

**SYNNEX TECHNOLOGY INTERNATIONAL
CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2021 AND 2020**

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.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION
SEPTEMBER 30, 2021 AND 2020 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR21000155

To the Board of Directors and Shareholders of Synnex Technology International Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Synnex Technology International Corp. and subsidiaries (the "Group") as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months 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 the 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(9), the financial statements of certain insignificant consolidated subsidiaries and investments accounted for under the equity method, as well as the amounts included in respect of these subsidiaries and investees and the information disclosed in Note 13, were not reviewed by independent auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$28,520,096 thousand and NT\$35,546,075

thousand, constituting 16% and 24% of the consolidated total assets as at September 30, 2021 and 2020, respectively. Total liabilities amounted to NT\$5,093,445 thousand and NT\$4,861,281 thousand, constituting 4% and 5% of the consolidated total liabilities as at September 30, 2021 and 2020, respectively. Net income amounted to NT\$882,402 thousand, NT\$870,135 thousand, NT\$2,609,627 thousand and NT\$1,789,337 thousand, constituting 10%, 39%, 18% and 30% of the net income and the balances of recognised investment profit or loss which is adopting equity method for the three months and nine months then ended, respectively, and the comprehensive income and the balances of recognised investment profit or loss and other comprehensive income which is adopting equity method amounted to NT\$736,667 thousand, NT\$946,131 thousand, NT\$2,554,342 thousand and NT\$1,767,396 thousand, constituting 14%, 34%, 25% and 38% of the consolidated comprehensive income for the three months and nine months then ended, respectively.

Qualified conclusion

Except for the adjustments to the financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method as well as the information disclosed in Note 13 been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2021 and 2020, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine months then ended in accordance with the 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.

Yeh, Tsui Miao

Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

November 12, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' review report 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.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Assets		Notes	September 30, 2021		December 31, 2020		September 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 10,342,970	6	\$ 15,229,773	10	\$ 11,865,289	8
1110	Current financial assets at fair value through profit or loss	6(2) and 12(3)	6,322,944	4	120,604	-	10,068,713	7
1120	Current financial assets at fair value through other comprehensive income	6(3) and 12(3)	11,210,620	6	-	-	-	-
1136	Current financial assets at amortised cost	6(4) and 8	505	-	9,390	-	3,361	-
1150	Notes receivable, net	6(5)	7,238,657	4	7,622,345	5	5,482,481	4
1170	Accounts receivable, net	6(5), 8 and 12(2)	60,399,564	34	56,451,172	35	51,412,567	35
1180	Accounts receivable - related parties, net	6(5) and 7(2)	607,743	-	331,988	-	369,947	-
1200	Other receivables	6(7) and 7(2)	7,597,954	4	6,363,831	4	6,268,417	4
1220	Current income tax assets		24,443	-	89,408	-	159,997	-
130X	Inventories	6(8) and 8	37,397,809	21	30,886,665	19	24,466,947	17
1410	Prepayments		3,763,959	2	4,497,978	3	2,067,432	1
11XX	Total current assets		144,907,168	81	121,603,154	76	112,165,151	76
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 12(3)	6,087,197	3	5,185,936	3	4,386,074	3
1535	Non-current financial assets at amortised cost	6(4) and 8	1,446,051	1	1,255,138	1	1,298,829	1
1550	Investments accounted for under equity method	6(9)	12,025,206	7	16,409,181	10	15,842,472	11
1600	Property, plant and equipment	6(10)	9,505,778	5	9,599,877	6	8,452,149	6
1755	Right-of-use assets	6(11)	1,163,242	1	1,264,896	1	1,324,038	1
1760	Investment property, net	6(13)	1,005,254	1	1,222,623	1	1,694,563	1
1780	Intangible assets	6(14)	630,499	-	637,705	-	636,609	-
1840	Deferred income tax assets		865,907	-	825,525	1	883,194	-
1900	Other non-current assets	6(5)(12)(15)	1,046,698	1	1,671,678	1	1,860,091	1
15XX	Total non-current assets		33,775,832	19	38,072,559	24	36,378,019	24
1XXX	Total assets		\$ 178,683,000	100	\$ 159,675,713	100	\$ 148,543,170	100

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity		Notes	September 30, 2021		December 31, 2020		September 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(16)	\$ 43,036,850	24	\$ 42,967,204	27	\$ 41,081,697	28
2110	Short-term notes and bills payable	6(17)	15,234,000	9	13,730,000	9	8,380,000	6
2120	Current financial liabilities at fair value through profit or loss	6(2) and 12(3)	-	-	751	-	-	-
2150	Notes payable	7(2)	1,080,644	1	1,027,413	1	1,175,008	1
2170	Accounts payable	7(2)	41,595,725	23	32,561,833	20	34,233,548	23
2200	Other payables	6(18) and 7(2)	6,034,677	3	5,294,800	3	4,171,310	3
2230	Current income tax liabilities		1,478,526	1	2,365,438	2	2,235,771	1
2280	Current lease liabilities		228,534	-	233,715	-	240,217	-
2300	Other current liabilities	6(19)	3,987,996	2	3,563,035	2	3,632,332	2
21XX	Total current liabilities		112,676,952	63	101,744,189	64	95,149,883	64
Non-current liabilities								
2570	Deferred income tax liabilities		3,846,068	2	194,196	-	189,584	-
2580	Non-current lease liabilities		276,594	-	310,826	-	372,437	-
2600	Other non-current liabilities		663,822	1	576,334	-	614,211	1
25XX	Total non-current liabilities		4,786,484	3	1,081,356	-	1,176,232	1
2XXX	Total liabilities		117,463,436	66	102,825,545	64	96,326,115	65
Equity attributable to owners of parent								
	Share capital	6(21)						
3110	Share capital - ordinary share		16,679,470	9	16,679,470	10	16,679,470	11
	Capital surplus	6(22)						
3200	Capital surplus		14,199,960	8	14,709,395	9	14,775,222	10
	Retained earnings	6(23)						
3310	Legal reserve		9,673,477	5	8,855,413	6	8,855,413	6
3320	Special reserve		6,336,545	4	7,295,010	5	7,295,010	5
3350	Unappropriated retained earnings		22,081,988	12	13,380,084	8	10,871,340	7
	Other equity interest	6(24)						
3400	Other equity interest		(9,916,163)	(5)	(6,336,546)	(4)	(8,343,766)	(5)
31XX	Total equity attributable to owners of parent		59,055,277	33	54,582,826	34	50,132,689	34
36XX	Non-controlling interest		2,164,287	1	2,267,342	2	2,084,366	1
3XXX	Total equity		61,219,564	34	56,850,168	36	52,217,055	35
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$ 178,683,000	100	\$ 159,675,713	100	\$ 148,543,170	100

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(REVIEWED, NOT AUDITED)

	Items	Notes	Three months ended September 30				Nine months ended September 30			
			2021		2020		2021		2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(25) and 7(2)	\$ 101,569,621	100	\$ 89,626,062	100	\$ 284,881,082	100	\$ 234,274,953	100
5000	Operating costs	6(8) and 7(2)	(97,179,360)	(96)	(85,808,739)	(96)	(272,351,948)	(96)	(223,472,432)	(95)
5950	Net operating margin		<u>4,390,261</u>	<u>4</u>	<u>3,817,323</u>	<u>4</u>	<u>12,529,134</u>	<u>4</u>	<u>10,802,521</u>	<u>5</u>
	Operating expenses	6(30)(31)								
6100	Selling expenses		(1,670,348)	(2)	(1,767,431)	(2)	(4,855,311)	(2)	(4,497,659)	(2)
6200	General and administrative expenses		(384,530)	-	(179,923)	-	(1,086,613)	-	(1,094,901)	-
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(13,310)	-	3,498	-	(64,142)	-	17,483	-
6000	Total operating expenses		(2,068,188)	(2)	(1,943,856)	(2)	(6,006,066)	(2)	(5,575,077)	(2)
6900	Operating profit		<u>2,322,073</u>	<u>2</u>	<u>1,873,467</u>	<u>2</u>	<u>6,523,068</u>	<u>2</u>	<u>5,227,444</u>	<u>3</u>
	Non-operating income and expenses									
7100	Interest income	6(26)	66,467	-	88,137	-	210,715	-	214,172	-
7010	Other income	6(27) and 7(2)	221,301	-	375,603	-	776,103	-	860,811	-
7020	Other gains and losses	6(28)	9,099,636	9	106,881	-	9,909,825	4	160,307	-
7050	Finance costs	6(29)	(119,694)	-	(110,656)	-	(356,862)	-	(396,576)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(9)	<u>850,303</u>	<u>1</u>	<u>578,310</u>	<u>1</u>	<u>2,278,092</u>	<u>1</u>	<u>1,343,419</u>	-
7000	Total non-operating income and expenses		<u>10,118,013</u>	<u>10</u>	<u>1,038,275</u>	<u>1</u>	<u>12,817,873</u>	<u>5</u>	<u>2,182,133</u>	-
7900	Profit before income tax		<u>12,440,086</u>	<u>12</u>	<u>2,911,742</u>	<u>3</u>	<u>19,340,941</u>	<u>7</u>	<u>7,409,577</u>	<u>3</u>
7950	Income tax expense	6(32)	(3,958,064)	(4)	(680,454)	(1)	(4,758,459)	(2)	(1,460,672)	-
8200	Profit for the period		<u>\$ 8,482,022</u>	<u>8</u>	<u>\$ 2,231,288</u>	<u>2</u>	<u>\$ 14,582,482</u>	<u>5</u>	<u>\$ 5,948,905</u>	<u>3</u>

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(REVIEWED, NOT AUDITED)

Items		Notes	Three months ended September 30				Nine months ended September 30			
			2021		2020		2021		2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income										
Components of other comprehensive income that will not be reclassified to profit or loss										
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(\$ 2,587,548)	(2)	\$ 174,869	-	(\$ 1,606,791)	-	\$ 214,145	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(9)(24)	(7,211)	-	9,632	-	14,462	-	12,849	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(2,594,759)	(2)	184,501	-	(1,592,329)	-	226,994	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Financial statements translation differences of foreign operations	6(24)	(435,576)	(1)	341,641	1	(2,755,259)	(1)	(1,537,708)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(9)(24)	(162,348)	-	66,363	-	10,176	-	(34,791)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(597,924)	(1)	408,004	1	(2,745,083)	(1)	(1,572,499)	(1)
8300	Total other comprehensive income (loss)		(\$ 3,192,683)	(3)	\$ 592,505	1	(\$ 4,337,412)	(1)	(\$ 1,345,505)	(1)
8500	Total comprehensive income for the period		<u>\$ 5,289,339</u>	<u>5</u>	<u>\$ 2,823,793</u>	<u>3</u>	<u>\$ 10,245,070</u>	<u>4</u>	<u>\$ 4,603,400</u>	<u>2</u>
Profit, attributable to:										
8610	Owners of parent		\$ 8,347,697	8	\$ 2,096,970	2	\$ 14,220,665	5	\$ 5,682,660	3
8620	Non-controlling interest		134,325	-	134,318	-	361,817	-	266,245	-
	Profit for the period		<u>\$ 8,482,022</u>	<u>8</u>	<u>\$ 2,231,288</u>	<u>2</u>	<u>\$ 14,582,482</u>	<u>5</u>	<u>\$ 5,948,905</u>	<u>3</u>
Comprehensive income attributable to:										
8710	Owners of parent		\$ 5,127,287	5	\$ 2,925,793	3	\$ 10,309,499	4	\$ 4,634,534	2
8720	Non-controlling interest		162,052	-	(102,000)	-	(64,429)	-	(31,134)	-
	Comprehensive income for the period		<u>\$ 5,289,339</u>	<u>5</u>	<u>\$ 2,823,793</u>	<u>3</u>	<u>\$ 10,245,070</u>	<u>4</u>	<u>\$ 4,603,400</u>	<u>2</u>
Earnings per share										
9750	Basic earnings per share	6(33)	<u>\$ 5.00</u>		<u>\$ 1.26</u>		<u>\$ 8.53</u>		<u>\$ 3.41</u>	
9850	Diluted earnings per share	6(33)	<u>\$ 5.00</u>		<u>\$ 1.26</u>		<u>\$ 8.53</u>		<u>\$ 3.41</u>	

