ 22,660

(d) Lease liabilities

(i) Outstanding balance:

	<u>September 30, 2019</u>
Other related parties	<u>\$ 70,720</u>
(ii) Interest expense	

	<u>Nine-month period ended</u> <u>September 30, 2019</u>
Other related parties	<u>\$ 509</u>

The Group leased property, plant, and equipment from related parties for the nine-month periods ended September 30, 2019 and 2018. The rental prices per square meter are approximately the same as those with related parties.

#### J. Others

The joint guarantor and co-issuer of the guarantee notes of bank borrowings is Kent Hsu for the nine-month periods ended September 30, 2019 and 2018.

#### (3) Key management compensation

	<u>Three-month period ended</u> <u>September 30, 2019</u>	<u>Three-month period ended</u> <u>September 30, 2018</u>
Salaries and other short-term employee benefits	\$ 37,337	\$ 63,325
Post-employment benefits	308	358
	<u>\$ 37,645</u>	<u>\$ 63,683</u>

	<u>Nine-month period ended</u> <u>September 30, 2019</u>	<u>Nine-month period ended</u> <u>September 30, 2018</u>
Salaries and other short-term employee benefits	\$ 74,615	\$ 88,178
Post-employment benefits	970	1,069
	<u>\$ 75,585</u>	<u>\$ 89,247</u>

## 8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>			<u>Purpose</u>
	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>	
Inventories	\$ -	\$ 383,644	\$ 242,103	Long-term borrowings
Financial assets at amortised cost (current and non-current)	3,496,331	4,940,430	4,981,203	STANDBY L/C, long-term and short-term borrowings
Property, plant and equipment (non-depreciated balance)	2,619,756	1,644,480	3,346,851	Long-term borrowings
Investment property and right-of-use asset (long-term prepaid)	58,696,971	59,758,127	61,003,928	Long-term and short-term borrowings
	<u>\$ 64,813,058</u>	<u>\$ 66,726,681</u>	<u>\$ 69,574,085</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

None.

### (2) Commitments

- A. As of September 30, 2019, December 31, 2018, and September 30, 2018, the Company issued guarantee notes amounting to \$24,299,765, \$22,216,186 and \$22,427,921, respectively, for bank repayment and forward exchange trading.
- B. On December 28, 2018, the Company entered into a syndicated loan agreement with 9 banks including Taiwan Cooperative Bank amounting to \$6,000,000 and provided equal amount of guarantee notes. The Company and the Chairman of the Group are the joint guarantors and co-issuers of the guarantee notes.
- C. On May 20, 2015, the Group's consolidated subsidiary, CLEVO (CAYMAN ISLANDS) HOLDING COMPANY, entered into a syndicated loan agreement with 7 banks including Land Bank of Taiwan amounting to USD 120 million and provided equal amount of guarantee notes. The Company, the Group's consolidated subsidiary, CLEVO (CAYMAN ISLANDS) HOLDING COMPANY, and the Chairman of the Group are the joint guarantors and co-issuers of the guarantee notes.
- D. As of September 30, 2019, December 31, 2018, and September 30, 2018, the Group's total contract prices for signed construction contracts amounted to \$8,126,200, \$13,259,931, and \$12,521,992, of which \$7,435,086, \$12,292,558, and \$11,686,711 were paid and \$691,114, \$967,373, and \$835,281 remain unpaid, respectively.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On October 18, 2019, the Company and EPOQUE CORPORATION obtained the contract negotiation rights as the most-qualified applicant for the land development project of Taipei City Western District Gateway Project-Taipei Main Station Special Zone. The project will be co-invested by the Company and EPOQUE CORPORATION through establishing TAIPEI TWIN CORPORATION, whose 50% shares will be held by the Company.

## 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 September 30, 2019, December 31, 2018 and September 30, 2018 were as follows:

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
Total borrowings	\$ 42,219,596	\$ 48,011,448	\$ 43,316,563
Less: Cash and cash equivalents	( 7,141,961)	( 7,796,543)	( 3,646,625)
Net debt	35,077,635	40,214,905	39,669,938
Total equity	40,848,725	41,857,130	41,434,732
Total capital	<u>\$ 75,926,360</u>	<u>\$ 82,072,035</u>	<u>\$ 81,104,670</u>
Gearing ratio	46%	49%	49%

(Remainder of page intentionally left blank)

## (2) Financial instruments

### A. Financial instruments by category

	<u>September 30, 2019</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	\$ 1,734,202	\$ 1,322,990	\$ 1,393,619
Financial assets at amortised cost	<u>13,531,295</u>	<u>15,606,732</u>	<u>11,999,401</u>
	<u>\$ 15,265,497</u>	<u>\$ 16,929,722</u>	<u>\$ 13,393,020</u>
<u>Financial liabilities</u>			
Financial liabilities at amortised	<u>\$ 48,016,335</u>	<u>\$ 53,964,173</u>	<u>\$ 48,680,207</u>
Lease liability	<u>\$ 70,720</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Financial assets at amortised cost include cash and cash equivalents, accounts and notes receivable, 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, other payables, corporate bonds payable, long-term borrowings, guarantee deposits received and other financial liabilities.

### 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:

	September 30, 2019		
	Foreign currency amount		Book value
	(In thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 300,966	31.06	\$ 9,332,956
USD:RMB	9,626	7.07	298,084
RMB:NTD	286,508	4.38	1,254,905
HKD:NTD	32,661	3.96	129,338
JPY:NTD	6,206,733	0.29	1,799,953
<u>Investments accounted for using the equity method</u>			
USD:NTD	73,930	31.01	2,409,144
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	97,727	31.01	3,030,514
USD:RMB	254,639	7.07	7,885,304
JPY:NTD	-	0.29	-

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
September 30, 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	\$ 267,061	30.55	\$ 8,158,714
USD:RMB	15,176	6.88	463,584
RMB:NTD	404,135	4.44	1,794,359
HKD:NTD	57,861	3.90	225,658
JPY:NTD	76,235	0.27	20,583
<u>Investments accounted for using the equity method</u>			
USD:NTD	81,385	30.55	2,486,304
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	129,460	30.55	3,955,003
USD:RMB	164,997	6.88	5,040,196
JPY:NTD	11,400	0.27	3,078



- 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 three-month and nine-month periods ended September 30, 2019 and 2018 amounted to (\$166,710), (\$359,155), (\$136,094) and (\$287,870), respectively.
- viii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

		Nine-month period ended September 30, 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%	\$	74,664	\$ -
USD:RMB	1%		2,385	-
RMB:NTD	1%		10,039	-
HKD:NTD	1%		1,035	-
JPY:NTD	1%		14,400	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%		24,244	-
USD:RMB	1%		63,082	-
JPY:NTD	1%		-	-

Nine-month period ended September 30, 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%	\$ 65,270	\$ -
USD:RMB	1%	3,709	-
RMB:NTD	1%	14,355	-
HKD:NTD	1%	1,807	-
JPY:NTD	1%	164	
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	31,640	-
USD:RMB	1%	40,322	-
JPY:NTD	1%	25	-

#### 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 nine-month periods ended September 30, 2019 and 2018 would have increased/decreased by \$16,371 and \$12,985, 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 nine-month periods ended September 30, 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 nine-month periods ended September 30, 2019 and 2018

would have decreased/increased by \$292,968 and \$308,612, 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, 2018, the Group's written-off financial assets that are still under recourse procedures amounted to \$50,259. There were no such transactions as of September 30, 2019 and 2018.

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 September 30, 2019, December 31, 2018, and September 30, 2018, the provision matrix is as follows:

	Not past due	1~90 days past due	91~180 days past due
<u>At September 30, 2019</u>			
Expected loss rate	0.02%~0.03%	0.02%~1.74%	7.67%~10.40%
Total book value	\$ 1,858,890	\$ 483,867	\$ 69,443
Loss allowance	298	1,262	5,529
	181~270 days past due	Over 270 days	Total
Expected loss rate	%	100.00%	
Total book value	\$ 45,380	\$ 6,541	\$ 2,464,121
Loss allowance	28,528	6,541	42,158
	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

	Not past due	1~90 days past due	91~180 days past due
<u>At September 30, 2018</u>			
Expected loss rate	0.03%~0.06%	0.03%~0.28%	0.03%~100%
Total book value	\$ 1,480,612	\$ 429,337	\$ 47,397
Loss allowance	851	1,110	310
	181~270 days past due	Over 270 days	Total
Expected loss rate	0.03%~100%	100.00%	
Total book value	\$ 33,803	\$ 40,581	\$ 2,031,730
Loss allowance	663	40,581	43,515

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	( 13,818)
Effect of foreign exchange	404
At September 30	<u>\$ 42,158</u>
	2018
	Accounts receivable
At January 1	\$ 97,704
Provision for impairment	5,550
Write-offs	( 50,259)
Effect of foreign exchange	( 6,074)
Effect of changes between consolidated entities (Note)	( 3,406)
At September 30	<u>\$ 43,515</u>

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.

September 30, 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	\$ 13,610	\$ 14,794	\$ 42,316	\$ -
Bonds payable	75,000	5,012,500	-	-
Long-term borrowings (including current portion)	6,010,283	5,334,103	14,767,317	1,233,481
Guarantee deposits	-	708,884	-	-
Other financial liabilities - non-current	-	-	437,297	-
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	-	-
Other financial liabilities - non-current	-	-	434,026	-
September 30, 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	\$ 5,068,750	\$ -	\$ -
Long-term borrowings (including current portion)	8,445,622	7,656,959	14,087,993	1,216,421
Guarantee deposits	-	658,863	-	-
Other financial liabilities - non-current	-	-	430,797	-

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.

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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 September 30, 2019, December 31, 2018 and September 30, 2018 is as follows:

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

<u>September 30, 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 1,028,240	\$ -	\$ -	\$ 1,028,240
Beneficiary certificates	10,130	695,832	-	705,962
Investment property (Note)	-	-	62,899,784	62,899,784
	<u>\$ 1,038,370</u>	<u>\$ 695,832</u>	<u>\$ 62,899,784</u>	<u>\$ 64,633,986</u>
<u>December 31, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 895,174	\$ -	\$ -	\$ 895,174
Beneficiary certificates	14,497	413,319	-	427,816
Investment property (Note)	-	-	65,426,212	65,426,212
	<u>\$ 909,671</u>	<u>\$ 413,319</u>	<u>\$ 65,426,212</u>	<u>\$ 66,749,202</u>
<u>September 30, 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 950,749	\$ -	\$ -	\$ 950,749
Beneficiary certificates	15,050	427,820	-	442,870
Investment property (Note)	-	-	64,676,873	64,676,873
	<u>\$ 965,799</u>	<u>\$ 427,820</u>	<u>\$ 64,676,873</u>	<u>\$ 66,070,492</u>

Note : Investment property measured at fair value

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



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

	<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 nine-month periods ended September 30, 2019 and 2018, there was no transfer between Level 1 and Level 2.
- E. The movement of Level 3 for the nine-month periods ended September 30, 2019 and 2018 are

provided in Note 6(9).

- F. For the nine-month periods ended September 30, 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 September 30, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 62,899,784	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).

	Fair value at September 30, 2018	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Investment property	\$ 64,676,873	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 September 30, 2019, the Group's open interest derivative instruments were \$0. The Group recognised net profit amounting to \$17,923 on derivative instruments for the nine-month period ended September 30, 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 nine-month period ended September 30, 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) Segment information

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

<u>Three-month period ended</u>	<u>Computer</u>			
<u>September 30, 2019</u>	<u>Segment</u>	<u>Buynow Plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 4,394,900	\$ 1,523,067	\$ 18,378	\$ 5,936,345
Inter-segment revenue	3,618,930	1,570	-	3,620,500
Total segment revenue	<u>\$ 8,013,830</u>	<u>\$ 1,524,637</u>	<u>\$ 18,378</u>	<u>\$ 9,556,845</u>
External-segment income (before tax)	<u>\$ 75,064</u>	<u>\$ 107,159</u>	<u>\$ 450,089</u>	<u>\$ 632,312</u>
Segment income (after tax)	<u>\$ 81,126</u>	<u>(\$ 73,350)</u>	<u>\$ 450,198</u>	<u>\$ 457,974</u>
<u>Nine-month period ended</u>	<u>Computer</u>			
<u>September 30, 2019</u>	<u>Segment</u>	<u>Buynow Plaza</u>	<u>Others</u>	<u>Total</u>
Revenue from external customers	\$ 11,319,498	\$ 5,182,250	\$ 101,450	\$ 16,603,198
Inter-segment revenue	8,815,343	4,611	( 692)	8,819,262
Total segment revenue	<u>\$ 20,134,841</u>	<u>\$ 5,186,861</u>	<u>\$ 100,758</u>	<u>\$ 25,422,460</u>
External-segment income (before tax)	<u>\$ 38,520</u>	<u>\$ 1,246,289</u>	<u>\$ 505,529</u>	<u>\$ 1,790,338</u>
Segment income (after tax)	<u>\$ 177,253</u>	<u>\$ 547,808</u>	<u>\$ 505,848</u>	<u>\$ 1,230,909</u>

<u>Three-month period ended</u> <u>September 30, 2018</u>	Computer Segment	Buynow Plaza	Others	Total
Revenue from external customers	\$ 3,728,296	\$ 1,204,110	\$ 39,383	\$ 4,971,789
Inter-segment revenue	2,690,023	1,568	( 806)	2,690,785
Total segment revenue	<u>\$ 6,418,319</u>	<u>\$ 1,205,678</u>	<u>\$ 38,577</u>	<u>\$ 7,662,574</u>
External-segment income (before tax)	(\$ 327,771)	\$ 880,770	\$ 23,770	\$ 576,769
Segment income (after tax)	<u>(\$ 359,819)</u>	<u>\$ 537,822</u>	<u>\$ 23,813</u>	<u>\$ 201,816</u>

<u>Nine-month period ended</u> <u>September 30, 2018</u>	Computer Segment	Buynow Plaza	Others	Total
Revenue from external customers	\$ 11,652,423	\$ 3,958,563	\$ 117,547	\$ 15,728,533
Inter-segment revenue	8,657,334	4,664	( 806)	8,661,192
Total segment revenue	<u>\$ 20,309,757</u>	<u>\$ 3,963,227</u>	<u>\$ 116,741</u>	<u>\$ 24,389,725</u>
External-segment income (before tax)	(\$ 294,466)	\$ 2,397,156	\$ 89,870	\$ 2,192,560
Segment income (after tax)	<u>(\$ 411,803)</u>	<u>\$ 1,745,678</u>	<u>\$ 90,074</u>	<u>\$ 1,423,949</u>

(Note): The chief operating decision maker does not use the measured amount of the assets as a measurement indicator; therefore, such information is not disclosed.