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent									
		Retained earnings					Other equity interest				
								Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Non-controlling interest	Total equity
Notes	Share capital – ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations			Total		
<u>Nine months ended September 30, 2020</u>											
	\$ 16,679,470	\$ 14,743,296	\$ 8,175,300	\$ 6,177,007	\$ 11,334,225	(\$ 8,626,394)	\$ 1,331,383	\$ 49,814,287	\$ 2,131,385	\$ 51,945,672	
	-	-	-	-	5,682,660	-	-	5,682,660	266,245	5,948,905	
Other comprehensive income (loss)	6(24)	-	-	-	-	(1,276,704)	228,578	(1,048,126)	(297,379)	(1,345,505)	
Total comprehensive income (loss)		-	-	-	5,682,660	(1,276,704)	228,578	4,634,534	(31,134)	4,603,400	
Appropriations of 2019 earnings	6(23)										
Legal reserve		-	-	680,113	-	(680,113)	-	-	-	-	
Special reserve		-	-	-	1,118,003	(1,118,003)	-	-	-	-	
Cash dividends		-	-	-	-	(4,336,662)	-	-	(4,336,662)	(4,336,662)	
Changes in equity of associates and joint ventures accounted for using equity method	6(22)	-	31,504	-	-	(11,396)	-	-	20,108	20,108	
Difference between consideration and carrying amount of subsidiaries acquired	6(34)	-	126	-	-	-	-	126	(15,885)	(15,759)	
Capital surplus transferred from unclaimed dividends	6(22)	-	296	-	-	-	-	296	-	296	
Disposal of equity instruments at fair value through other comprehensive income	6(24)	-	-	-	-	629	(629)	-	-	-	
Balance at September 30, 2020		\$ 16,679,470	\$ 14,775,222	\$ 8,855,413	\$ 7,295,010	\$ 10,871,340	(\$ 9,903,098)	\$ 1,559,332	\$ 50,132,689	\$ 52,217,055	
<u>Nine months ended September 30, 2021</u>											
	\$ 16,679,470	\$ 14,709,395	\$ 8,855,413	\$ 7,295,010	\$ 13,380,084	(\$ 8,690,313)	\$ 2,353,767	\$ 54,582,826	\$ 2,267,342	\$ 56,850,168	
	-	-	-	-	14,220,665	-	-	14,220,665	361,817	14,582,482	
Other comprehensive income (loss)	6(24)	-	-	-	-	(2,316,173)	(1,594,993)	(3,911,166)	(426,246)	(4,337,412)	
Total comprehensive income (loss)		-	-	-	14,220,665	(2,316,173)	(1,594,993)	10,309,499	(64,429)	10,245,070	
Appropriations of 2020 earnings	6(23)										
Legal reserve		-	-	818,064	-	(818,064)	-	-	-	-	
Special reserve		-	-	-	(958,465)	958,465	-	-	-	-	
Cash dividends		-	-	-	-	(5,504,225)	-	(5,504,225)	-	(5,504,225)	
Changes in equity of associates and joint ventures accounted for using equity method	6(22)	-	29,424	-	-	6,622	-	36,046	-	36,046	
Difference between consideration and carrying amount of subsidiaries acquired	6(34)	-	1,206	-	-	-	-	1,206	(38,626)	(37,420)	
Capital surplus transferred from unclaimed dividends	6(22)	-	480	-	-	-	-	480	-	480	
Disposal of investments accounted for using equity method	6(22)	-	(540,545)	-	-	(161,559)	331,549	(370,555)	-	(370,555)	
Balance at September 30, 2021		\$ 16,679,470	\$ 14,199,960	\$ 9,673,477	\$ 6,336,545	\$ 22,081,988	(\$ 10,674,937)	\$ 758,774	\$ 59,055,277	\$ 61,219,564	

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Nine months ended September 30	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 19,340,941	\$ 7,409,577
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6(30)	235,472	215,562
Depreciation charges on right-of-use assets	6(30)	198,523	214,297
Depreciation charges on investment property	6(30)	34,804	45,640
Amortization charges on intangible assets	6(30)	29,087	28,804
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	64,142	(17,483)
Net gain on financial assets at fair value through profit or loss	6(28)	(274,534)	(296,790)
Loss on decline in (gain on reversal of) market value and obsolete and slow-moving inventories	6(8)	(54,173)	3,932
Loss on scrapping of inventories	6(8)	-	313
Interest expense	6(29)	356,862	396,576
Interest income	6(26)	(210,715)	(214,172)
Dividend income	6(27)	(201,847)	(113,022)
Share of profit of associates accounted for under equity method	6(9)	(2,278,092)	(1,343,419)
(Gain) loss on disposal of property, plant and equipment and investment property	6(28)	(8,480)	(11,971)
Gain on disposal of investments	6(28)	(840,900)	-
Gain on remeasurement of investments at fair value that were previously accounted for using equity method	6(28)	(9,017,328)	-
Gain on lease modification	6(11)	(164)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes and accounts receivable		(3,838,528)	(5,475,000)
Other receivables		(1,166,898)	802,973
Inventories		(6,456,971)	7,220,729
Prepayments		734,019	2,184,387
Long-term notes and overdue receivables		4,147	132,000
Long-term lease receivables		32,449	(31,728)
Changes in operating liabilities			
Notes and accounts payable		9,087,123	(337,748)
Other payables		892,109	(510,415)
Other current liabilities		424,961	152,865
Other non-current liabilities		15,397	(1,527)
Cash inflow generated from operations		7,101,406	10,454,380
Dividends received from investments accounted for under equity method		875,111	400,141
Interest paid		(356,862)	(395,423)
Interest received		210,715	214,172
Dividends received		201,307	113,022
Income taxes paid		(1,968,916)	(1,195,244)
Net cash flows from operating activities		6,062,761	9,591,048

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Nine months ended September 30	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at fair value through profit or loss		(\$ 6,088,773)	(\$ 631,895)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		-	7,754
Decrease in financial assets at amortized cost		-	18,125
Proceeds from disposal of investments accounted for under equity method		1,068,734	-
Acquisition of additional shares in subsidiary	6(34)	(37,420)	(15,759)
Acquisition of property, plant and equipment		(380,081)	(246,112)
Proceeds from disposal of property, plant and equipment		27,478	16,833
Acquisition of investment property	6(13)	(204)	(1,639)
Acquisition of intangible assets	6(14)	(12,747)	(29,614)
Decrease in refundable deposits		553,430	24,966
Increase in refundable deposits		(16,467)	(58,704)
Increase in restricted time deposits		(425,706)	(5,777)
Decrease in restricted time deposits		234,793	30,891
Increase in other non-current assets		(46,652)	(27,209)
Decrease in time deposits maturing over three months		347,376	1,782,889
Increase in time deposits maturing over three months		(338,491)	(879,376)
Net cash flow on loss of control of subsidiary	6(36)	189,657	-
Net cash flows used in investing activities		(4,925,073)	(14,627)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(35)	69,646	(664,244)
Increase in short-term notes and bills payable	6(35)	1,504,000	2,100,000
Increase in guarantee deposits received	6(35)	91,868	146,302
Decrease in guarantee deposits received	6(35)	(17,255)	(86,306)
Payments of lease liabilities	6(35)	(186,268)	(193,724)
Cash dividends paid	6(35)	(5,504,225)	(4,336,662)
Net cash flows used in financing activities		(4,042,234)	(3,034,634)
Effects of changes in foreign exchange rates		(1,982,257)	(1,018,656)
Net (decrease) increase in cash and cash equivalents		(4,886,803)	5,523,131
Cash and cash equivalents at beginning of period		15,229,773	6,342,158
Cash and cash equivalents at end of period		\$ 10,342,970	\$ 11,865,289

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 31, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANISATION

Synnex Technology International Corporation (the “Company”) was incorporated in 1988 under the provisions of the Group Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in:

- A. Assembly and sale of computers and computer peripherals;
- B. Sale of communication products;
- C. Sale of consumer electronic products;
- D. Sale of electronic products and components;
- E. Warehouse and logistics services; and
- F. Maintenance and technical services for the products mentioned above.

The Company’s shares have been traded on the Taiwan Stock Exchange since December 1995.

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

These consolidated financial statements were reported to the Board of Directors on November 12, 2021.

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 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform - Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by FSC.

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

(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 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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 Standard 34, 'Interim financial reporting' as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following items, these 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) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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-Group 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 noncontrolling 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:

(a) September 30, 2021 and 2020:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2021	September 30, 2020	
Synnex Technology International Corporation	Synnex Global Ltd.	Investment holding	100	100	-
Synnex Technology International Corporation	Seper Technology Corporation	Sales of 3C products	100	100	-
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Investment holding	100	100	-
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Warehouse and logistics services	100	100	-
Synnex Technology International Corporation	Bestcom Infotech Corp.	Sales of 3C products	98.06	95.83	-
Synnex Technology International Corporation	Synergy Technology Services Corporation	Maintenance and technical services	100	100	Note 2
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Sales of 3C products	100	100	Note 2
Bestcom Infotech Corp.	Bestcom Infotech Holdings Ltd. (Note 7)	Investment holding	-	100	Note 4
Bestcom Infotech Holding Ltd.	Bestcom International Ltd. (Note 7)	Investment holding	-	100	Note 4
Bestcom International Ltd.	Bestcom Infotech Shanghai Ltd. (Note 1)	Sales of 3C products	-	100	Note 4
Synnex Global Ltd.	King's Eye Investments Ltd.	Investment holding	100	100	-
Synnex Global Ltd.	Peer Developments Ltd.	Investment holding	100	100	Note 4
Synnex Global Ltd.	Synnex Mauritius Ltd.	Investment holding	100	100	Note 2
Synnex Global Ltd.	Synnex China Holdings Ltd.	Investment holding	100	100	-
Synnex Global Ltd.	Trade Vanguard Global Ltd.	Investment holding	100	100	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2021	September 30, 2020	
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	Investment holding	100	100	-
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Sales of 3C products	100	100	-
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	Sales of 3C products	100	100	Note 2
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Sales of electronic components	100	100	Note 2
King's Eye Investments Ltd.	Syntech Asia Ltd.	Sales of electronic components	100	100	-
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Real estate investments	100	100	Note 2
King's Eye Investments Ltd.	Golden Thinking Ltd.	Real estate investments	100	100	Note 2
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia and subsidiaries	Sales of 3C products	50	50	Note 2
Laser Computer Holdings Ltd.	Laser Computer (China) Ltd.	Sales of 3C products	100	100	Note 2
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and subsidiaries	Sales of 3C products	100	100	-
Peer Developments Ltd.	LianXiang Technology (Shenzhen) Ltd.	Sales of electronic components	100	100	Note 2
Peer Developments Ltd.	Synergy Intelligent Logistics (HK) Corporation	Warehouse and logistics services	100	100	Note 2
Synnex China Holdings Ltd.	Synnex Investments (China) Ltd.	Investment holding	100	100	-
Synnex China Holdings Ltd.	Leveltech Ltd.	Sales of electronic components	100	-	Note 3
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Sales of 3C products	100	100	-
Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Shanghai) Ltd.	Sales of electronic components and warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Warehouse and logistics services	100	100	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			September 30, 2021	September 30, 2020	
Synnex Investments (China) Ltd.	Synnex (Chengdu) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Nanjing) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Hangzhou) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Qingdao) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Guangzhou) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Xi'an) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Suzhou) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Wuhan) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Changsha) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Ningbo) Ltd. (Note 5)	Warehouse and logistics services	-	100	Note 4
Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Warehouse and logistics services	100	100	Note 2
Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	97.96	97.96	Note 2
Synnex Investments (China) Ltd.	Synnex Technology Development Ltd.	Sales of 3C products	100	100	-
Synnex Investments (China) Ltd.	Jifu Intelligent Logistics Corporation	Warehouse and logistics services	100	100	Note 2

(b) December 31, 2020

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	
			December 31, 2020	Description
Synnex Technology International Corporation	Synnex Global Ltd.	Investment holding	100	-
Synnex Technology International Corporation	Seper Technology Corporation	Sales of 3C products	100	-
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Investment holding	100	-
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Warehouse and logistics services	100	-
Synnex Technology International Corporation	Bestcom Infotech Corp.	Sales of 3C products	95.83	-
Synnex Technology International Corporation	Synergy Technology Services Corporation	Maintenance and technical services	100	-
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Sales of 3C products	100	-
Bestcom Infotech Corp.	Bestcom Infotech Holdings Ltd.	Investment holding	100	-
Bestcom Infotech Holding Ltd.	Bestcom International Ltd.	Investment holding	100	-
Bestcom International Ltd.	Bestcom Infotech Shanghai Ltd. (Note 1)	Sales of 3C products	-	-
Synnex Global Ltd.	King's Eye Investments Ltd.	Investment holding	100	-
Synnex Global Ltd.	Peer Developments Ltd.	Investment holding	100	-
Synnex Global Ltd.	Synnex Mauritius Ltd.	Investment holding	100	-
Synnex Global Ltd.	Synnex China Holdings Ltd.	Investment holding	100	-
Synnex Global Ltd.	Trade Vanguard Global Ltd.	Investment holding	100	-
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	Investment holding	100	-
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Sales of 3C products	100	-
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	Sales of 3C products	100	-
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Sales of electronic components	100	-
King's Eye Investments Ltd.	Syntech Asia Ltd.	Sales of electronic components	100	-
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Real estate investments	100	-
King's Eye Investments Ltd.	Golden Thinking Ltd.	Real estate investments	100	-
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia and subsidiaries	Sales of 3C products	50	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	
			December 31, 2020	Description
Laser Computer Holdings Ltd.	Laser Computer (China) Ltd.	Sales of 3C products	100	-
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and subsidiaries	Sales of 3C products	100	-
Peer Developments Ltd.	LianXiang Technology (Shenzhen) Ltd.	Sales of electronic components	100	-
Peer Developments Ltd.	Synergy Intelligent Logistics (HK) Corporation	Warehouse and logistics services	100	-
Synnex China Holdings Ltd.	Synnex Investments (China) Ltd.	Investment holding	100	-
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Sales of 3C products	100	-
Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Shanghai) Ltd.	Sales of electronic components and warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Chengdu) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Nanjing) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Hangzhou) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Qingdao) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Guangzhou) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Xi'an) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Suzhou) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Wuhan) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Changsha) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Ningbo) Ltd.	Warehouse and logistics services	100	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)	
			December 31, 2020	Description
Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Warehouse and logistics services	100	-
Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	97.96	-
Synnex Investments (China) Ltd.	Synnex Technology Development Ltd.	Sales of 3C products	100	-
Synnex Investments (China) Ltd.	Jifu Intelligent Logistics Corporation	Warehouse and logistics services	100	-

Note 1: The Company's subsidiary - Bestcom Infotech Shanghai Ltd. cancelled its registration on December 23, 2020.

Note 2: The financial statements of the entity as of and for the nine months ended September 30, 2021 and 2020 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 3: The financial statements of the entity as of and for the nine months ended September 30, 2021 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 4: The financial statements of the entity as of and for the nine months ended September 30, 2020 were not reviewed by the independent auditors as the entity did not meet the definition of a significant subsidiary.

Note 5: The Company's subsidiary – Synnex (Ningbo) Ltd. was sold. The effective date of the sale was February 28, 2021. The proceeds from the sale were RMB 43,500 thousand and gain on disposal was \$126,220. Please refer to Note 6(36) for more details.

Note 6: The above subsidiaries included in the consolidated financial statements as of and for the year ended December 31, 2020 were audited by the Company's independent auditors, apart from Fortune Ideal Ltd. and Golden Thinking Ltd., which were audited by other auditors.

Note 7: The Company's subsidiaries - Bestcom Infotech Holdings Ltd. and Bestcom International Ltd. were dissolved as resolved by the Board of Directors on March 11, 2021. Loss on disposal was \$16,550 and its registration was cancelled in the second quarter of 2021.

C. Subsidiaries not included in the consolidated financial statements: None.

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 foreign exchange gains and losses 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 and associates 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, 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 after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (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 fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investments. Dividends are recognised as revenue 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.

(9) 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.

(10) 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.

(11) Impairment of financial assets

For financial assets at amortised cost 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 recognizes the impairment provision for lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) 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.

(13) Leasing arrangements (lessor)-lease receivables/operating leases

- A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.
 - (b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.
 - (c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.
- B. 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.

(14) Inventories

- A. Cost of inventory purchases includes purchasing price, import taxes and all the related costs involved in the process of obtaining inventory. Discounts, allowances and etc. shall be deducted from the cost of inventory purchases.
- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the the moving-average method. 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 applicable variable selling expenses.

(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. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes of 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.
- H. When the Group disposes of its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate

are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(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	20 - 50 years
Utilities equipment	7 - 15 years
Computer equipment	3 - 7 years
Transportation equipment	10 years
Furniture and fixtures	5 years
Tools	5 - 20 years
Leasehold improvements	3 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of 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; and
 - (b) Any lease payments made at or before the commencement date.

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.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference from remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life. The estimated useful lives of investment property are as follows:

Buildings and structures	20 - 50 years
Utilities equipment	7 - 15 years

(19) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 7 years.

B. Goodwill

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

(20) Impairment of non-financial assets

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

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. 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.

(22) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of 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.

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

- A. Financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
 - (a) Hybrid (combined) contracts; or
 - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
 - (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
- 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.

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

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

(26) Non-hedging and embedded derivatives

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

(27) Provisions

Warranties provisions are recognised when the 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. Warranties provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense.

(28) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.
- iv. 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. Also, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or as it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

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

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

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group 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 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 is 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 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.

(30) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(31) Dividends

Cash dividends were recorded as liabilities in the Company's financial statements after the special resolution of the Board of Directors in accordance with Article 240 of Company Act and Articles of Incorporation. Stock dividends are recorded as stock dividends to be distributed when they are resolved by the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales of goods

- (a) The Group sells information, communication, electronic and consumer electronic products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. 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) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales return, volume discounts, sales discounts and allowances. The estimated volume discounts, sales discounts and allowances given to customers are based on the expected purchase volume and accumulated experience. A refund liability is recognised for expected sales return, volume discounts, sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. 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.
- (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. Service revenue

The Group provides services of inventory management, installation and maintenance services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

C. Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(33) 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 information is addressed below:

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

Revenue recognition on a net/gross basis

The determination of whether the Group is acting as principal or agent in a transaction is based on an evaluation of Group's exposure to the significant risks and rewards associated with the sale of goods or the rendering of services in accordance with the business model and substance of the transaction. Where the Group acts as a principal, the amount of receivable from customer is recognised as revenue on a gross basis. Where the Group acts as an agent, net revenue is recognised representing commissions earned.

The following characteristics of a principal are used as indicators to determine whether the Group shall recognise revenue on a gross basis:

- A. The Group has primary responsibilities for the goods or services it provides;
- B. The Group bears inventory risk;
- C. The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

(2) Critical accounting estimates and assumptions

A. Assessment of allowance for uncollectible accounts receivable

During the assessment process of allowance for uncollectible accounts receivable, the Group has to utilize judgements and estimates to determine the recoverable amount of accounts receivable. The recoverable amount is affected by various factors such as customers' financial conditions, Group's internal credit ratings, historical transaction records, current economic conditions, and other factors that could affect customers' paying ability. If there is a concern regarding the collectability of the account, the Group shall assess the account's collectability individually and recognize appropriate allowances. Management makes critical assumptions and estimates concerning future events as of balance sheet date, which may differ from actual results. Thus, there might be material changes to the assessment.

B. Evaluation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group must determine the net realizable 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 value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such evaluation of inventories is primarily based on the demand for the products within a specific period in the future. Therefore, there might be material changes to the evaluation.

C. Accrual of inventory purchase rebates

Accrual of inventory purchase rebates is estimated based on contract terms and expected achievement rate. However, contract terms for rebates could be in various types, with complicated calculations and entered into with different counterparties. Therefore, a substantial volume of purchase and sale information has to be matched with individual merchandise item manually in order to calculate rebates. Management makes critical assumptions and estimates concerning future events as of balance sheet date, which may differ from actual results. Thus, there might be material changes to the assessment.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash on hand and revolving funds	\$ 546	\$ 1,080	\$ 1,009
Checking accounts and demand deposits	7,629,692	12,699,468	6,041,508
Time deposits	<u>2,712,732</u>	<u>2,529,225</u>	<u>5,822,772</u>
	<u>\$ 10,342,970</u>	<u>\$ 15,229,773</u>	<u>\$ 11,865,289</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. For information regarding cash and cash equivalents pledged as collateral and reclassified as financial assets at amortised cost, please refer to Notes 6(4) and 8.

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

<u>Items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 23,342	\$ 23,444	\$ 23,545
Financial products	6,088,773	-	9,882,475
Non-hedging derivatives-forward exchange	<u>1,052</u>	<u>-</u>	<u>848</u>
	6,113,167	23,444	9,906,868
Valuation adjustment	<u>209,777</u>	<u>97,160</u>	<u>161,845</u>
	<u>\$ 6,322,944</u>	<u>\$ 120,604</u>	<u>\$ 10,068,713</u>
Financial liabilities held for trading			
Non-hedging derivatives-forward exchange	<u>\$ -</u>	<u>\$ 751</u>	<u>\$ -</u>

A. The Group recognised net gain of \$112,240, \$113,715, \$273,911, and \$326,932 on financial assets at fair value through profit or loss for the three months and nine months ended September 30, 2021 and 2020, respectively.

B. The subsidiaries entered into contracts relating to derivative financial instruments which were not accounted for under hedge accounting. The information is as follows:

		September 30, 2021	
			Nominal Principal
The subsidiaries	Items	Book Value	(in thousands)
Synnex New Zealand	Forward exchange - buy USD sell NZD	\$ 934	USD 2,040
Synnex New Zealand	Forward exchange - buy AUD sell NZD	118	AUD 550
		<u>\$ 1,052</u>	

		December 31, 2020	
			Nominal Principal
The subsidiaries	Items	Book Value	(in thousands)
Synnex New Zealand	Forward exchange - buy USD sell NZD	(\$ 781)	USD 1,330
Synnex New Zealand	Forward exchange - buy AUD sell NZD	30	AUD 1,230
		<u>(\$ 751)</u>	

		September 30, 2020	
			Nominal Principal
The subsidiaries	Items	Book Value	(in thousands)
Synnex New Zealand	Forward exchange - buy USD sell NZD	\$ 1,062	USD 2,660
Synnex New Zealand	Forward exchange - buy AUD sell NZD	(214)	AUD 2,040
		<u>\$ 848</u>	

For the nine months ended September 30, 2021 and 2020, the subsidiaries of the Company undertook forward exchange contracts with local banks to hedge risks of foreign currency assets and liabilities arising from fluctuations in exchange rates. The Group recognised (loss) gain on valuation amounting (\$567), \$7,983, \$623, and (\$30,142), respectively, for the three months and nine months ended September 30, 2021 and 2020.

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

D. Information relating to credit risk is provided in Note 12(2).

(3) Financial assets at fair value through other comprehensive income

Items	September 30, 2021	December 31, 2020	September 30, 2020
Current items:			
Equity instruments			
Listed stocks	\$ 13,684,280	\$ -	\$ -
Valuation adjustment	(2,473,660)	-	-
	<u>\$ 11,210,620</u>	<u>\$ -</u>	<u>\$ -</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 835,880	\$ 820,687	\$ 820,687
Non-listed (TSE and OTC) stocks	2,016,352	2,017,802	2,019,230
Valuation adjustment	3,234,965	2,347,447	1,546,157
	<u>\$ 6,087,197</u>	<u>\$ 5,185,936</u>	<u>\$ 4,386,074</u>

- A. The Group has elected to classify share investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments as at September 30, 2021, December 31, 2020, and September 30, 2020 is listed in the table above.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three months ended September 30,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Change in fair value recognised in other comprehensive income	(\$ 2,587,548)	\$ 174,869

	Nine months ended September 30,	
	2021	2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Change in fair value recognised in other comprehensive income	(\$ 1,606,791)	\$ 214,145

- C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	September 30, 2021	December 31, 2020	September 30, 2020
Current items:			
Deposits for banker's acceptance	\$ -	\$ -	\$ 1,063
Time deposits maturing over three months	505	9,390	2,298
	<u>\$ 505</u>	<u>\$ 9,390</u>	<u>\$ 3,361</u>

Non-current items:

Pledged time deposits	<u>\$ 1,446,051</u>	<u>\$ 1,255,138</u>	<u>\$ 1,298,829</u>
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Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(5) Notes, accounts and overdue receivable

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	\$ 7,254,227	\$ 7,642,861	\$ 5,501,819
Less: Allowance for uncollectible accounts	(15,570)	(20,516)	(19,338)
	<u>\$ 7,238,657</u>	<u>\$ 7,622,345</u>	<u>\$ 5,482,481</u>
Accounts receivable	\$ 60,322,714	\$ 56,442,917	\$ 51,368,132
Accounts receivable due from related parties	607,743	331,988	369,947
Lease receivables (expiring within one year)	154,796	143,826	125,734
	<u>61,085,253</u>	<u>56,918,731</u>	<u>51,863,813</u>
Less: Allowance for uncollectible accounts	(77,946)	(135,571)	(81,299)
	<u>61,007,307</u>	<u>56,783,160</u>	<u>51,782,514</u>
Overdue receivables (recorded as other non-current assets)	2,932,096	2,930,420	3,002,113
Less: Allowance for uncollectible accounts	(2,211,887)	(2,126,571)	(1,976,750)
	<u>720,209</u>	<u>803,849</u>	<u>1,025,363</u>
	<u>\$ 61,727,516</u>	<u>\$ 57,587,009</u>	<u>\$ 52,807,877</u>

Overdue receivables consist primarily of amounts due from customers under bankruptcy proceedings and are stated at their estimated net realizable value. As of September 30, 2021, December 31, 2020, and September 30, 2020, the Group received certain security for a portion of the amounts due.

A. The ageing analysis of notes receivable and accounts receivable (including related parties) is as follows:

	September 30, 2021			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 7,254,227	\$ 54,631,430	\$ 4	\$ 61,885,661
Up to 60 days past due	-	4,878,784	585	4,879,369
61-120 days past due	-	901,284	9,912	911,196
121-180 days past due	-	368,439	9,402	377,841
More than 181 days past due	-	305,316	2,912,193	3,217,509
	<u>\$ 7,254,227</u>	<u>\$ 61,085,253</u>	<u>\$ 2,932,096</u>	<u>\$ 71,271,576</u>

	December 31, 2020			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 7,642,861	\$ 51,373,735	\$ -	\$ 59,016,596
Up to 60 days past due	-	4,991,929	17,241	5,009,170
61-120 days past due	-	358,905	36,537	395,442
121-180 days past due	-	83,807	7,412	91,219
More than 181 days past due	-	110,355	2,869,230	2,979,585
	<u>\$ 7,642,861</u>	<u>\$ 56,918,731</u>	<u>\$ 2,930,420</u>	<u>\$ 67,492,012</u>
	September 30, 2020			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 5,501,819	\$ 48,499,105	\$ 719	\$ 54,001,643
Up to 60 days past due	-	2,836,046	13,046	2,849,092
61-120 days past due	-	284,532	2,579	287,111
121-180 days past due	-	164,928	13,750	178,678
More than 181 days past due	-	79,202	2,972,019	3,051,221
	<u>\$ 5,501,819</u>	<u>\$ 51,863,813</u>	<u>\$ 3,002,113</u>	<u>\$ 60,367,745</u>

The above ageing analysis was based on past due date.

- B. As of September 30, 2021, December 31, 2020, and September 30, 2020, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2020, the balance of receivables from contracts with customers amounted to \$55,020,856.
- C. Details of the Group's accounts receivable pledged to others as collateral are provided in Note 8.
- D. Certain notes receivable that were discounted to banks (pertaining to bankers' acceptance) met the derecognition criteria for financial assets. The Group has payment obligation when the acceptors (acceptance banks) of the notes refuse to pay the notes at maturity. However, the credit rating of the aforesaid acceptors (acceptance banks) is high. In general, the Group does not expect that the acceptors (acceptance banks) of the notes would refuse to pay for the notes at maturity. As of September 30, 2021, December 31, 2020, and September 30, 2020, the Group had derecognized notes receivable (pertaining to bankers' acceptance) that were discounted to banks but not yet matured amounting to \$0, \$0, and \$149,364, respectively.
- E. Lease receivables
Information relating to lease receivables is provided in Note 6(12).
- F. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(6) Transfer of financial assets

Transferred financial assets that are derecognised in their entirety

The Group entered into factoring agreements with banks to sell its accounts receivable. Under the agreements, the Group is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred in any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the factored accounts receivable, and the related information is as follows:

(Unit: USD thousand)

September 30, 2021

Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced
<u>The Company</u>			
\$ 522,691 (US\$18,829)	\$ 522,691 (US\$18,829)	US\$57,500	\$ 522,691 (US\$18,829)
<u>Subsidiaries</u>			
\$ 1,065,845 (US\$38,202)	\$ 1,065,845 (US\$38,202)	US\$107,000	\$ 1,065,845 (US\$38,202)

(Unit: USD thousand)

December 31, 2020

Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced
<u>Subsidiaries</u>			
\$ 436,487 (US\$15,299)	\$ 436,487 (US\$15,299)	US\$107,000	\$ 436,487 (US\$15,299)

As of December 31, 2020, no factored accounts receivable were derecognised.