(3) 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:

Revenue	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Reportable segments revenue	\$ 9,538,467	\$ 7,623,997
Other segments revenue	18,378	38,577
Elimination of intersegment revenue	( 3,620,500)	( 2,690,785)
Total revenue	<u>\$ 5,936,345</u>	<u>\$ 4,971,789</u>

Revenue	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Reportable segments revenue	\$ 25,321,702	\$ 24,272,984
Other segments revenue	100,758	116,741
Elimination of intersegment revenue	( 8,819,262)	( 8,661,192)
Total revenue	<u>\$ 16,603,198</u>	<u>\$ 15,728,533</u>

Income/(Loss)	Three-month period ended September 30, 2019	Three-month period ended September 30, 2018
Reportable segments income (after tax)	\$ 7,776	\$ 178,003
Other segments income (after tax)	450,198	23,813
Elimination of intersegment transactions	-	-
Income after tax from continuing operations	<u>\$ 457,974</u>	<u>\$ 201,816</u>

Income/(Loss)	Nine-month period ended September 30, 2019	Nine-month period ended September 30, 2018
Reportable segments income (after tax)	\$ 725,061	\$ 1,333,875
Other segments income (after tax)	505,848	90,074
Elimination of intersegment transactions	-	-
Income after tax from continuing operations	<u>\$ 1,230,909</u>	<u>\$ 1,423,949</u>

CLEVO CO. and Subsidiaries  
Loans to others  
Nine-month period ended September 30, 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 nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
0	The Company	Clevo (Cayman Islands) Holding Company	Other current financial assets	Yes	\$ 800,000	\$ 800,000	\$ 769,178	1.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
1	Kapok Computer Co., Ltd.	The Company	Other current financial assets	Yes	55,000	55,000	55,000	1.04%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
2	Clevo Investment Co., Ltd.	The Company	Other current financial assets	Yes	49,000	49,000	49,000	1.04%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
3	Clevo Computer Singapore Ptd., Ltd.	The Company	Other non-current financial assets	Yes	120,955	120,955	120,955	0.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Kapok Computer (Samoa) Corporation	Other non-current financial assets	Yes	894,070	-	-	3 months LIBOR+1.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow Electronic Information (Hangzhou) Co., Ltd.	Other current financial assets	Yes	139,563	139,563	139,563	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Other current financial assets	Yes	139,563	139,563	139,563	6 months LIBOR+1.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	62,028	62,028	62,028	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Other current financial assets	Yes	91,491	91,491	91,491	6 months LIBOR+1.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	93,042	93,042	93,042	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	93,042	93,042	93,042	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
4	Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Other current financial assets	Yes	201,591	201,591	201,591	6 months LIBOR+2%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
4	Clevo (Cayman Islands) Holding Company	Kunshan Kaishuo Trading Co., Ltd.	Other non-current financial assets	Yes	\$ 157,857	\$ 153,472	\$ 153,472	3.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	131,109	125,189	125,189	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	212,668	188,990	188,990	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	17,540	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	138,563	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	41,657	41,657	41,657	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	133,082	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	16,575	16,575	16,575	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	208,941	208,941	208,941	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	123,216	123,216	123,216	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
5	Buynow Electronic Information (Hangzhou) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	32,887	23,679	23,679	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8



NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	\$ 28,502	\$ 28,502	\$ 28,502	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	236,785	188,551	188,551	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	126,724	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	305,764	284,278	284,278	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	2,192	877	877	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other current financial assets	Yes	105,238	105,238	105,238	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	64,458	62,266	62,266	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd.	Other current financial assets	Yes	131,898	131,898	131,898	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	202,408	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	299,139	299,139	299,139	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 167,723	\$ 167,723	\$ 167,723	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
6	Buynow (Chengdu) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	138,563	37,710	37,710	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	5,043	5,043	5,043	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	148,605	6,139	6,139	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	342,243	342,243	342,243	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	128,478	128,478	128,478	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	129,793	9,208	9,208	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	131,109	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	122,120	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
7	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	89,014	89,014	89,014	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	\$ 324,264	\$ 324,264	\$ 324,264	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	397,142	103,572	103,572	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	547,106	547,106	547,106	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other current financial assets	Yes	175,397	175,397	175,397	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	719,652	719,652	719,652	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	83,313	83,313	83,313	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	436,299	436,299	436,299	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
8	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	555,569	555,569	555,569	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other current financial assets	Yes	58,758	58,758	58,758	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	15,786	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other current financial assets	Yes	10,524	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	263,095	32,887	32,887	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	83,313	83,313	83,313	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	279,845	273,268	273,268	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	118,831	118,831	118,831	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
9	Buynow (Nanchang) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 213,545	\$ 182,851	\$ 182,851	5.00%	2	\$ -	Additional operating capital	\$ -	\$ -	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
9	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	91,206	67,089	67,089	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	63,011	63,011	63,011	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	45,165	34,202	34,202	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	197,058	197,058	197,058	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	182,500	182,500	182,500	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other current financial assets	Yes	42,095	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	106,553	14,470	14,470	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	10,962	4,385	4,385	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	28,502	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	84,936	82,743	82,743	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	37,053	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
10	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	\$ 14,909	\$ -	\$ -	5.00%	2	-	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
11	Buynow (Guangzhou) Corporation	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	155,070	155,070	155,070	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	103,265	96,687	96,687	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	32,887	32,887	32,887	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	4,385	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	134,222	134,222	134,222	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	9,121	1,096	1,096	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	23,459	23,459	23,459	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
12	Buynow Electronic Information (Shenyang) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	50,470	50,470	50,470	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	Other current financial assets	Yes	7,717	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	121,024	34,641	34,641	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow(Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	59,898	47,182	47,182	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	\$ 133,082	\$ 82,656	\$ 82,656	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	78,928	57,004	57,004	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	249,458	247,704	247,704	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd.	Other current financial assets	Yes	53,803	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	215,602	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	83,313	30,694	30,694	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
13	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Xiamen Lejing Internet Bar Co., Ltd.	Other current financial assets	Yes	438	438	438	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	9,208	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	211,791	153,691	153,691	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
14	Buynow (Xian) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 35,079	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	188,551	75,201	75,201	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
14	Buynow (Xian) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	124,093	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	152,332	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	48,190	48,190	48,190	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	166,627	157,857	157,857	5.00%	2	-	Additional operating capita	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	131,324	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other current financial assets	Yes	4,385	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	145,000	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	78,753	78,753	78,753	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	4,385	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
15	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 4,385	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
15	Buynow (Changchun) Industry Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	66,168	31,089	31,089	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	32,098	32,098	32,098	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	47,576	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	83,664	75,771	75,771	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	6,577	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	106,553	94,056	94,056	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	6,577	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
16	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	40,780	40,780	40,780	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	4,385	4,385	4,385	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8



NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
17	Quality Trust Property Management Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 35,517	\$ 31,352	\$ 31,352	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	41,437	41,437	41,437	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Wuxi Quntai Property Management Co., Ltd.	Other current financial assets	Yes	1,315	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other current financial assets	Yes	6,577	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	81,472	70,948	70,948	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	8,770	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	13,155	13,155	13,155	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
17	Quality Trust Property Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	2,192	2,192	2,192	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
18	Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	93,042	93,042	93,042	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	106,203	6,577	6,577	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	8,827	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	\$ 185,482	\$ 185,482	\$ 185,482	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	120,147	115,104	115,104	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other current financial assets	Yes	2,192	2,192	2,192	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	32,448	29,598	29,598	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other current financial assets	Yes	26,309	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	67,089	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	156,138	156,138	156,138	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	4,385	4,385	4,385	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
19	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	48,234	48,234	48,234	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
20	Wuxi Quntai Property Management Co., Ltd.	Quality Trust Property Management Co., Ltd.	Other current financial assets	Yes	\$ 4,823	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	7,235	7,235	7,235	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
20	Wuxi Quntai Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	12,278	8,331	8,331	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
21	Buynow (Chongqing) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	213,721	114,622	114,622	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	215,036	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Chengdu) Electronic Information Co., Ltd.	Other current financial assets	Yes	4,385	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	51,216	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	Other current financial assets	Yes	146,456	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	80,682	37,272	37,272	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	198,593	187,630	187,630	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	Other current financial assets	Yes	14,032	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	158,471	158,471	158,471	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 39,464	\$ -	\$ -	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	59,635	55,250	55,250	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	473,571	469,186	469,186	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	6,577	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	32,887	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	195,129	195,129	195,129	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	99,538	38,149	38,149	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
22	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Shanghai Huizhuan Restaurant Management Co., Ltd.	Other current financial assets	Yes	19,732	19,732	19,732	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
23	Daqing Buynow Electronic Information Co., Ltd.	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	149,087	149,087	149,087	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	142,948	140,756	140,756	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	207,406	67,308	67,308	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
24	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	\$ 82,875	\$ 57,881	\$ 57,881	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	219,947	197,146	197,146	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	140,510	140,510	140,510	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	32,010	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	168,512	168,512	168,512	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	114,008	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	74,982	50,865	50,865	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	69,238	69,238	69,238	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
24	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	28,502	28,502	28,502	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
25	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	21,925	21,925	21,925	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
25	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	30,694	30,694	30,694	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
25	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	488,260	488,260	488,260	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
25	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	\$ 127,163	\$ 127,163	\$ 127,163	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
25	Buynow (Yancheng) Electronic Information Technology Development Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	24,775	24,775	24,775	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
26	Beijing Clevo Investment Management Consultant Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	249,326	203,022	203,022	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
26	Beijing Clevo Investment Management Consultant Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other current financial assets	Yes	192,936	179,343	179,343	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
26	Beijing Clevo Investment Management Consultant Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	169,872	113,745	113,745	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	403,149	375,963	375,963	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	Other current financial assets	Yes	301,463	249,940	249,940	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	Other current financial assets	Yes	58,319	58,319	58,319	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Other current financial assets	Yes	192,936	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
27	Guangdong Buynow Real Estate Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	Other current financial assets	Yes	\$ 131,942	\$ 39,289	\$ 39,289	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	Other current financial assets	Yes	50,427	50,427	50,427	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	Other current financial assets	Yes	33,764	11,839	11,839	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	134,266	125,496	125,496	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	Other current financial assets	Yes	199,426	192,059	192,059	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	304,743	129,346	129,346	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	Other current financial assets	Yes	24,117	24,117	24,117	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	34,202	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	161,803	161,803	161,803	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	215,124	188,814	188,814	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	22,802	22,802	22,802	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	241,271	43,849	43,849	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8

NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
27	Guangdong Buynow Real Estate Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	\$ 192,936	\$ 192,936	\$ 192,936	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
27	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	Other current financial assets	Yes	21,925	21,925	21,925	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
28	Shantou Buynow Mall Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Other current financial assets	Yes	19,732	19,732	19,732	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
28	Shantou Buynow Mall Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	7,893	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
28	Shantou Buynow Mall Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	Other current financial assets	Yes	8,770	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
29	Clevo (China) Investment Co., Ltd.	Shanghai Buynow Online Information Technology Co., Ltd.	Other current financial assets	Yes	11,401	11,401	11,401	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
29	Clevo (China) Investment Co., Ltd.	Shanghai Huihei Advertisement Co., Ltd.	Other current financial assets	Yes	8,770	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
30	Anshan Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	61,389	61,389	61,389	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
31	Guiyang Buynow Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	4,385	4,385	4,385	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
32	Suzhou Jinzuo Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	2,192	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
32	Suzhou Jinzuo Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	47,971	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
33	Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	201,591	201,591	201,591	6 months LIBOR+2.5 %	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
34	Taizhou Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	135,932	120,147	120,147	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8



NO. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2019 (Note 3)	Balance at September 30, 2019 (Note 9)	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	Ceiling on total loans granted	Footnote
													Item	Value			
35	Dezhou Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	Other current financial assets	Yes	\$ 9,866	\$ 9,866	\$ 9,866	5.00%	2	\$ -	Additional operating capital	\$ -	-	\$ -	\$ 16,337,913	\$ 40,844,783	Note 8
35	Dezhou Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	236,785	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
35	Dezhou Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	Other current financial assets	Yes	57,355	57,355	57,355	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
36	Quanzhou Buynow Industry Co., Ltd.	Beijing Clevo Investment Management Consultant Co., Ltd.	Other current financial assets	Yes	28,502	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
37	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	Other current financial assets	Yes	124,093	101,292	101,292	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
37	Kunshan Kaishuo Trading Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	13,155	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	Note 8
38	Shanghai Huihei Advertisement Co., Ltd.	Shantou Buynow Mall Co., Ltd.	Other current financial assets	Yes	4,385	-	-	5.00%	2	-	Additional operating capital	-	-	-	16,337,913	40,844,783	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 limit 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 assets.

(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  
Nine-month period ended September 30, 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 September 30, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 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	\$ 40,844,783	\$ 4,962,240	\$ 4,962,240	\$ 1,023,462	\$ -	12.15	\$ 81,689,566	Y	N	N	-
0	The Company	Kapok Computer (Samoa) Corporation	2	40,844,783	1,271,574	1,085,490	82,929	-	2.66	81,689,566	Y	N	N	-
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	3	40,844,783	155,070	155,070	-	-	0.38	81,689,566	Y	N	Y	-
0	The Company	Buynow (Xian) Industry Co., Ltd.	3	40,844,783	241,909	130,259	130,259	-	0.32	81,689,566	Y	N	Y	-
0	The Company	Tianjin Buynow Electronic Information Co., Ltd.	3	40,844,783	446,072	-	-	-	-	81,689,566	Y	N	Y	-
0	The Company	Shantou Buynow Mall Co., Ltd.	3	40,844,783	438,490	438,490	219,245	-	1.07	81,689,566	Y	N	Y	-
0	The Company	Buynow (Chongqing) Industry Co., Ltd.	3	40,844,783	131,810	-	-	-	-	81,689,566	Y	N	Y	-
0	The Company	Buynow (Chengdu) Electronic Information Co., Ltd.	3	40,844,783	434,196	403,182	403,182	-	0.99	81,689,566	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 September 30, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 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	\$ 40,844,783	\$ 500,518	\$ 500,518	\$ 500,518	\$ -	1.23	\$ 81,689,566	Y	N	Y	-
0	The Company	Dezhou Buynow Electronic Information Co., Ltd.	3	40,844,783	232,605	232,605	232,605	-	0.57	81,689,566	Y	N	Y	-
0	The Company	Buynow Electronic Information (Hangzhou) Co., Ltd.	3	40,844,783	100,796	100,796	100,796	100,796	0.25	81,689,566	Y	N	Y	-
0	The Company	Taizhou Buynow Electronic Information Co., Ltd.	3	40,844,783	306,943	131,547	131,547	131,547	0.32	81,689,566	Y	N	Y	-
0	The Company	Suzhou Jinzuo Industry Co., Ltd.	3	40,844,783	219,245	-	-	-	-	81,689,566	Y	N	Y	-
0	The Company	Buynow (Jinzhou) Industry Co., Ltd.	3	40,844,783	438,490	438,490	399,903	438,490	1.07	81,689,566	Y	N	Y	-
0	The Company	Buynow (Nanchang) Industry Co., Ltd.	3	40,844,783	219,245	219,245	175,396	219,245	0.54	81,689,566	Y	N	Y	-
0	The Company	Guangdong Buynow Real Estate Management Co., Ltd.	3	40,844,783	131,547	131,547	-	131,547	0.32	81,689,566	Y	N	Y	-
1	Changsha Hungyu Business Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	40,844,783	306,943	306,943	153,472	306,943	0.75	40,844,783	N	N	Y	-
2	Buynow Electronic Information (Hangzhou) Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	40,844,783	206,090	206,090	153,340	206,090	0.50	40,844,783	N	N	Y	-
2	Buynow Electronic Information (Hangzhou) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	40,844,783	87,698	87,698	87,698	87,698	0.21	40,844,783	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 September 30, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 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	\$ 40,844,783	\$ 2,192,450	\$ 2,192,450	\$ 1,232,253	\$ 2,192,450	5.37	\$ 40,844,783	N	N	Y	-
3	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	40,844,783	438,490	438,490	346,407	-	1.07	40,844,783	N	N	Y	-
3	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	40,844,783	219,245	219,245	175,396	-	0.54	40,844,783	N	N	Y	-
4	Buynow Electronic Information (Shenyang) Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	40,844,783	876,980	-	-	-	-	40,844,783	N	N	Y	-
5	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	40,844,783	701,584	701,584	-	-	1.72	40,844,783	N	N	Y	-
6	Buynow (Xian) Industry Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	40,844,783	701,584	701,584	458,661	-	1.72	40,844,783	N	N	Y	-
7	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Shanghai Buynow Computer Market Management Co., Ltd.	3	40,844,783	285,019	285,019	87,531	285,019	0.70	40,844,783	N	N	Y	-
8	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Kapok Computer (Kunshan) Co., Ltd.	3	40,844,783	852,924	852,924	84,747	852,924	2.09	40,844,783	N	N	Y	-
9	Guangdong Buynow Real Estate Management Co., Ltd.	The Company	3	40,844,783	3,000,000	3,000,000	2,350,000	3,000,000	7.34	40,844,783	N	Y	N	-
10	Buynow (Chongqing) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	40,844,783	219,245	219,245	175,396	219,245	0.54	40,844,783	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 September 30, 2019 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 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)											
11	Buynow (Changchun) Industry Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	\$ 40,844,783	\$ 920,829	\$ 920,829	\$ 810,330	\$ 920,829	2.25	\$ 40,844,783	N	N	Y	-
12	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	40,844,783	1,578,564	1,578,564	1,556,640	1,578,564	3.86	40,844,783	N	N	Y	-
13	Taizhou Buynow Electronic Information Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	40,844,783	526,188	526,188	526,188	526,188	1.29	40,844,783	N	N	Y	-
14	Daqing Buynow Electronic Information Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	40,844,783	219,245	219,245	175,396	219,245	0.54	40,844,783	N	N	Y	-

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

(1)The Company is '0'.