(Unit: USD thousand)

September 30, 2020

Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced
<u>The Company</u>			
\$ - US\$0	\$ - US\$0	US\$57,500	\$ - US\$0
<u>Subsidiaries</u>			
\$ 152,163 (US\$5,220)	\$ 152,163 (US\$5,220)	US\$107,000	\$ 152,163 (US\$5,220)

- A. The counterparties of the Group's accounts receivable factoring mainly were Taishin International Bank, Chang Hwa Bank, E.SUN Commercial Bank and other financial institutions. As of September 30, 2021, December 31, 2020, and September 30, 2020, the interest rate of amount advanced was 0.62%~0.71%, 0.75%, and 0.8%, respectively.
- B. As of September 30, 2021, December 31, 2020, and September 30, 2020, the commercial papers issued for accounts receivable factoring amounted to US\$42,200 thousand, US\$42,200 thousand, and US\$42,200 thousand, respectively.

(7) Other receivables

	September 30, 2021	December 31, 2020	September 30, 2020
Receivables from suppliers	\$ 6,908,420	\$ 5,813,586	\$ 5,639,041
Tax refund receivable-business tax	488,294	334,858	405,531
Other non-operating receivables, others (including related parties)	201,240	215,387	223,845
	<u>\$ 7,597,954</u>	<u>\$ 6,363,831</u>	<u>\$ 6,268,417</u>

(8) Inventories

September 30, 2021			
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 37,690,141	(\$ 452,922)	\$ 37,237,219
Inventory in transit	160,590	-	160,590
	<u>\$ 37,850,731</u>	<u>(\$ 452,922)</u>	<u>\$ 37,397,809</u>

December 31, 2020			
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 30,878,690	(\$ 507,095)	\$ 30,371,595
Inventory in transit	515,070	-	515,070
	<u>\$ 31,393,760</u>	<u>(\$ 507,095)</u>	<u>\$ 30,886,665</u>

September 30, 2020			
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 25,077,191	(\$ 681,669)	\$ 24,395,522
Inventory in transit	71,425	-	71,425
	<u>\$ 25,148,616</u>	<u>(\$ 681,669)</u>	<u>\$ 24,466,947</u>

A. Information relating to inventories pledged to others as collaterals is provided in Note 8.

B. The cost of inventories recognised as expense for the period:

Three months ended September 30,			
	2021	2020	
Cost of inventories sold	\$ 97,216,154	\$ 85,871,964	
Loss on decline in market value	(36,794)	(63,322)	
Loss on scrapping of inventories	-	97	
	<u>\$ 97,179,360</u>	<u>\$ 85,808,739</u>	

	Nine months ended September 30,	
	2021	2020
Cost of inventories sold	\$ 272,406,121	\$ 223,468,187
Loss on decline in (gain on reversal of) market value	(54,173)	3,932
Loss on scrapping of inventories	-	313
	<u>\$ 272,351,948</u>	<u>\$ 223,472,432</u>

For the three months and nine months ended September 30, 2021 and 2020, gain on reversal of valuation loss and obsolescence arose after the inventories were scrapped or sold.

(9) Investments accounted for under equity method

A. The details are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Associates:			
Synnex Corporation (Notes 1 and 3)	\$ -	\$ 4,425,255	\$ 8,937,501
Concentrix Corporation (Notes 1 and 2)	4,896,275	4,871,435	-
Redington (India) Ltd.	4,513,115	4,322,194	4,264,891
Synnex FPT Joint Stock Company	1,366,351	1,405,489	1,365,274
Synnex (Thailand) Public Company Ltd.	1,175,781	1,310,047	1,206,000
Other	73,684	74,761	68,806
	<u>\$ 12,025,206</u>	<u>\$ 16,409,181</u>	<u>\$ 15,842,472</u>

The information on shareholding ratio is provided in Note 8.

B. The above investments accounted for under equity method are profit/(loss) and share of other comprehensive income of associates recognised based on financial statements that were not reviewed by the investees' independent auditors.

Details are as follows:

	Profit/(loss) of associates	
	Three months ended September 30,	
	2021	2020
Synnex Corporation	\$ 196,046	\$ 283,292
Concentrix Corporation	214,804	-
Redington (India) Ltd.	272,661	167,795
Synnex FPT Joint Stock Company	99,424	58,354
Synnex (Thailand) Public Company Ltd.	63,586	66,266
Other	3,782	2,603
	<u>\$ 850,303</u>	<u>\$ 578,310</u>

		Profit/(loss) of associates	
		Nine months ended September 30,	
		2021	2020
Synnex Corporation	\$	576,235	\$ 684,371
Concentrix corporation		552,678	-
Redington (India) Ltd.		687,109	313,667
Synnex FPT Joint Stock Company		253,185	164,963
Synnex (Thailand) Public Company Ltd.		208,960	177,658
Other	(	75)	2,760
	\$	<u>2,278,092</u>	<u>\$ 1,343,419</u>
		Share of other comprehensive income of associates	
		Three months ended September 30,	
		2021	2020
Synnex Corporation	(\$	23,824)	\$ 66,363
Concentrix Corporation	(	138,524)	-
Synnex (Thailand) Public Company Ltd.	(	7,211)	9,632
	(\$	<u>169,559</u>	<u>\$ 75,995</u>
		Share of other comprehensive income of associates	
		Nine months ended September 30,	
		2021	2020
Synnex Corporation	\$	79,923	(\$ 34,791)
Concentrix Corporation	(	69,747)	-
Synnex (Thailand) Public Company Ltd.		14,462	12,849
	\$	<u>24,638</u>	<u>(\$ 21,942)</u>

Note 1: On December 1, 2020, Synnex Corporation completed the spin-off of Concentrix Corporation, and shareholders of Synnex Corporation received the same number of shares in Concentrix Corporation as they held in Synnex Corporation.

Note 2: The Group is one of the major shareholders of Concentrix Corporation and holds one seat on the Board of Director. Thus, the Group has significant influence over Concentrix Corporation.

Note 3: The Group was one of the major shareholders of Synnex Corporation, and the Group's Chairman Mr. Matthew Miao served as Synnex's honorary chairman. Thus, the Group had significant influence over Synnex Corporation. The Group lost significant influence over Synnex and its ownership decreased to 4.02% due to the issuance of new shares for a merger by Synnex on September 1, 2021. On the same date, the Group derecognised the carrying amount of the investment accounted for using equity method, and the investment was remeasured to its fair value and recognised as financial assets at fair value through other comprehensive income. The difference was recognised in gains on disposal of investments amounting to USD 320,651 thousand, equivalent to \$9,017,328.

C. Associates

The Group has no material associates as of September 30, 2021 and December 31, 2020.

The information of the associates that are material to the Group as of September 30, 2020 is as follows:

(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>Nature of relationship</u>	<u>Methods of measurement</u>
Synnex Corporation	USA	Financial investment	Equity method

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

Balance sheet

	<u>Synnex Corporation September 30, 2020</u>
Current assets	\$ 249,645,002
Non-current assets	136,691,229
Current liabilities	(164,177,114)
Non-current liabilities	(103,114,540)
Total net assets	<u>\$ 119,044,577</u>
Share in associate's net assets	\$ 8,871,445
Goodwill	<u>66,056</u>
Carrying amount of the associate	<u>\$ 8,937,501</u>

Statement of comprehensive income

	<u>Synnex Corporation Nine months ended September 30, 2020</u>
Revenue	\$ 515,587,281
Profit for the period from continuing operations	9,124,949
Other comprehensive loss, net of tax	(464,493)
Total comprehensive income	<u>\$ 8,660,456</u>
Dividends received from associates	<u>\$ 46,116</u>

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of September 30, 2021, December 31, 2020, and September 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$12,025,206, \$16,409,181, and \$6,904,971, respectively.

		Nine months ended September 31,	
		2021	2020
Profit or loss for the period from continuing operations	\$	2,278,092	\$ 659,048
Other comprehensive income, net of tax		24,638	12,849
Total comprehensive income	\$	<u>2,302,730</u>	<u>\$ 671,897</u>
(d) The fair value calculated proportionately based on ownership shares of the Group's associates with quoted market prices is as follows:			
	September 30, 2021	December 31, 2020	September 30, 2020
Synnex Corporation	\$ -	\$ 8,968,373	\$ 15,758,958
Concentrix Corporation	\$ 17,767,435	\$ 10,869,097	\$ -
Redington (India) Ltd.	\$ 9,885,986	\$ 4,859,070	\$ 4,407,392
Synnex (Thailand) Public Company Ltd.	\$ 6,483,167	\$ 4,849,580	\$ 4,154,517

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(10) Property, plant and equipment

2021

	Land			Buildings and structures			Utilities equipment			Computer equipment	Transportation equipment	Furniture and fixtures	Tools			Leasehold improvements	Construction in progress and equipment to be inspected	Total
	Owner	Owner	Lease	Subtotal	Owner	Lease	Subtotal	Owner	Owner	Owner	Owner	Owner	Lease	Subtotal	Owner	Owner		
	-occupied	-occupied			-occupied			-occupied	-occupied	-occupied	-occupied	-occupied			-occupied	-occupied		
<u>At January 1</u>																		
Cost	\$ 1,516,732	\$ 4,783,716	\$ 842,822	\$ 5,626,538	\$ 483,048	\$ 71,372	\$ 554,420	\$ 265,589	\$ 169,397	\$ 87,875	\$ 595,050	\$ 2,341	\$ 597,391	\$ 83,498	\$ 2,764,464	\$ 11,665,904		
Accumulated depreciation and impairment	-	(1,078,113)	(148,428)	(1,226,541)	(267,323)	(31,903)	(299,226)	(152,873)	(79,580)	(64,421)	(187,615)	(1,115)	(188,730)	(54,611)	(45)	(2,066,027)		
	<u>\$ 1,516,732</u>	<u>\$ 3,705,603</u>	<u>\$ 694,394</u>	<u>\$ 4,399,997</u>	<u>\$ 215,725</u>	<u>\$ 39,469</u>	<u>\$ 255,194</u>	<u>\$ 112,716</u>	<u>\$ 89,817</u>	<u>\$ 23,454</u>	<u>\$ 407,435</u>	<u>\$ 1,226</u>	<u>\$ 408,661</u>	<u>\$ 28,887</u>	<u>\$ 2,764,419</u>	<u>\$ 9,599,877</u>		
Opening net book amount	\$ 1,516,732	\$ 3,705,603	\$ 694,394	\$ 4,399,997	\$ 215,725	\$ 39,469	\$ 255,194	\$ 112,716	\$ 89,817	\$ 23,454	\$ 407,435	\$ 1,226	\$ 408,661	\$ 28,887	\$ 2,764,419	\$ 9,599,877		
Additions	-	25,791	3,112	28,903	6,171	-	6,171	11,905	2,255	4,677	10,164	22	10,186	114	315,870	380,081		
Disposals	- (19)	- (19)	- (19)	(5,245)	- (5,245)	- (5,245)	(1,293)	(4,086)	(28)	(1,246)	- (1,246)	- (1,246)	- (1,246)	- (1,246)	- (7,081)	(18,998)		
Reclassifications	- (724,994)	739,669	14,675	36,602	(36,350)	252	-	22,819	(160)	1,530	(1,111)	419	- (15,034)	- (15,034)	22,971			
Depreciation charge	- (75,903)	(30,540)	(106,443)	(32,497)	(2,633)	(35,130)	(30,847)	(12,563)	(7,506)	(29,893)	(137)	(30,030)	(12,953)	- (235,472)	- (235,472)			
Effect of exchange rate changes	(74,366)	(89,411)	(15,372)	(104,783)	(4,334)	(486)	(4,820)	(957)	(623)	(741)	(20,680)	-	(20,680)	(338)	(35,373)	(242,681)		
Closing net book amount	<u>\$ 1,442,366</u>	<u>\$ 2,841,067</u>	<u>\$ 1,391,263</u>	<u>\$ 4,232,330</u>	<u>\$ 216,422</u>	<u>\$ -</u>	<u>\$ 216,422</u>	<u>\$ 91,524</u>	<u>\$ 97,619</u>	<u>\$ 19,696</u>	<u>\$ 367,310</u>	<u>\$ -</u>	<u>\$ 367,310</u>	<u>\$ 15,710</u>	<u>\$ 3,022,801</u>	<u>\$ 9,505,778</u>		
<u>At September 30</u>																		
Cost	\$ 1,442,366	\$ 3,833,145	\$ 1,669,960	\$ 5,503,105	\$ 494,946	\$ -	\$ 494,946	\$ 245,474	\$ 178,020	\$ 80,432	\$ 573,161	\$ -	\$ 573,161	\$ 73,366	\$ 3,022,801	\$ 11,613,671		
Accumulated depreciation and impairment	-	(992,078)	(278,697)	(1,270,775)	(278,524)	-	(278,524)	(153,950)	(80,401)	(60,736)	(205,851)	-	(205,851)	(57,656)	-	(2,107,893)		
	<u>\$ 1,442,366</u>	<u>\$ 2,841,067</u>	<u>\$ 1,391,263</u>	<u>\$ 4,232,330</u>	<u>\$ 216,422</u>	<u>\$ -</u>	<u>\$ 216,422</u>	<u>\$ 91,524</u>	<u>\$ 97,619</u>	<u>\$ 19,696</u>	<u>\$ 367,310</u>	<u>\$ -</u>	<u>\$ 367,310</u>	<u>\$ 15,710</u>	<u>\$ 3,022,801</u>	<u>\$ 9,505,778</u>		

	Buildings and structures				Utilities equipment			Computer equipment	Transportation equipment	Furniture and fixtures	Tools			Leasehold improvements	Construction in progress and equipment to be inspected	Total
	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied	
<u>At January 1</u>																
Cost	\$ 1,055,787	\$ 4,479,285	\$ 528,348	\$ 5,007,633	\$ 429,127	\$ 42,841	\$ 471,968	\$ 290,291	\$ 205,486	\$ 73,366	\$ 499,528	\$ 2,168	\$ 501,696	\$ 90,622	\$ 491,980	\$ 8,188,829
Accumulated depreciation and impairment	-	(972,690)	(90,347)	(1,063,037)	(231,872)	(19,885)	(251,757)	(151,147)	(124,153)	(52,182)	(157,622)	(621)	(158,243)	(38,946)	-	(1,839,465)
	<u>\$ 1,055,787</u>	<u>\$ 3,506,595</u>	<u>\$ 438,001</u>	<u>\$ 3,944,596</u>	<u>\$ 197,255</u>	<u>\$ 22,956</u>	<u>\$ 220,211</u>	<u>\$ 139,144</u>	<u>\$ 81,333</u>	<u>\$ 21,184</u>	<u>\$ 341,906</u>	<u>\$ 1,547</u>	<u>\$ 343,453</u>	<u>\$ 51,676</u>	<u>\$ 491,980</u>	<u>\$ 6,349,364</u>
Opening net book amount	\$ 1,055,787	\$ 3,506,595	\$ 438,001	\$ 3,944,596	\$ 197,255	\$ 22,956	\$ 220,211	\$ 139,144	\$ 81,333	\$ 21,184	\$ 341,906	\$ 1,547	\$ 343,453	\$ 51,676	\$ 491,980	\$ 6,349,364
Additions	-	6,176	69	6,245	2,227	24	2,251	15,297	16,819	7,178	13,722	162	13,884	571	183,867	246,112
Disposals	-	(28)	-	(28)	(714)	-	(714)	(261)	(2,871)	(28)	(185)	-	(185)	(775)	-	(4,862)
Reclassifications	-	(222,808)	(89,937)	(312,745)	21,464	(1,976)	19,488	-	12,884	5,254	73,503	-	73,503	-	2,358,485	2,156,869
Depreciation charge	-	(78,923)	(7,645)	(86,568)	(25,850)	(1,902)	(27,752)	(35,166)	(14,338)	(9,097)	(24,921)	(359)	(25,280)	(17,237)	(124)	(215,562)
Effect of exchange rate changes	(17,731)	(50,967)	(2,012)	(52,979)	(1,085)	(101)	(1,186)	(360)	(391)	(1,616)	(5,253)	-	(5,253)	(423)	167	(79,772)
Closing net book amount	<u>\$ 1,038,056</u>	<u>\$ 3,160,045</u>	<u>\$ 338,476</u>	<u>\$ 3,498,521</u>	<u>\$ 193,297</u>	<u>\$ 19,001</u>	<u>\$ 212,298</u>	<u>\$ 118,654</u>	<u>\$ 93,436</u>	<u>\$ 22,875</u>	<u>\$ 398,772</u>	<u>\$ 1,350</u>	<u>\$ 400,122</u>	<u>\$ 33,812</u>	<u>\$ 3,034,375</u>	<u>\$ 8,452,149</u>
<u>At September 30</u>																
Cost	\$ 1,038,056	\$ 4,170,657	\$ 420,978	\$ 4,591,635	\$ 441,675	\$ 36,651	\$ 478,326	\$ 275,779	\$ 194,836	\$ 83,317	\$ 570,305	\$ 2,329	\$ 572,634	\$ 84,813	\$ 3,034,542	\$ 10,353,938
Accumulated depreciation and impairment	-	(1,010,612)	(82,502)	(1,093,114)	(248,378)	(17,650)	(266,028)	(157,125)	(101,400)	(60,442)	(171,533)	(979)	(172,512)	(51,001)	(167)	(1,901,789)
	<u>\$ 1,038,056</u>	<u>\$ 3,160,045</u>	<u>\$ 338,476</u>	<u>\$ 3,498,521</u>	<u>\$ 193,297</u>	<u>\$ 19,001</u>	<u>\$ 212,298</u>	<u>\$ 118,654</u>	<u>\$ 93,436</u>	<u>\$ 22,875</u>	<u>\$ 398,772</u>	<u>\$ 1,350</u>	<u>\$ 400,122</u>	<u>\$ 33,812</u>	<u>\$ 3,034,375</u>	<u>\$ 8,452,149</u>

Note 1: The significant components of buildings include office buildings and warehouse with main buildings and improvements, which are depreciated over 20~55 and 10~35 years, respectively.

Note 2: The Group's property in Nangang District, Taipei City has been under construction since February 2020 and was shown under construction in progress. Thus, for the nine months ended September 30, 2021 and 2020, the interest of property, plant and equipment has been capitalized. Amount of borrowing costs for property, plant and equipment capitalised and interest rate range are as follows:

	Three months ended September 30,	
	2021	2020
Amount capitalised	\$ 5,122	\$ 5,903
Range of the interest rates for capitalisation	0.81%	0.86%~0.88%

	Nine months ended September 30,	
	2021	2020
Amount capitalised	\$ 15,658	\$ 14,091
Range of the interest rates for capitalisation	0.81%~0.83%	0.86%~0.99%

Note 3: The Group had no property, plant and equipment pledged to others as collateral as of September 30, 2021, December 31, 2020, and September 30, 2020.

(11) Leasing arrangements - lessee

A. The Group leases various assets including land use rights and buildings. Rental contracts are typically made for periods of 1 to 5 years for buildings and 43 to 50 years for land use rights. 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>Land use rights</u>	<u>Buildings</u>	<u>Total</u>
January 1, 2021	\$ 741,742	\$ 523,154	\$ 1,264,896
Additions	-	162,025	162,025
Depreciation charge	(13,841)	(184,682)	(198,523)
Lease modifications	-	(6,797)	(6,797)
Effect of decrease in consolidated entities	(40,614)	-	(40,614)
Effect of exchange rate changes	(10,049)	(7,696)	(17,745)
September 30, 2021	<u>\$ 677,238</u>	<u>\$ 486,004</u>	<u>\$ 1,163,242</u>

	<u>Land use rights</u>	<u>Buildings</u>	<u>Total</u>
January 1, 2020	\$ 747,609	\$ 777,331	\$ 1,524,940
Additions	-	17,780	17,780
Depreciation charge	(14,168)	(200,129)	(214,297)
Effect of exchange rate changes	(2,972)	(1,413)	(4,385)
September 30, 2020	<u>\$ 730,469</u>	<u>\$ 593,569</u>	<u>\$ 1,324,038</u>

C. Information on profit or loss relating to lease contracts is as follows:

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,387	\$ 3,412
Expense on short-term lease contracts	15,310	21,423
Expense on leases of low-value assets	2,278	710

	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 7,595	\$ 11,206
Expense on short-term lease contracts	41,518	53,976
Expense on leases of low-value assets	7,259	2,107
Gain on lease modification	(164)	-

D. Apart from the cash outflow relating to the lease expense mentioned above in (11)C, the Group's cash outflow arising from the payment of lease liabilities amounted to \$186,268 and \$193,724 for the nine months ended September 30, 2021 and 2020, respectively.

(12) Leasing arrangements - lessor

- A. The Group leases various assets including office buildings. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.
- B. The Group leases computers and computer peripherals assets to others under a finance lease. Based on the terms of the lease contract, the ownership of the assets will be transferred to lessees provided that the lessees exercise the purchase option when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

		Three months ended September 30,	
		2021	2020
Sales profit	\$	12,156	\$ 14,262
Finance income from the net investment in the finance lease		3,764	3,356
	\$	<u>15,920</u>	<u>\$ 17,618</u>
		Nine months ended September 30,	
		2021	2020
Sales profit	\$	37,992	\$ 47,614
Finance income from the net investment in the finance lease		11,652	9,576
	\$	<u>49,644</u>	<u>\$ 57,190</u>

- C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Within 1 year	\$ 183,392	\$ 170,998	\$ 148,893
1-5 year(s)	165,438	199,864	170,223
	<u>\$ 348,830</u>	<u>\$ 370,862</u>	<u>\$ 319,116</u>

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	September 30, 2021		
	Current	Non-current	Total
Undiscounted lease payments	\$ 183,392	\$ 165,438	\$ 348,830
Unearned finance income	(28,596)	(23,842)	(52,438)
Net investment in the lease	<u>\$ 154,796</u>	<u>\$ 141,596</u>	<u>\$ 296,392</u>

	December 31, 2020		
	Current	Non-current	Total
Undiscounted lease payments	\$ 170,998	\$ 199,864	\$ 370,862
Unearned finance income	(27,172)	(25,819)	(52,991)
Net investment in the lease	<u>\$ 143,826</u>	<u>\$ 174,045</u>	<u>\$ 317,871</u>

	September 30, 2020		
	Current	Non-current	Total
Undiscounted lease payments	\$ 148,893	\$ 170,223	\$ 319,116
Unearned finance income	(23,159)	(21,268)	(44,427)
Net investment in the lease	<u>\$ 125,734</u>	<u>\$ 148,955</u>	<u>\$ 274,689</u>

E. Gain arising from operating lease agreements for the three months and nine months ended September 30, 2021 and 2020 are as follows:

	Three months ended September 30,	
	2021	2020
Rental income (including operating revenue and other income)	<u>\$ 148,912</u>	<u>\$ 150,705</u>

	Nine months ended September 30,	
	2021	2020
Rental income (including operating revenue and other income)	<u>\$ 450,188</u>	<u>\$ 421,028</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Within 1 year	\$ 315,592	\$ 479,620	\$ 365,659
1-5 year(s)	554,079	634,437	365,028
Over 5 years	241,787	295,380	119,513
	<u>\$ 1,111,458</u>	<u>\$ 1,409,437</u>	<u>\$ 850,200</u>

(13) Investment property

	2021		
	Buildings and structures	Utilities equipment	Total
<u>At January 1</u>			
Cost	\$ 1,524,561	\$ 148,160	\$ 1,672,721
Accumulated depreciation	(330,228)	(119,870)	(450,098)
	<u>\$ 1,194,333</u>	<u>\$ 28,290</u>	<u>\$ 1,222,623</u>
Opening net book amount	\$ 1,194,333	\$ 28,290	\$ 1,222,623
Additions	204	-	204
Depreciation charge	(24,180)	(10,624)	(34,804)
Effect of decrease in consolidated entities	(159,462)	(8,229)	(167,691)
Net exchange differences	(14,863)	(215)	(15,078)
Closing net book amount	<u>\$ 996,032</u>	<u>\$ 9,222</u>	<u>\$ 1,005,254</u>
<u>At September 30</u>			
Cost	\$ 1,322,067	\$ 132,382	1,454,449
Accumulated depreciation	(326,035)	(123,160)	(449,195)
	<u>\$ 996,032</u>	<u>\$ 9,222</u>	<u>\$ 1,005,254</u>
	2020		
	Buildings and structures	Utilities equipment	Total
<u>At January 1</u>			
Cost	\$ 1,647,723	\$ 158,129	\$ 1,805,852
Accumulated depreciation	(319,626)	(115,362)	(434,988)
	<u>\$ 1,328,097</u>	<u>\$ 42,767</u>	<u>\$ 1,370,864</u>
Opening net book amount	\$ 1,328,097	\$ 42,767	\$ 1,370,864
Additions	855	784	1,639
Reclassifications	346,597	25,475	372,072
Depreciation charge	(35,496)	(10,144)	(45,640)
Net exchange differences	(4,254)	(118)	(4,372)
Closing net book amount	<u>\$ 1,635,799</u>	<u>\$ 58,764</u>	<u>\$ 1,694,563</u>
<u>At September 30</u>			
Cost	\$ 2,028,829	\$ 189,221	\$ 2,218,050
Accumulated depreciation	(393,030)	(130,457)	(523,487)
	<u>\$ 1,635,799</u>	<u>\$ 58,764</u>	<u>\$ 1,694,563</u>

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

	Three months ended September 30,	
	2021	2020
Rental income from investment property	\$ 104,444	\$ 149,410
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 23,791	\$ 35,431

	Nine months ended September 30,	
	2021	2020
Rental income from investment property	\$ 312,198	\$ 380,062
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 68,060	\$ 90,187

- B. The fair value of the investment property held by the Group as of September 30, 2021, December 31, 2020, and September 30, 2020 was \$2,823,424, \$2,953,606, and \$3,370,507, respectively, which is calculated based on the present value of rental revenue for the next 10 years and disposal value. The valuation approach is categorized within level 3 in the fair value hierarchy. The growth rates used are consistent with the forecasts included in market quotation reports and historical experiences. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

(14) Intangible assets

	2021		
	Computer software cost	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 416,663	\$ 532,548	\$ 949,211
Accumulated amortisation	(311,506)	-	(311,506)
	<u>\$ 105,157</u>	<u>\$ 532,548</u>	<u>\$ 637,705</u>
Opening net book amount	\$ 105,157	\$ 532,548	\$ 637,705
Additions - acquired separately	12,747	-	12,747
Reclassifications	18,580	-	18,580
Amortisation charge	(29,087)	-	(29,087)
Net exchange differences	(2,840)	(6,606)	(9,446)
Closing net book amount	<u>\$ 104,557</u>	<u>\$ 525,942</u>	<u>\$ 630,499</u>
<u>At September 30</u>			
Cost	\$ 172,433	\$ 525,942	\$ 698,375
Accumulated amortisation	(67,876)	-	(67,876)
	<u>\$ 104,557</u>	<u>\$ 525,942</u>	<u>\$ 630,499</u>
	2020		
	Computer software cost	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 367,893	\$ 548,101	\$ 915,994
Accumulated amortisation	(270,113)	-	(270,113)
	<u>\$ 97,780</u>	<u>\$ 548,101</u>	<u>\$ 645,881</u>
Opening net book amount	\$ 97,780	\$ 548,101	\$ 645,881
Additions - acquired separately	29,614	-	29,614
Amortisation charge	(28,804)	-	(28,804)
Net exchange differences	(337)	(9,745)	(10,082)
Closing net book amount	<u>\$ 98,253</u>	<u>\$ 538,356</u>	<u>\$ 636,609</u>
<u>At September 30</u>			
Cost	\$ 396,942	\$ 538,356	\$ 935,298
Accumulated amortisation	(298,689)	-	(298,689)
	<u>\$ 98,253</u>	<u>\$ 538,356</u>	<u>\$ 636,609</u>

A. Amortization charges on intangible assets were recognised as administrative expenses amounting to \$9,661, \$9,787, \$29,087, and \$28,804 for the three months and nine months ended September 30, 2021 and 2020, respectively.

B. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Taiwan	\$ 239,479	\$ 239,479	\$ 239,479
Hong Kong	277,071	283,328	289,485
Indonesia	9,392	9,741	9,392
	<u>\$ 525,942</u>	<u>\$ 532,548</u>	<u>\$ 538,356</u>

C. Impairment of non-financial assets

Goodwill is allocated to the Group's cash-generating units identified according to operation segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are consideration of gross margin, growth rate, and discount rate.

Management determined budgeted gross margin based on past performance and its expectations of market development. The growth rates used are consistent with the forecasts included in market quotation reports and historical experiences. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

(15) Other non-current assets

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Refundable deposits	\$ 129,183	\$ 666,146	\$ 616,725
Long-term notes and overdue receivables	720,209	803,849	1,025,363
Long-term lease receivables	141,596	174,045	148,955
Others	55,710	27,638	69,048
	<u>\$ 1,046,698</u>	<u>\$ 1,671,678</u>	<u>\$ 1,860,091</u>

For details of long-term lease receivables, please refer to Notes 6(5) and (12).

(16) Short-term borrowings

<u>Type of borrowings</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Bank borrowings			
Unsecured borrowings	<u>\$ 43,036,850</u>	<u>\$ 42,967,204</u>	<u>\$ 41,081,697</u>
Interest rate range	<u>0.65% ~ 1.62%</u>	<u>0.65% ~ 2.38%</u>	<u>0.68% ~ 2.26%</u>
Collateral	None	None	None

(17) Short-term notes and bills payable

Type of borrowings	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper payable	\$ 15,234,000	\$ 13,730,000	\$ 8,380,000
Interest rate range	0.73% ~ 1.00%	0.75% ~ 1.06%	0.86% ~ 1.09%

The above-mentioned short-term notes and bills payables are issued and accepted by financial institutions.

(18) Other payables

	September 30, 2021	December 31, 2020	September 30, 2020
Temporary receipt of suppliers' payment	\$ 3,671,074	\$ 3,040,591	\$ 2,111,137
Salary and bonus payable	821,973	846,928	702,384
Accrued expenses - others	748,872	587,893	477,285
Other payables - others (including related parties)	792,758	819,388	880,504
	<u>\$ 6,034,677</u>	<u>\$ 5,294,800</u>	<u>\$ 4,171,310</u>

(19) Other current liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Refund liability - dealers' rebates payable	\$ 3,875,533	\$ 3,501,628	\$ 3,569,260
Other current liabilities - others	112,463	61,407	63,072
	<u>\$ 3,987,996</u>	<u>\$ 3,563,035</u>	<u>\$ 3,632,332</u>

(20) Pensions

A. Defined benefit plans

- (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law. The pension benefits are paid based on the service years and the average monthly salaries of the last 1 month 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 to cover the deficit by next March. The subsidiary, PT. Synnex Metrodata Indonesia, also adopted a defined benefit plan.
- (b) For the aforementioned pension plan, the Group recognised pension costs of \$4,771, \$3,788, \$14,338, and \$13,000 for the three months and nine months ended September 30, 2021 and

2020, respectively.

- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to \$5,609.

B. Defined contribution plans

- (a) No pension plan is established for certain overseas investment holding companies since these companies are not required to have an employee pension plan in accordance with the local legislation. Except for the above, other companies have established a funded defined contribution pension plan and therefore contribute monthly a certain percentage of the employees' monthly salaries and wages to the retirement fund. Except for monthly contributions to the retirement fund, these companies have no further obligations.
- (b) The pension costs under defined contribution pension plans of the Group for the three months and nine months ended September 30, 2021 and 2020 were \$80,431, \$44,169, \$238,318, and \$137,965, respectively.

(21) Share capital

- A. As of September 30, 2021, the Company's authorised capital was \$24,000,000 (including \$500,000 reserved for the conversion of employees' stock options which have not been issued). The total number of shares of common stock, at \$10 (in dollars) par value per share, issued and outstanding, was 1,667,946,968 shares. Shares yet to be issued can be issued several times by the Board of Directors depending on the demand, and some of them can be distributed in the form of preferred shares. All proceeds from shares issued have been collected.

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

	2021	2020
At January 1 (At September 30)	<u>1,667,946,968</u>	<u>1,667,946,968</u>

- B. The Company issued common stock (Deposited Shares) through global depository shares (GDSs) in Europe, Asia and the USA in 1997 and 1999. Each GDS represents 4 Deposited Shares. The GDSs may not be offered, sold or delivered, directly or indirectly, in the R.O.C. As of September 30, 2021, the total number of GDSs outstanding was 23,174 units, representing 92,708 shares of common stock. The main terms and conditions of the GDSs are as follows:

(a) Voting

Holders of GDSs have no right to directly exercise voting rights or attend the Company's shareholders' meeting. However, when a holder or holders together hold at least 51% of the GDSs outstanding at the relevant record date of the shareholders' meeting, holders can instruct the Depositary to vote in the same direction in respect of one or more resolutions to be proposed at the meeting.

(b) Sale and withdrawal of GDSs

Commencing three months after the initial issuance of GDSs, a holder of GDSs may, provided

that the Company has delivered to the custodian physical share certificates in respect of the Deposited Shares, request the Depositary to sell or cause to be sold on behalf of such holder the shares represented by such GDSs.

(c) Dividends

GDS holders are entitled to receive dividends to the same extent as the holders of common stock subject to the terms of the Deposit Agreement and applicable laws of the R.O.C.

(22) 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 capitalized 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.

	2021					
	Changes in equity					
	Share premium	Treasury share transactions	of associates and joint ventures	Stock options	Others	Total
At January 1	\$ 13,626,940	\$ 340,678	\$ 509,915	\$ 228,445	\$ 3,417	\$ 14,709,395
Changes in equity of associates and joint ventures	-	-	29,424	-	-	29,424
Difference between consideration and carrying amount of subsidiaries acquired	-	-	1,206	-	-	1,206
Disposal of investments accounted for using equity method	-	-	(540,545)	-	-	(540,545)
Unclaimed dividends	-	-	-	-	480	480
At September 30	<u>\$ 13,626,940</u>	<u>\$ 340,678</u>	<u>\$ -</u>	<u>\$ 228,445</u>	<u>\$ 3,897</u>	<u>\$ 14,199,960</u>

	2020					
	Changes in equity					
	Share premium	Treasury share transactions	of associates and joint ventures	Stock options	Others	Total
At January 1	\$ 13,626,940	\$ 340,678	\$ 544,112	\$ 228,445	\$ 3,121	\$ 14,743,296
Changes in equity of associates and joint ventures	-	-	31,504	-	-	31,504
Difference between consideration and carrying amount of subsidiaries acquired	-	-	126	-	-	126
Unclaimed dividends	-	-	-	-	296	296
At September 30	<u>\$ 13,626,940</u>	<u>\$ 340,678</u>	<u>\$ 575,742</u>	<u>\$ 228,445</u>	<u>\$ 3,417</u>	<u>\$ 14,775,222</u>

(23) Retained earnings

A. The earnings distribution in accordance with the Articles of Incorporation of the Company is as follows:

- (a) The Company's annual earnings at the end of the accounting year shall be first subject to taxation, reimbursement of previous losses, followed by a 10% provision for legal reserve and provision for or reversal of special reserve by law. If there is profit remaining, the Board of Directors shall propose to distribute the balance amount, together with any accumulated non-distributed profit. Where dividends are distributed in the form of stocks, the distribution shall be subject to the approval of the shareholders at the shareholders' meeting. Where dividends are distributed in the form of cash, the Board of Directors is authorized to make such distribution by approval of more than half of directors present at a meeting where more than two-thirds of the directors are in attendance, and the distribution shall also be reported at the shareholders' meeting.

The Board of Directors shall determine the shareholders' cash dividend ratio with the consideration of the financial structure of the Company, future earnings situation, and business development; however, the cash dividend ratio may not be less than 15% of the total current dividend distributed to shareholders.

- (b) Where the Company incurs no loss, the Board of Directors may draft distribution proposals to distribute part or all of the legal reserve and capital surplus specified in Article 241 of the Company Act to shareholders. Where dividends are distributed in the form of stocks, the distribution shall be subject to the approval of the shareholders at the shareholders' meeting. Where dividends are distributed in the form of cash, the Board of Directors is authorized to make such distribution by approval of more than half of the directors present at the meeting where more than two-thirds of the directors are in attendance, and the distribution shall also be reported at the shareholders' meeting.

B. The appropriation of 2020 and 2019 earnings had been resolved at the shareholders' meeting on July 20, 2021 and June 12, 2020, respectively. Details are summarized below:

	Years ended December 31,			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 818,064		\$ 680,113	
(Reversal of) provision for special reserve	(958,465)		1,118,003	
Cash dividends	5,504,225	\$ 3.30	4,336,662	\$ 2.60

Note: For the years ended December 31, 2020 and 2019, the amount of cash dividends in the retained earnings appropriation has been approved by the Board of Directors on March 12, 2021 and March 13, 2020 and was reported to the shareholders.

C. For information relating to employees' remuneration (bonus) and directors' remuneration, please refer to Note 6(31).

(24) Other equity items

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2021	(\$ 8,690,313)	\$ 2,353,767	(\$ 6,336,546)
Revaluation:			
–Group	-	(1,609,455)	(1,609,455)
–Associates	-	14,462	14,462
Currency translation differences:			
–Group	(2,326,349)	-	(2,326,349)
–Associates	341,725	-	341,725
At September 30, 2021	(\$ 10,674,937)	\$ 758,774	(\$ 9,916,163)

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2020	(\$ 8,626,394)	\$ 1,331,383	(\$ 7,295,011)
Revaluation:			
–Group	-	215,729	215,729
–Associates	-	12,849	12,849
Revaluation transferred to retained earnings:			
–Group	-	(629)	(629)
Currency translation differences:			
–Group	(1,241,913)	-	(1,241,913)
–Associates	(34,791)	-	(34,791)
At September 30, 2020	(\$ 9,903,098)	\$ 1,559,332	(\$ 8,343,766)

(25) Operating revenue

Disaggregation of revenue from contracts with customers

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

	Timing of revenue	Three months ended September 30,	
		2021	2020
Revenue from 3C and electronic component products	At a point in time	\$ 101,175,873	\$ 89,271,691
Others	Over time	393,748	354,371
		<u>\$ 101,569,621</u>	<u>\$ 89,626,062</u>
	Timing of revenue	Nine months ended September 30,	
		2021	2020
Revenue from 3C and electronic component products	At a point in time	\$ 283,795,154	\$ 233,204,212
Others	Over time	1,085,928	1,070,741
		<u>\$ 284,881,082</u>	<u>\$ 234,274,953</u>

(26) Interest income

Three months ended September 30,		
	2021	2020
Interest income from bank deposits	\$ 13,486	\$ 40,522
Other interest income	52,981	47,615
	<u>\$ 66,467</u>	<u>\$ 88,137</u>

Nine months ended September 30,		
	2021	2020
Interest income from bank deposits	\$ 63,999	\$ 82,148
Other interest income	146,716	132,024
	<u>\$ 210,715</u>	<u>\$ 214,172</u>

(27) Other income

Three months ended September 30,		
	2021	2020
Rental income	\$ 148,912	\$ 150,261
Dividend income	49,143	16,460
Others	23,246	208,882
	<u>\$ 221,301</u>	<u>\$ 375,603</u>

Nine months ended September 30,		
	2021	2020
Rental income	\$ 449,283	\$ 419,854
Dividend income	201,847	113,022
Others	124,973	327,935
	<u>\$ 776,103</u>	<u>\$ 860,811</u>

(28) Other gains and losses

	Three months ended September 30,	
	2021	2020
Net gains (losses) on financial assets at fair value through profit or loss		
Financial products	\$ 72,232	\$ 96,978
Other financial assets	39,441	24,720
Net currency exchange gains	23,290	9,170
Gain (loss) on disposal of property, plant and equipment and investment property	7,610 (	54)
Related expense charges on investment property	(23,791) (	35,432)
Gains on disposal of investments - gains on remeasurement of investments at fair value that were previously accounted for using equity method	9,017,328	-
Others	(36,474)	11,499
	<u>\$ 9,099,636</u>	<u>\$ 106,881</u>
	Nine months ended September 30,	
	2021	2020
Net gains (losses) on financial assets at fair value through profit or loss		
Financial products	\$ 206,591	\$ 305,942
Other financial assets	67,943 (	9,152)
Net currency exchange gains (losses)	11,849 (	63,978)
Gain on disposal of property, plant and equipment and investment property	8,480	11,971
Related expense charges on investment property	(68,060) (	90,187)
Gains on disposal of investments	840,900	-
Gains on disposal of investments - gains on remeasurement of investments at fair value that were previously accounted for using equity method	9,017,328	-
Others	(175,206)	5,711
	<u>\$ 9,909,825</u>	<u>\$ 160,307</u>

(29) Finance costs

		Three months ended September 30,	
		2021	2020
Interest expense on bank borrowings	\$	92,936	\$ 97,487
Interest expense on short-term notes and bills payable		29,493	15,660
Interest expense on lease liabilities		2,387	3,412
Less: Capitalisation of qualifying assets	(	5,122)	(5,903)
	\$	<u>119,694</u>	\$ <u>110,656</u>
		Nine months ended September 30,	
		2021	2020
Interest expense on bank borrowings	\$	274,515	\$ 351,444
Interest expense on short-term notes and bills payable		90,410	48,017
Interest expense on lease liabilities		7,595	11,206
Less: Capitalisation of qualifying assets	(	15,658)	(14,091)
	\$	<u>356,862</u>	\$ <u>396,576</u>