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

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

(1)Having business relationship.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CLEVO CO. and Subsidiaries  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
September 30, 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 September 30, 2019				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership	Fair value	
	Stocks							
The Company	AU Optronics Corp.	-	Current financial assets measured at fair value through profit or loss	\$ 1,092,989	\$ 8,591	0.01%	\$ 8,591	-
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	429,306	0.64%	429,306	-
The Company	Innolux Corporation	-	Current financial assets measured at fair value through profit or loss	51,219	338	0.00%	338	-
The Company	Net Publishing Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	230,000	16,583	0.55%	16,583	-
The Company	Taiwan Business Bank, Ltd.	-	Current financial assets measured at fair value through profit or loss	7,976,979	101,706	0.12%	101,706	-
The Company	Da Lue International Holding Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	1,745,283	25,045	3.90%	25,045	-
The Company	PING AN INSURANCE (GROUP) CO. OF CHINA, LTD.	-	Current financial assets measured at fair value through profit or loss	300,000	106,844	0.00%	106,844	-
The Company	Boe Technology Group Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	375,000	6,166	0.00%	6,166	-
The Company	Hangzhou Hikvision Digital Technology Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	300,000	42,490	0.04%	42,490	-
The Company	ChinaAMC CSI 300 Index ETF	-	Current financial assets measured at fair value through profit or loss	200,000	33,973	0.05%	33,973	-
	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	3,735	0.01%	3,735	-
Kapok Computer Co., Ltd.	CLEVO CO.	The Company	Non-current financial assets measured at fair value through other comprehensive income	16,966,596	533,599	2.53%	533,599	-
	Stocks							
Clevo Investment Co., Ltd.	Chicony Electronics Co., Ltd.	Same chairman as the Company	Current financial assets measured at fair value through profit or loss	182,072	16,641	0.02%	16,641	-
Clevo Investment Co., Ltd.	CLEVO CO.	The Company	Non-current financial assets measured at fair value through other comprehensive income	10,080,669	317,037	1.51%	317,037	-
	Beneficiary certificate							
Clevo (Cayman Islands) Holding Company	Greater China Multi-Strategy Fund	-	Current financial assets measured at fair value through profit or loss	124,095	366,007	0.00%	366,007	-

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of September 30, 2019				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership	Fair value	
Clevo (Cayman Islands) Holding Company	UG Hidden Dragon Special Opportunity Fund	-	Current financial assets measured at fair value through profit or loss	\$ 266,378	\$ 329,825	0.00%	\$ 329,825	-
	Stocks							
Kapok Computer (Kunshan) Co., Ltd.	Hangzhou Hikvision Digital Technology Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	427,065	60,486	0.01%	60,486	-
Kapok Computer (Kunshan) Co., Ltd.	Wangsu Science & Technology Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	603,667	26,470	0.03%	26,470	-
Kapok Computer (Kunshan) Co., Ltd.	East Money Information Co., Ltd.	-	Current financial assets measured at fair value through profit or loss	2,312,396	149,864	0.04%	149,864	-

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  
Nine-month period ended September 30, 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~ Third Quarter of 2019	\$ 1,097,751	\$ 663,732	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~ Third Quarter of 2019	745,100	727,267	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~ Third Quarter of 2019	3,106,958	2,944,925	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~ Third Quarter of 2019	1,411,471	1,352,418	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~ Third Quarter of 2019	1,764,920	1,746,744	Jinzhou Municipal Bureau of Land and Resources etc.	-	-	-	-	-	mutual agreement	department store; under construction	-

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

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

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



CLEVO CO. and Subsidiaries

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

Nine-month period ended September 30, 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 at 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  
Nine-month period ended September 30, 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	\$ 8,919,789	63.99%	Open account 30 days and offset between creditor's rights and debt obligation. Prepayment is allowed when there is fund demand.	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions.	1~5 months for normal customers due to fund demands.	\$ -	-	-
The Company	Kapok Computer (Kunshan) Co., Ltd.	The Company as the ultimate parent company	Sales	( 3,212,463)	22.11%	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.	1,813,767	44.78%	-
Kapok Computer (Kunshan) Co., Ltd.	The Company	The Company as the ultimate parent company	Sales	( 8,919,789)	99.98%	Open Account 30 Days	It is the only customer, so the price cannot be compared.	-	-	-	-
Kapok Computer (Kunshan) Co., Ltd.	The Company	The Company as the ultimate parent company	Purchases	3,212,463	44.14%	180 days	It is the only customer, so the price cannot be compared.	-	( 1,813,767)	50.06%	-
Kapok Computer (Samoa) Corporation	Kapok Computer (Kunshan) Co., Ltd.	The Company as a subsidiary	Sales	( 347,648)	100.00%	Open Account 180 Days	It is the only customer, so the price cannot be compared.	-	( 319)	100%	-
Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	The Company as a subsidiary	Purchases	347,648	4.77%	180 days	It is the only customer, so the price cannot be compared.	-	319	-0.01%	-

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

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

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

CLEVO CO. and Subsidiaries  
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
 Nine-month period ended September 30, 2019

Table 7

Expressed in thousands of NTD  
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 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.	\$ 1,813,767	3.25	\$ -	Change into other current financial assets	\$ -	\$ -

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

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

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

CLEVO CO. and Subsidiaries  
Significant inter-company transactions during the reporting period  
Nine-month period ended September 30, 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	Kapok Computer (Kunshan) Co., Ltd.	1	Purchases	\$ 8,919,789	The selling price is reduced by 5%~15%. However, it can be adjusted according to market conditions. The payment period is open account 30 days.	53.72%
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	1	Sales	3,212,463	It is the only customer, so the price cannot be compared. The payment period is 180 days.	19.35%
0	The Company	Clevo (Cayman Islands) Holding Company	2	Other current financial assets	769,178	1.00%	0.74%
1	Kapok Computer Co., Ltd.	The Company	2	Other current financial assets	55,000	1.04%	0.05%
2	Clevo Computer Singapore Ptd Ltd.	The Company	3	Other non-current financial assets	120,955	0.00%	0.12%
3	Clevo (Cayman Islands) Holding Company	Buynow Electronic Information (Hangzhou) Co., Ltd.	3	Other current financial assets	139,563	6 months LIBOR+2.5%	0.13%
3	Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	3	Other current financial assets	139,563	6 months LIBOR+1.5%	0.13%
3	Clevo (Cayman Islands) Holding Company	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	62,028	6 months LIBOR+2.5%	0.06%
3	Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	3	Other current financial assets	91,491	6 months LIBOR+1.5%	0.09%
3	Clevo (Cayman Islands) Holding Company	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	93,042	6 months LIBOR+2.5%	0.09%
3	Clevo (Cayman Islands) Holding Company	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	93,042	6 months LIBOR+2.5%	0.09%
3	Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	3	Other current financial assets	201,591	6 months LIBOR+2%	0.19%
3	Clevo (Cayman Islands) Holding Company	Kunshan Kaishuo Trading Co., Ltd.	3	Other non-current financial assets	153,472	3.00%	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)
0	The Company	Kapok Computer (Kunshan) Co., Ltd.	3	Accounts receivable-related parties	\$ 1,813,767	-	1.74%
4	Buynow Electronic Information (Hangzhou) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other current financial assets	125,189	5.00%	0.12%
4	Buynow Electronic Information (Hangzhou) Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	188,990	5.00%	0.18%
4	Buynow (Hangzhou) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	208,941	5.00%	0.20%
4	Buynow Electronic Information (Hangzhou) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	123,216	5.00%	0.12%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	188,551	5.00%	0.18%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology Development Co., Ltd.	3	Other current financial assets	284,278	5.00%	0.27%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	3	Other current financial assets	105,238	5.00%	0.10%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	62,266	5.00%	0.06%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Buynow Electronic Information (Huizhou) Co., Ltd.	3	Other current financial assets	131,898	5.00%	0.13%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	299,139	5.00%	0.29%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	167,723	-	0.16%
5	Buynow (Chengdu) Electronic Information Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Non-operating receivables-related parties	96,284	5.00%	0.09%
6	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	342,243	5.00%	0.33%
6	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	128,478	5.00%	0.12%
6	Buynow (Nanjing) Facility Leasing And Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	89,014	5.00%	0.09%
7	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other current financial assets	324,264	5.00%	0.31%
7	Kapok Computer (Kunshan) Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	103,572	5.00%	0.10%