(30) Expenses by nature

		Three months ended September 30,	
		2021	2020
Employee benefit expense	\$	1,349,696	\$ 1,256,564
Depreciation charges on property, plant and equipment	\$	75,555	\$ 69,871
Depreciation charges on right-of-use assets	\$	64,976	\$ 69,217
Depreciation charges on investment property	\$	11,252	\$ 17,904
Amortisation charges on intangible assets	\$	9,661	\$ 9,787
		Nine months ended September 30,	
		2021	2020
Employee benefit expense	\$	3,859,465	\$ 3,632,983
Depreciation charges on property, plant and equipment	\$	235,472	\$ 215,562
Depreciation charges on right-of-use assets	\$	198,523	\$ 214,297
Depreciation charges on investment property	\$	34,804	\$ 45,640
Amortisation charges on intangible assets	\$	29,087	\$ 28,804

(31) Employee benefit expense

	Three months ended September 30,	
	2021	2020
Wages and salaries	\$ 1,167,219	\$ 1,117,593
Employee social security expense	63,993	61,872
Pension costs	85,202	47,957
Directors' remuneration	1,875	1,750
Other personnel expenses	31,407	27,392
	<u>\$ 1,349,696</u>	<u>\$ 1,256,564</u>
	Nine months ended September 30,	
	2021	2020
Wages and salaries	\$ 3,318,715	\$ 3,226,573
Employee social security expense	195,687	171,528
Pension costs	252,656	150,965
Directors' remuneration	5,625	5,250
Other personnel expenses	86,782	78,667
	<u>\$ 3,859,465</u>	<u>\$ 3,632,983</u>

A. In accordance with the Articles of Incorporation of the Company, the Company's net income before tax before deducting remuneration to employees and Directors and after covering for losses in the current fiscal year, should be applied to pay remuneration to employees in an amount not exceeding 10% and not less than 0.01% of the balance, and to Directors for an amount not more than 1% of the balance. Employee remuneration may be distributed in stock or cash and directors' remuneration may be distributed in cash subject to a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors. Employee remuneration may be distributed in stock; remuneration may also be distributed for employees of controlled or affiliated companies that meet the criteria. The Chairman of the Board is authorized to set such criteria.

B. For the three months and nine months ended September 30, 2021 and 2020, employees' compensation (bonus) was accrued at \$225, \$188, \$675, and \$563, respectively; directors' remuneration was accrued at \$1,875, \$1,750, \$5,625, and \$5,250, respectively. The aforementioned amounts were recognised in salary expenses.

For the nine months ended September 30, 2021, the employees' compensation and directors' remuneration were estimated and accrued based on distributable profit of current year as of the end of reporting period.

For 2020, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$900 and \$7,500, respectively. The differences between the amounts resolved by the Board of Directors and the amounts of \$900 and \$7,000 recognised in the 2020 financial statements had been adjusted in the profit or loss of 2021. As of September 30, 2021,

the employees' compensation and directors' remuneration amounting to \$900 and \$7,500 were distributed in the form of cash.

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

(32) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended September 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 94,690	\$ 131,895
Prior year income tax (overestimation) underestimation	(262,267)	15,234
Prepaid income tax	371,517	352,607
Tax on undistributed earnings	-	705
Total current tax	203,940	500,441
Deferred tax:		
Origination and reversal of temporary differences	3,754,124	180,718
Total deferred tax	3,754,124	180,718
Other:		
Tax on undistributed earnings	-	(705)
Income tax expense	\$ 3,958,064	\$ 680,454
	Nine months ended September 30,	
	2021	2020
Current tax:		
Current tax on profits for the period	\$ 1,176,507	\$ 634,951
Prior year income tax (overestimation) underestimation	(773,201)	(10,140)
Prepaid income tax	743,663	616,623
Tax on undistributed earnings	(140,841)	(33,318)
Total current tax	1,006,128	1,208,116
Deferred tax:		
Origination and reversal of temporary differences	3,611,490	219,238
Total deferred tax	3,611,490	219,238
Other:		
Tax on undistributed earnings	140,841	33,318
Income tax expense	\$ 4,758,459	\$ 1,460,672

- (b) For the nine months ended September 30, 2021 and 2020, the Group had no income tax relating to components of other comprehensive income.
- (c) For the nine months ended September 30, 2021 and 2020, the Group had no income tax charged/(credited) to equity during the period.
- B. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.
- C. The Group recognised deferred tax liabilities of \$3,806,449 in 2021 for the earnings that might be repatriated by investees.

(33) Earnings per share

Three months ended September 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 8,347,697	1,667,947	\$ 5.00
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 8,347,697	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 8,347,697	1,667,951	\$ 5.00
Three months ended September 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 2,096,970	1,667,947	\$ 1.26
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 2,096,970	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	5	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 2,096,970	1,667,952	\$ 1.26

Nine months ended September 30, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 14,220,665	1,667,947	\$ 8.53
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 14,220,665	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	16	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 14,220,665	1,667,963	\$ 8.53

Nine months ended September 30, 2020			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 5,682,660	1,667,947	\$ 3.41
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 5,682,660	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	32	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 5,682,660	1,667,979	\$ 3.41

(34) Transactions with non-controlling interests

Acquisition of additional equity interest in a subsidiary

The Group acquired an additional 2.23% and 0.87% shares of Bestcom Infotech Corp. for a cash consideration of \$37,420 and \$15,759 in the second quarter of 2021 and on March 30, 2020, respectively.

The effect of changes in interests in Bestcom Infotech Corp. on the equity attributable to owners of the parent for the nine months ended September 30, 2021 and 2020 is shown below:

	Nine months ended September 30,	
	2021	2020
Consideration paid to non-controlling interest	(\$ 37,420)	(\$ 15,759)
Decrease in carrying amount of non-controlling interest	38,626	15,885
Capital surplus - difference between consideration and carrying amount of subsidiary acquired	<u>\$ 1,206</u>	<u>\$ 126</u>

(35) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Cash dividends payable	Current/ Non-current lease liabilities	Guarantee deposits received
At January 1, 2021	\$ 42,967,204	\$ 13,730,000	\$ -	\$ 544,541	\$ 152,626
Cash dividends declared	-	-	5,504,225	-	-
Cash dividends paid	-	-	(5,504,225)	-	-
Increase in short-term borrowings	69,646	-	-	-	-
Increase in short-term notes and bills payable	-	1,504,000	-	-	-
Payments of lease liabilities	-	-	-	(186,268)	-
Changes in other non-cash items	-	-	-	155,064	-
Increase in guarantee deposits received	-	-	-	-	91,868
Decrease in guarantee deposits received	-	-	-	-	(17,255)
Impact of changes in foreign exchange rate	-	-	-	(8,209)	(2,522)
At September 30, 2021	<u>\$ 43,036,850</u>	<u>\$ 15,234,000</u>	<u>\$ -</u>	<u>\$ 505,128</u>	<u>\$ 224,717</u>

	Short-term borrowings	Short-term notes and bills payable	Cash dividends payable	Current/ Non-current lease liabilities	Guarantee deposits received
At January 1, 2020	\$ 41,839,694	\$ 6,280,000	\$ -	\$ 790,314	\$ 136,979
Cash dividends declared	-	-	4,336,662	-	-
Cash dividends paid	-	-	(4,336,662)	-	-
Decrease in short-term borrowings	(664,244)	-	-	-	-
Increase in short-term notes and bills payable	-	2,100,000	-	-	-
Payments of lease liabilities	-	-	-	(193,724)	-
Changes in other non-cash items	-	-	-	17,780	-
Increase in guarantee deposits received	-	-	-	-	146,302
Decrease in guarantee deposits received	-	-	-	-	(86,306)
Impact of changes in foreign exchange rate	(93,753)	-	-	(1,716)	-
At September 30, 2020	<u>\$ 41,081,697</u>	<u>\$ 8,380,000</u>	<u>\$ -</u>	<u>\$ 612,654</u>	<u>\$ 196,975</u>

(36) Supplemental cash flow information

The Group sold 100% of shares in the Mainland China subsidiary - Synnex (Ningbo) Ltd. to Ningbo Jiuyuan Electronic Co., Ltd. on February 28, 2021 and therefore lost control over the subsidiary. 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>February 28, 2021</u>
Consideration received	
Cash	\$ 189,878
Carrying amount of the assets and liabilities of Synnex (Ningbo) Ltd.	
Cash	\$ 221
Prepayments	25
Other receivables	569
Investment property	167,691
Right-of-use assets	40,614
Deferred tax assets	6,828
Other payables	(1,159)
Other payables - related parties	(150,593)
Other current liabilities	(101)
Other non-current liabilities	(437)
Total net assets	\$ 63,658
Gains on disposal of investments	\$ 126,220
Net cash flow on loss of control of subsidiary for the period	\$ 189,657

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
<u>Associates:</u>	
Synnex (Thailand) Public Company Ltd. and its Subsidiaries (Synnex Thailand)	King's Eye's investee accounted for using equity method
Synnex FPT Joint Stock Company (Synnex FPT)	King's Eye's investee accounted for using equity method
Asgard System, Inc.	Indirect investee of Bestcom Infotech Corp.
Inforcom Technology Inc.	Indirect investee of Bestcom Infotech Corp.
Din Yen Technology Inc.	Associate of Bestcom Infotech Corp.
Udar Digital Inc.	Associate of Bestcom Infotech Corp.

<u>Names of related parties</u>	<u>Relationship with the Group</u>
<u>Other related parties:</u>	
Mitac Incorporated	The Company's chairperson is the related party's chairperson
Mitac Information Technology Corporation	The Company's chairperson is the related party's director
Mitac International Corporation	The Company's chairperson is the related party's chairperson
Mitac Digital Technology Corporation	The Company's chairperson is the related party's director
Mitac Computing Technology Corporation	The Company's chairperson is the related party's director
Getac Technology Corporation	The Company's chairperson is the related party's director
Lien Hwa Industrial Holdings Corporation	The Company's chairperson is the related party's chairperson
UPC Technology Corporation	The Company's chairperson is the related party's chairperson
Mitac Communication Co., Ltd.	The related party's director is the second-degree relative of the Company's chairperson
Shunda Computer Factory Co., Ltd.	Indirect wholly-owned subsidiary of Mitac International Corporation
Tong Da Investment Corporation	The Company's director is the related party's chairperson
Lien Yuan Investment Corp.	The Company's director is the related party's chairperson
Harbinger III Venture Capital Corporation	The Company's chairperson is the related party's director
Jetwell Computer Co., Ltd.	The Company's subsidiary, Bestcom Infotech Corp., is the related party's director
Digitimes INC.	The Company is the related party's director
Lien Hwa Milling Corporation	The Company's chairperson is the related party's director

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Lien Hwa Property Development Corporation	Wholly-owned subsidiary of Lien Hwa Industrial Holdings Corporation
PT. Mitra Integrasi Informatika (MII)	Subsidiary's other related party
PT. Metrodata Electronics, Tbk (MTDL)	SMI's director
PT. Soltius Indonesia (SI)	Subsidiary's other related party
Packet System Indonesia (PSI)	Subsidiary's other related party

(2) Significant related party transactions and balances

A. Operating revenue

	<u>Three months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Sales of goods:		
— Associates	\$ 60,808	\$ 36,191
— Other related parties	649,268	356,632
	<u>\$ 710,076</u>	<u>\$ 392,823</u>
	<u>Nine months ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
Sales of goods:		
— Associates	\$ 137,644	\$ 147,320
— Other related parties	1,565,664	1,488,287
	<u>\$ 1,703,308</u>	<u>\$ 1,635,607</u>

Goods are sold based on the price lists in force and terms that would be available to third parties. The collection term for related parties is within 30~120 days of the date of billing statement. The collection term for third parties is within 7~60 days after receipt of goods or 20~150 days of the date of billing statement.

B. Receivables from related parties

	<u>September 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>September 30,</u> <u>2020</u>
Accounts and notes receivable:			
— Associates	\$ 27,156	\$ 29,381	\$ 25,015
— Other related parties	580,587	302,607	344,932
	<u>\$ 607,743</u>	<u>\$ 331,988</u>	<u>\$ 369,947</u>

The receivables from related parties arise mainly from sales of goods. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

C. Purchases of goods

	Three months ended September 30,	
	2021	2020
Purchases of goods:		
— Other related parties	\$ 27,543	\$ 40,764
	Nine months ended September 30,	
	2021	2020
Purchases of goods:		
— Other related parties	\$ 121,364	\$ 271,889

Goods are purchased from associates on normal commercial terms and conditions. The payment term for related parties is within 30~60 days of the date of billing statement. The payment term for third parties is within 1~120 days after receipt of goods or 7~90 days of the date of billing statement.

D. Payables to related parties

	September 30, 2021	December 31, 2020	September 30, 2020
Accounts and notes payable:			
— Other related parties	\$ 9,235	\$ 10,629	\$ 9,814

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

E. Other transactions

The details of other receivables, other payables, dividend receivables, and dividend income that the Group provides to related parties are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Other receivables:			
Associates	\$ 41,063	\$ 108,301	\$ 110,789
	September 30, 2021	December 31, 2020	September 30, 2020
Other payables:			
Associates	\$ -	\$ 851	\$ -
Other related parties	1,047	3,921	319
	\$ 1,047	\$ 4,772	\$ 319

		Three months ended September 30,	
		2021	2020
Other income:			
Other related parties		\$ 22,260	\$ 9,475

		Nine months ended September 30,	
		2021	2020
Other income:			
Other related parties		\$ 174,899	\$ 105,523

(3) Key management compensation

		Three months ended September 30,	
		2021	2020
Short-term employee benefits		\$ 31,780	\$ 29,855
Post-employment benefits (Note)		1,390	1,323
Total		\$ 33,170	\$ 31,178

		Nine months ended September 30,	
		2021	2020
Short-term employee benefits		\$ 95,340	\$ 89,655
Post-employment benefits (Note)		4,170	3,969
Total		\$ 99,510	\$ 93,624

Note: Benefits are provisions that are not actually distributed.