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 (Harbin) Industry Co., Ltd.	3	Other current financial assets	\$ 547,106	5.00%	0.53%
7	Kapok Computer (Kunshan) Co., Ltd.	Shanghai Buynow Electronic Products Market Management Co., Ltd.	3	Other current financial assets	175,397	5.00%	0.17%
7	Kapok Computer (Kunshan) Co., Ltd.	Shantou Buynow Mall Co. Ltd.	3	Other current financial assets	719,652	5.00%	0.69%
7	Kapok Computer (Kunshan) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	83,313	5.00%	0.08%
7	Kapok Computer (Kunshan) Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	436,299	5.00%	0.42%
7	Kapok Computer (Kunshan) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	555,569	5.00%	0.53%
7	Kapok Computer (Kunshan) Co., Ltd.	Kapok Computer (Samoa) Corporation	3	Purchases	347,648	The goods are not sold to other customers, so the prices cannot be compared.	2.09%
8	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Chongqing) Industry Co., Ltd.	3	Other current financial assets	58,758	5.00%	0.06%
8	Buynow (Nanchang) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	83,313	5.00%	0.08%
8	Buynow (Nanchang) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	273,268	5.00%	0.26%
8	Buynow (Nanchang) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	118,831	5.00%	0.11%
8	Buynow (Nanchang) Industry Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	182,851	5.00%	0.18%
8	Buynow (Nanchang) Industry Co., Ltd.	Buynow (Jinzhou) Industry Co., Ltd.	3	Other current financial assets	67,089	5.00%	0.06%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other current financial assets	63,011	5.00%	0.06%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	197,058	5.00%	0.19%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	3	Other current financial assets	182,500	5.00%	0.18%
9	Buynow (Zhengzhou) Electronic Information Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	82,743	5.00%	0.08%
10	Buynow (Guangzhou) Corporation	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other current financial assets	155,070	6 months LIBOR+2.5%	0.15%
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Changsha Hungyu Business Management Co., Ltd.	3	Other current financial assets	96,687	5.00%	0.09%
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	134,222	5.00%	0.13%

NO. (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Yingkou Buynow Electronic Information Co., Ltd.	3	Non-operating receivables-related parties	\$ 70,360	-	0.07%
11	Buynow Electronic Information (Shenyang) Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	50,470	5.00%	0.05%
12	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	82,656	5.00%	0.08%
12	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Beijing Kaiye Electronic Technology Co., Ltd.	3	Other current financial assets	57,004	5.00%	0.05%
12	Buynow (Fujian) Electronic Technology Development Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	247,704	5.00%	0.24%
13	Buynow (Xian) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	153,691	5.00%	0.15%
13	Buynow (Xian) Industry Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	75,201	5.00%	0.07%
14	Buynow (Changchun) Industry Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	157,857	5.00%	0.15%
14	Buynow (Changchun) Industry Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	78,753	5.00%	0.08%
15	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	75,771	5.00%	0.07%
15	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	94,056	5.00%	0.09%
16	Quality Trust Property Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	70,948	5.00%	0.07%
17	Buynow (Harbin) Corporation	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	93,042	6 months LIBOR+2.5%	0.09%

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)
18	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	\$ 185,482	5.00%	0.18%
18	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	115,104	5.00%	0.11%
18	Kalor Buynow (Heifei) Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	156,138	5.00%	0.15%
19	Buynow (Chongqing) Industry Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	114,622	5.00%	0.11%
19	Buynow (Chongqing) Industry Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Non-operating receivables-related parties	65,241	-	0.06%
20	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other current financial assets	187,630	5.00%	0.18%
20	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	158,471	5.00%	0.15%
20	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Clevo (China) Investment Co., Ltd.	3	Other current financial assets	55,250	5.00%	0.05%
20	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	469,186	5.00%	0.45%
20	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	195,129	5.00%	0.19%
20	Shanghai Buynow Electronic Products Market Management Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Non-operating receivables-related parties	70,200	-	0.07%
21	Daqing Buynow Electronic Information Corporation	Buynow (Zhengzhou) Electronic Information Co., Ltd.	3	Other current financial assets	149,087	5.00%	0.14%
22	Tianjin Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	140,756	5.00%	0.14%
22	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Fujian) Electronic Technology development Co., Ltd.	3	Other current financial assets	67,308	5.00%	0.06%
22	Tianjin Buynow Electronic Information Co., Ltd.	Buynow (Xian) Industry Co., Ltd.	3	Other current financial assets	57,881	5.00%	0.06%
22	Tianjin Buynow Electronic Information Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other current financial assets	197,146	5.00%	0.19%
22	Tianjin Buynow Electronic Information Co., Ltd.	Zibo Buynow Electronic Information Co., Ltd.	3	Other current financial assets	140,510	5.00%	0.13%
22	Tianjin Buynow Electronic Information Co., Ltd.	Anshan Buynow Electronic Information Co., Ltd.	3	Other current financial assets	168,512	5.00%	0.16%



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)
22	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	\$ 55,827	5.00%	0.05%
22	Tianjin Buynow Electronic Information Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Non-operating receivables-related parties	50,865	-	0.05%
22	Tianjin Buynow Electronic Information Co., Ltd.	Luoyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	69,238	5.00%	0.07%
23	Buynow (Yancheng) Electronoc Information Technology Development Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	488,260	5.00%	0.47%
23	Buynow (Yancheng) Electronoc Information Technology Development Co., Ltd.	Dezhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	127,163	5.00%	0.12%
24	Beijing Clevo Investment Management Consultant Co., Ltd.	Qingdao Buynow Technology Industry Co., Ltd.	3	Other current financial assets	203,022	5.00%	0.20%
24	Beijing Clevo Investment Management Consultant Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd.	3	Other current financial assets	179,343	5.00%	0.17%
24	Beijing Clevo Investment Management Consultant Co., Ltd.	Taizhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	113,745	5.00%	0.11%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	375,963	5.00%	0.36%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Nanchang) Industry Co., Ltd.	3	Other current financial assets	249,940	5.00%	0.24%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Guangzhou) Electronic Information Co., Ltd.	3	Other current financial assets	58,319	5.00%	0.06%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow (Harbin) Industry Co., Ltd.	3	Other current financial assets	50,427	5.00%	0.05%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Daqing Buynow Electronic Information Co., Ltd.	3	Other current financial assets	125,496	5.00%	0.12%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Buynow Electronic Information (Hangzhou) Co., Ltd.	3	Other current financial assets	192,059	5.00%	0.18%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Shantou Buynow Mall Co., Ltd.	3	Other current financial assets	129,346	5.00%	0.12%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Other current financial assets	161,803	5.00%	0.16%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Suzhou Jinzuo Industry Co., Ltd.	3	Other current financial assets	188,814	5.00%	0.18%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	Other current financial assets	192,936	5.00%	0.19%
25	Guangdong Buynow Real Estate Management Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	100,735	5.00%	0.10%

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)
25	Guangdong Buynow Real Estate Management Co., Ltd.	Guiyang Buynow Electronic Information Co., Ltd.	3	Non-operating receivables-related parties	\$ 56,904	-	0.05%
26	Anshan Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	Non-operating receivables-related parties	61,389	-	0.06%
27	Buynow (Taizhou) Corporation	Taizhou Buynow Electronic Information Co., Ltd.	3	Other current financial assets	201,591	5.00%	0.19%
28	Taizhou Buynow Electronic Information Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	120,147	6 months LIBOR+2.5%	0.12%
29	Dezhou Buynow Electronic Information Co., Ltd.	Quanzhou Buynow Industry Co., Ltd.	3	Other current financial assets	57,355	5.00%	0.06%
30	Kunshan Kaishuo Trading Co., Ltd.	Shanghai Buynow Electronic Information Co., Ltd.	3	Other current financial assets	101,292	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:

(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  
Nine-month period ended September 30, 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 (Note 3)		Shares held as at September 30, 2019			Net profit (loss) of the investee for the nine- month period ended September 30, 2019	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019	Footnote
				Balance at September 30, 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	100.00	\$ 7,605,076	\$ 144,592	\$ 144,592	The subsidiary of the Company
The Company	Clevo (Cayman Islands) Holding Company	Cayman Islands	Investment	11,329,649	11,329,649	220,730,000	100.00	39,449,166	405,346	405,346	The subsidiary of the Company
The Company	Kapok Computer (Samoa) Corporation	Samoa	Investment	232,643	232,643	7,000,000	100.00	1,068,098	46,229	45,881	The subsidiary of the Company
The Company	Buynow On-Line Holding Corporation	Samoa	Investment	35,513	35,513	1,100,000	100.00	( 7,783)	( 2,130)	( 2,130)	The subsidiary of the Company
The Company	Clevo Investment Co., Ltd.	Taiwan	Investment	140,000	140,000	14,000,000	100.00	76,811	17,350	7,270	The subsidiary of the Company
The Company	Kapok Computer Co., Ltd.	Taiwan	Design and sale of computers and computer peripherals	80,000	80,000	8,000,000	100.00	59,235	18,594	1,628	The subsidiary of the Company
The Company	Lunaria Investment Gk	Japan	Investment	-	1,172,094	-	98.99	374,460	498,578	493,542	The subsidiary of the Company
Clevo Computer Singapore Pte Ltd.	Buynow (Chengdu) Corporation	Samoa	Investment	278,468	278,468	7,000,000	100.00	3,492,233	58,054	58,054	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Global Corporation	British Virgin Islands	Investment	118,490	118,490	2,600,000	100.00	855,307	13,632	13,632	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Hangzhou) Corporation	British Virgin Islands	Investment	173,107	173,107	5,000,000	100.00	3,208,337	76,823	76,823	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at September 30, 2019			Net profit (loss) of the investee for the nine- month period ended September 30, 2019	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019	Footnote
				Balance at September 30, 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	100.00	\$ 3,112,718	\$ 67,058	\$ 67,058	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Group (Changsha) Corporation	British Virgin Islands	Investment	136,180	136,180	4,000,000	100.00	227,385	6,201	6,201	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Nanchang) Corporation	Samoa	Investment	104,484	104,484	3,000,000	100.00	2,897,938	945,822	945,822	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Guangzhou) Corporation	Samoa	Investment	161,745	161,745	5,000,000	100.00	2,371,185	22,152	22,152	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Flying Wolf Investment Limited	British Virgin Islands	Investment	96,141	96,141	3,000,000	100.00	3,055,472	49,170	49,170	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Xiamen) Corporation	Samoa	Investment	95,502	95,502	3,000,000	100.00	1,844,099	16,752	16,752	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Group (Xian) Corporation	Samoa	Investment	96,543	96,543	3,000,000	100.00	766,478	17,244	17,244	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Changchun) Corporation	Samoa	Investment	64,064	64,064	2,000,000	100.00	2,805,808	82,186	82,186	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Wuhan) Corporation	Samoa	Investment	-	448,211	-	-	-	-	-	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow Group (Qingdao) Corporation	Samoa	Investment	115,648	115,648	3,500,000	100.00	115,973	1,253	1,253	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at September 30, 2019			Net profit (loss) of the investee for the nine- month period ended September 30, 2019	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019	Footnote
				Balance at September 30, 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	100.00	\$ 1,077,774	\$ 7,515	\$ 7,515	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	100.00	2,340,742	19,386	19,386	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Wuxi) Electronic Technology Development Co., Ltd.	Samoa	Investment	64,054	64,054	2,000,000	100.00	1,217,729	29,216	29,216	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Harbin) Corporation	Samoa	Investment	99,012	99,012	3,000,000	100.00	103,041	( 84,210)	( 84,210)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Daqing) Corporation	Samoa	Investment	96,894	96,894	3,000,000	100.00	( 19,031)	( 705)	( 705)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Zibo) Corporation	Samoa	Investment	95,805	95,805	3,000,000	100.00	( 63,482)	( 17,017)	( 17,017)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Beijing) Corporation	Samoa	Investment	244,256	244,256	6,000,000	100.00	1,701,048	38,577	38,577	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Skill Develop International Limited	Samoa	Investment	581,916	581,916	9,350,000	100.00	5,108,978	83,684	83,684	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Yancheng) Corporation	Samoa	Investment	931,920	931,920	31,500,000	100.00	742,934	( 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	100.00	( 60,028)	( 2,897)	( 2,897)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Yingkou) Corporation	Samoa	Investment	434,082	434,082	15,000,000	100.00	417,350	( 282)	( 282)	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at September 30, 2019			Net profit (loss) of the investee for the nine- month period ended September 30, 2019	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019	Footnote
				Balance at September 30, 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	100.00	\$ 1,145,051	(\$ 71,600)	(\$ 71,600)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Guiyang) Corporation	Samoa	Investment	301,236	240,132	10,000,000	100.00	262,662	( 783)	( 783)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Chicony Industry (Wuhan) Co., Ltd.	British Virgin Islands	Investment	123,204	123,204	3,600,000	30.00	2,372,442	225,317	67,595	Investment accounted for under equity method
Clevo (Cayman Islands) Holding Company	Chicony Square (Cayman) Inc.	Cayman Islands	Investment	86,886	86,886	3,000,000	30.00	( 58,294)	( 11,097)	( 3,329)	Investment accounted for under equity method
CLEVO (CAYMAN ISLANDS) HOLDING COMPANY	BUYNOW (WUHAN) CORPORATION	Samoa	Investment	-	-	4,500,000	30.00	229,908	( 127,317)	( 38,195)	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	36,702	57,334	2,150	Investment accounted for under equity method
Clevo (Cayman Islands) Holding Company	Buynow (Taizhou) Corporation	Samoa	Investment	505,786	505,786	17,000,000	100.00	298,090	( 17,461)	( 17,461)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Smarter Capital Limited	Samoa	Investment	1,013,693	1,013,693	14,900,000	100.00	964,494	11,705	11,705	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Dezhou) Corporation	Samoa	Investment	881,914	881,914	30,000,000	100.00	425,361	( 331,220)	( 331,220)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Luoyang) Corporation	Samoa	Investment	894,346	894,346	30,000,000	100.00	248,861	( 284,519)	( 284,519)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Fujian Quanzhou) Corporation	Samoa	Investment	446,195	446,195	15,000,000	100.00	463,327	2,028	2,028	The Company as the ultimate parent company

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount (Note 3)		Shares held as at September 30, 2019			Net profit (loss) of the investee for the nine- month period ended September 30, 2019	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019	Footnote
				Balance at September 30, 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	100.00	\$ 342,711	(\$ 72,779)	(\$ 72,779)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Buynow (Shantou) Corporation	Samoa	Investment	578,224	578,224	19,200,000	100.00	587,367	( 335,936)	( 335,936)	The Company as the ultimate parent company
Clevo (Cayman Islands) Holding Company	Clevo (HK) Investment Holding Limited	Hong Kong	Investment	3,138	3,138	100,000	100.00	3,445	12	12	The Company as the ultimate parent company
Clevo (HK) Investment Holding Limited	Clevo Japan Gk	Japan	Investment	2,817	2,817	-	100.00	3,846	68	68	The Company as the ultimate parent company
Skill Develop International Limited	Well Asia Investment Limited	Hong Kong	Investment	277,817	277,817	9,200,000	100.00	5,108,978	83,684	83,684	The Company as the ultimate parent company
Smarter Capital Limited	Buynow SZ. Corporation	Samoa	Investment	452,081	452,081	14,900,000	100.00	964,494	11,705	11,705	The Company as the ultimate parent company
Buynow On-Line Holding Corporation	Buynow On-Line Limited	Hong Kong	Investment	35,483	35,483	1,100,000	100.00	( 7,782)	( 2,130)	( 2,130)	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 September 30, 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 nine-month period ended September 30, 2019' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the nine-month period ended September 30, 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 period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

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

CLEVO CO. and Subsidiaries  
Information on investments in Mainland China  
Nine-month period ended September 30, 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 nine-month period ended September 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2019	Net income of investee for the nine-month period ended September 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019 (Note 2)	Book value of investments in Mainland China as of September 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of September 30, 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	\$ 58,054	100	\$ 58,054	\$ 3,492,233	\$ -	-
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	34,863	100	34,863	1,951,834	-	-
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	-	-	-	-	50,177	100	50,177	2,119,185	-	-
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	60,843	100	60,843	1,254,326	-	-
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	-	-	-	-	889	100	889	2,144	-	-



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 nine-month period ended September 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2019	Net income of investee for the nine-month period ended September 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019 (Note 2)	Book value of investments in Mainland China as of September 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chicony Industry (Wuhan) Co., Ltd.	Development, production and sales of computer software and hardware, electronic products; sales services, non-staple food; coffee shop operations; venue rental	\$ 1,927,049	2 CHICONY SQUARE (WUHAN) INC.	\$ 526,552	\$ -	\$ -	\$ 526,552	\$ 297,169	30	\$ 89,151	\$ 1,103,226	\$ -	-
Wuhan Qunbai Industry Co., Ltd.	Development and sales of computer software, hardware and electronic products; sales services	58,904	3	-	-	-	-	36,682	30	11,005	634,703	-	-
Chicony Square (Wuhan) Management Co., Ltd.	Sales of service and non-staple food; cafe operation; venue rental	14,414	3	-	-	-	-	7,649	24.99	1,911	28,854	-	-
Qunguang Industrial (Xi'An) Co., Ltd.	Development of computer software and hardware, electronic products	4,053,756	3	-	-	-	-	( 209,413)	30	( 62,824)	697,324	-	-
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	76,823	100	76,823	3,208,337	-	-
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	( 7,325)	100	( 7,325)	2,909,102	-	-
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	17,226	100	17,226	205,580	-	-
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	-	-	-	-	4,091	100	4,091	23,194	-	-

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 nine-month period ended September 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2019	Net income of investee for the nine-month period ended September 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019 (Note 2)	Book value of investments in Mainland China as of September 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2019	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Buynow Electronic Products Market Management Co., Ltd.	Provide market management services for operators of electronic products	\$ 504,484	3	\$ -	\$ -	\$ -	\$ -	\$ 48,775	100	\$ 48,775	\$ 4,586,078	\$ -	-
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	-	-	-	-	( 15,612)	100	( 15,612)	( 315,131)	-	-
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	945,822	100	945,822	2,897,938	-	-
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	6,201	100	6,201	227,385	-	-
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	65,024	100	65,024	3,110,663	-	-
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	21,375	100	21,375	2,306,204	-	-

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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	\$ 15,349	100	\$ 15,349	\$ 2,327,609	\$ -	-
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	50,759	100	50,759	2,238,221	-	-
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)	742,933	-	-
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	17,244	100	17,244	766,478	-	-
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	16,752	100	16,752	1,844,099	-	-
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	57,333	30	17,200	293,608	-	-
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	33,484	100	33,484	2,423,555	-	-
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	128,815	100	128,815	7,858,716	-	-

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 nine-month period ended September 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2019	Net income of investee for the nine-month period ended September 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019 (Note 2)	Book value of investments in Mainland China as of September 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of September 30, 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	\$ 86,293	100	\$ 86,293	\$ 2,946,039	\$ -	-
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	-	-	-	-	( 127,317)	30	( 38,195)	229,908	-	-
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	6,085	100	6,085	563,250	-	-
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	40,901	100	40,901	1,704,786	-	-
Wuxi Buynow Electronic Market Co., Ltd.	Leasing of facility, market management service, catering management, property management, parking lot management	2,454	3	-	-	-	-	15	100	15	2,358	-	-
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	( 84,382)	100	( 84,382)	99,726	-	-
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	7,515	100	7,515	1,077,773	-	-

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 nine-month period ended September 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2019	Net income of investee for the nine-month period ended September 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019 (Note 2)	Book value of investments in Mainland China as of September 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of September 30, 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	(\$ 2,125)	100	(\$ 2,125)	(\$ 10,740)	\$ -	-
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	( 705)	100	( 705)	( 19,031)	-	-
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	( 7,242)	100	( 7,242)	( 150,070)	-	-
Shantou Buynow Mall Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	574,562	2	574,562	-	-	574,562	( 335,936)	100	( 335,936)	587,367	-	-
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	( 17,017)	100	( 17,017)	( 63,482)	-	-

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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	(\$ 282)	100	(\$ 282)	\$ 417,349	\$ -	-
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	( 71,600)	100	( 71,600)	1,145,051	-	-
Clevo (China) Investment Co., Ltd.	Investment in companies primarily engaged in research and development and advisory service	897,135	2	897,135	-	-	897,135	( 121,497)	100	( 121,497)	2,435,599	-	-
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	(\$ 783)	100	(\$ 783)	\$ 262,661	-	-
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	( 16,907)	100	( 16,907)	299,306	-	-
Suzhou Jinzuo Industry Co., Ltd.	Business affairs and property management business	480,460	2	1,008,954	-	-	1,008,954	11,705	100	11,705	964,494	-	-
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	(\$ 331,220)	100	(\$ 331,220)	\$ 425,361	\$ -	-
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	( 284,518)	100	( 284,518)	248,861	-	-
Quanzhou Buynow Industry Co., Ltd.	Research and development and maintenance service of computers and computer peripherals and electronic products; advisory service of business management and shopping mall management	446,195	2	446,195	-	-	446,195	2,028	100	2,028	463,327	-	-
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	( 72,779)	100	( 72,779)	342,711	-	-
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	( 1,894)	100	( 1,894)	25,906	-	-

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 nine-month period ended September 30, 2019		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2019	Net income of investee for the nine-month period ended September 30, 2019	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2019 (Note 2)	Book value of investments in Mainland China as of September 30, 2019	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2019	Footnote
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Shanghai Huihei Advertisement Co., Ltd.	Advertising design and marketing	\$ 4,850	3	\$ -	\$ -	\$ -	\$ -	(\$ 1,145)	100	(\$ 1,145)	\$ 4,363	\$ -	-
Shanghai Huizhuan Restaurant Management Co., Ltd.	Catering business management	22,884	3	-	-	-	-	( 877)	100	( 877)	( 13,905)	-	-
Xiamen Lejing Internet Bar Co., Ltd.	Internet café and internet message service	465	3	-	-	-	-	( 253)	100	( 253)	( 3,974)	-	-

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 nine-month period ended September 30, 2019' column:

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

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



Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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)	\$ 15,200,249 (USD 466,227 thousand of USD)	\$ 24,506,870

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. (40,844,783 x 60% = 24,506,870)

Note 2: It has been liquidated as of September 30, 2019, and has been approved to invest US\$4,120,000 by the Ministry of Economic Affairs.

Note 3: As of September 30, 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 September 30, 2019.