8. PLEDGED ASSETS

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

Pledged asset	Book value			Purpose
	September 30, 2021	December 31, 2020	September 30, 2020	
Current financial assets at amortised cost:				
Banker's acceptance deposits	\$ -	\$ -	\$ 1,063	Banker's acceptance deposits
Non-current financial assets at amortised cost:				
Pledged time deposits	1,446,051	1,255,138	1,298,829	Guarantees for purchases
Accounts receivable	932,834	1,707,769	1,873,129	Pledged for short-term borrowings (Note)
Inventories	958,379	893,854	421,720	"
	<u>\$ 3,337,264</u>	<u>\$ 3,856,761</u>	<u>\$ 3,594,741</u>	

Note: As of September 30, 2021, December 31, 2020, and September 30, 2020, there was no actual drawdown.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

- A. As of September 30, 2021, December 31, 2020, and September 30, 2020, the Group issued promissory notes to guarantee the suppliers' credit limit amounting to \$1,334,170, \$2,016,070, and \$1,336,143, respectively, for inventory purchases.
- B. On November 24, 2015, Kunshan Kunhao Electromechanical Co. Ltd. (Kunhao) filed a lawsuit against Syntech Asia Ltd. (SAL), the Group's indirect wholly-owned subsidiary, in the Hong Kong High Court for breach of oral contract of sales and requested SAL to compensate Kunhao for its losses amounting to USD 2,964 thousand. SAL disagreed with the request and raised an objection in the Hong Kong High Court on February 1, 2016 and requested the Hong Kong High Court to deny the claim of Kunhao. The case was settled for USD 850 thousand on May 31, 2021 and the settlement was paid on June 7, 2021. The case was closed.
- C. On December 22, 2014, Fairchild Semiconductor International, Inc. and Fairchild Semiconductor Corporation filed a third party lawsuit against the Company and Synnex Electronic Hong Kong Ltd. (SEL), in the United States District Court for the District of Massachusetts for breach of agency contract since the Company and SEL did not state the limit of warranty liability. This caused Fairchild to bear a significant amount of warranty liability so that Fairchild requested the Company and SEL to compensate for its losses amounting to USD 30,000 thousand. For this lawsuit, the Company and SEL advocated that Fairchild breached the personal jurisdiction and had insufficient reason to prosecute. The United States District Court agreed with the Company and SEL and dismissed the lawsuit on June 18, 2015, a day before the trial. In the first quarter of 2016, Fairchild Semiconductor Hong Kong Limited filed another lawsuit against the Company in Hong Kong International Arbitration Centre, and the Company lost the lawsuit in the third quarter of 2018. The Company signed a settlement agreement with Semiconductor Components Industries, LLC (representing Fairchild) and Acbel Polytech, Inc. on July 31, 2020 and paid a settlement of USD 6 million on August 5, 2020 to close the case.
- D. On November 13, 2017, Unisplendour Digital (Suzhou) Group Co. Ltd. (Unisplendour Digital) filed a sales dispute against Synnex Distributions (China) Ltd. in Suzhou Xiangcheng People's Court in China. In the complaint, Unisplendour Digital claimed the goods it received were not the subject matter of the contract and requested for a refund of the payment. On January 22, 2018, the Court dismissed the complaint on the ground that the law enforcement has initiated an investigation. In August 2020, Unisplendour Digital continuously refiled complaints to request for compensation of RMB 28,926 thousand, RMB 17,401 thousand, RMB 5,593 thousand and its penalty for breach of contract on the ground that the law enforcement has cancelled the investigation. In July 2021 and August 2021, the Suzhou Xiangcheng People's Court in China ruled against the Company on the above cases. The Company has appealed those rulings, and has estimated and recognised the potential losses in the financial statements.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Property, plant and equipment	\$ 2,608,240	\$ 2,939,734	\$ 3,379,731

It refers to the contract commitments of the Group to acquire the property located in Nangang Dist., Taipei City and to build the second stage of the logistics center in Sydney.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

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 net borrowing ratio. This ratio is calculated as net borrowings divided by shareholders' equity. Net borrowings are calculated as all amounts of short-term borrowings and short-term notes and bills payable less all amounts of cash and cash equivalents, financial products at fair value through profit or loss, and time deposits maturing over three months as shown in the consolidated balance sheet. Shareholders' equity is calculated as total equity as shown in the consolidated balance sheet.

The net borrowing ratios as of September 30, 2021, December 31, 2020, and September 30, 2020 were 68%, 73%, and 53%, respectively.

(2) Financial instruments

A. Financial instruments by category

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets measured at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 6,322,944	\$ 120,604	\$ 10,068,713
Current financial assets at fair value through other comprehensive income			
Designation of equity instruments	11,210,620	-	-
Non-current financial assets at fair value through other comprehensive income			
Designation of equity instruments	6,087,197	5,185,936	4,386,074
Financial assets at amortised cost			
Cash and cash equivalents	10,342,970	15,229,773	11,865,289
Banker's acceptance deposits	-	-	1,063
Time deposits maturing over three months	505	9,390	2,298
Notes receivable, net	7,238,657	7,622,345	5,482,481
Accounts receivable, net	60,399,564	56,451,172	51,412,567
Accounts receivable due from related parties, net	607,743	331,988	369,947
Other receivables	7,597,954	6,363,831	6,268,417
Pledged time deposits - non-current	1,446,051	1,255,138	1,298,829
Other non-current assets			
-Refundable deposits	129,183	666,146	616,725
-Long-term notes and overdue receivables	720,209	803,849	1,025,363
-Long-term lease receivables	141,596	174,045	148,955
	<u>\$ 112,245,193</u>	<u>\$ 94,214,217</u>	<u>\$ 92,946,721</u>
	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	\$ -	\$ 751	\$ -
Financial liabilities at amortised cost			
Short-term borrowings	43,036,850	42,967,204	41,081,697
Short-term notes and bills payable	15,234,000	13,730,000	8,380,000
Notes payable	1,080,644	1,027,413	1,175,008
Accounts payable	41,595,725	32,561,833	34,233,548
Other payables	6,034,677	5,294,800	4,171,310
Other non-current liabilities - guarantee deposits received	224,717	152,626	196,975
	<u>\$ 107,206,613</u>	<u>\$ 95,734,627</u>	<u>\$ 89,238,538</u>
Lease liabilities	<u>\$ 505,128</u>	<u>\$ 544,541</u>	<u>\$ 612,654</u>

B. Financial risk management policies

- (a) 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 minimize potential adverse effects on the financial performance of the Group, foreign exchange forward contracts are used to hedge certain exchange rate risk.

- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.
- 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.
 - iii. The Group hedges foreign exchange risk by using foreign exchange forward contracts. However, these contracts are not accounted for under hedge accounting. The contracts are recorded as financial assets or liabilities at fair value through profit or loss. Please refer to Note 6(2).
 - 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, USD and AUD). 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, 2021

	Foreign currency amount (in thousands) (Note 2)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 120,272	27.90	\$ 3,355,589
USD:HKD (Note 1)	299,649	7.79	8,360,207
USD:AUD (Note 1)	20,899	1.39	583,082
AUD:NTD (Note 1)	2,556	20.09	51,345
NZD:USD (Note 1)	17,500	0.69	336,893
RMB:HKD (Note 1)	303,386	1.20	1,305,897
USD:IDR (Note 1)	21,548	14,285.71	601,189
HKD:RMB (Note 1)	312,684	0.83	1,120,214
RMB:IDR (Note 1)	17,663	2,204.01	76,029
<u>Non-monetary items</u>			
INR:USD (Note 1)	\$ 12,000,920	0.013479	\$ 4,513,115
THB:USD (Note 1)	1,426,101	0.029551	1,175,781
VND:USD (Note 1)	1,113,026,557	0.000044	1,366,351
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 90,464	27.90	\$ 2,523,946
USD:HKD (Note 1)	254,541	7.79	7,101,694
USD:AUD (Note 1)	22,134	1.39	617,539
AUD:USD (Note 1)	2,350	0.72	47,207
USD:IDR (Note 1)	30,332	14,285.71	846,263
RMB:HKD (Note 1)	278,962	1.20	1,200,766
NTD:RMB (Note 1)	110,756	0.23	110,756
NTD:HKD (Note 1)	45,518	0.28	45,518

December 31, 2020				
	Foreign currency amount (in thousands) (Note 2)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	126,876	28.53	\$ 3,619,772
USD:HKD (Note 1)		175,942	7.75	5,019,625
USD:AUD (Note 1)		15,078	1.30	430,175
AUD:NTD (Note 1)		9,747	21.97	214,123
NZD:USD (Note 1)		24,000	0.72	492,998
RMB:HKD (Note 1)		484,068	1.19	2,114,244
USD:IDR (Note 1)		29,602	14,084.51	844,545
HKD:RMB (Note 1)		304,641	0.84	1,121,103
RMB:IDR (Note 1)		27,065	2,156.13	118,207
<u>Non-monetary items</u>				
INR:USD (Note 1)	\$	11,088,082	0.013663	\$ 4,322,194
THB:USD (Note 1)		1,373,399	0.033434	1,310,047
VND:USD (Note 1)		1,145,663,571	0.000043	1,405,489
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	59,859	28.53	\$ 1,707,777
USD:HKD (Note 1)		222,662	7.75	6,352,547
USD:AUD (Note 1)		15,833	1.30	451,715
USD:RMB (Note 1)		57,601	6.53	1,643,357
AUD:USD (Note 1)		2,392	0.77	52,548
USD:IDR (Note 1)		15,781	14,084.51	450,232
RMB:HKD (Note 1)		439,991	1.19	1,921,731
NTD:RMB (Note 1)		81,290	0.23	81,290

September 30, 2020			
	Foreign currency amount (in thousands) (Note 2)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 112,621	29.15	\$ 3,282,902
USD:HKD (Note 1)	259,666	7.75	7,569,264
USD:AUD (Note 1)	36,113	1.40	1,052,694
AUD:NTD (Note 1)	14,996	20.75	311,239
NZD:USD (Note 1)	12,800	0.66	246,259
RMB:HKD (Note 1)	302,216	1.14	1,291,497
USD:IDR (Note 1)	24,333	14,925.37	709,307
HKD:RMB (Note 1)	311,516	0.88	1,171,711
<u>Non-monetary items</u>			
INR:USD (Note 1)	\$ 10,790,504	0.013559	\$ 4,264,891
THB:USD (Note 1)	1,308,584	0.031616	1,205,999
VND:USD (Note 1)	1,089,212,804	0.000043	1,365,274
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 38,833	29.15	\$ 1,131,982
USD:HKD (Note 1)	260,826	7.75	7,603,078
USD:AUD (Note 1)	18,871	1.40	550,090
USD:RMB (Note 1)	61,619	6.82	1,796,194
AUD:USD (Note 1)	2,497	0.71	51,679
USD:IDR (Note 1)	13,004	14,925.37	379,067
RMB:HKD (Note 1)	145,021	1.14	619,736
NTD:RMB (Note 1)	53,121	0.23	53,121
NTD:HKD (Note 1)	43,923	0.27	43,923
RMB:IDR (Note 1)	9,713	2,187.99	41,507

Note 1: The functional currencies of certain consolidated entities are not NTD; thus, this information has to be considered when reporting. For example, when a subsidiary's functional currency is RMB, the subsidiary's segments that are involved with USD have to be taken into consideration.

Note 2: Including transactions within the Group which are eliminated for preparation of the consolidated financial statements.

- v. Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and nine months ended September 30, 2021 and 2020, amounted to \$23,290, \$9,170, \$11,849, and (\$63,978), respectively.

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

Nine months ended September 30, 2021				
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%	\$ 33,556	\$	-
USD:HKD (Note)	1%	83,602		-
USD:AUD (Note)	1%	5,831		-
AUD:NTD (Note)	1%	513		-
NZD:USD (Note)	1%	3,369		-
RMB:HKD (Note)	1%	13,059		-
USD:IDR (Note)	1%	6,012		-
HKD:RMB (Note)	1%	11,202		-
RMB:IDR (Note)	1%	760		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 25,239)	\$	-
USD:HKD (Note)	1%	(71,017)		-
USD:AUD (Note)	1%	(6,175)		-
AUD:USD (Note)	1%	(472)		-
USD:IDR (Note)	1%	(8,463)		-
RMB:HKD (Note)	1%	(12,008)		-
NTD:RMB (Note)	1%	(1,108)		-
NTD:HKD (Note)	1%	(455)		-

Nine months ended September 30, 2020				
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%	\$ 32,829	\$	-
USD:HKD (Note)	1%	75,693		-
USD:AUD (Note)	1%	10,527		-
AUD:NTD (Note)	1%	3,112		-
NZD:USD (Note)	1%	2,463		-
RMB:HKD (Note)	1%	12,915		-
USD:IDR (Note)	1%	7,093		-
HKD:RMB (Note)	1%	11,717		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 11,320)	\$	-
USD:HKD (Note)	1%	(76,031)		-
USD:AUD (Note)	1%	(5,501)		-
USD:RMB (Note)	1%	(17,962)		-
AUD:USD (Note)	1%	(517)		-
USD:IDR (Note)	1%	(3,791)		-
RMB:HKD (Note)	1%	(6,197)		-
NTD:RMB (Note)	1%	(531)		-
NTD:HKD (Note)	1%	(439)		-
RMB:IDR (Note)	1%	(415)		-

Note: The functional currencies of certain consolidated entities are not NTD; thus, this information has to be considered when reporting. For example, when a subsidiary's functional currency is RMB, the subsidiary's segments that are involved with USD have to be taken into consideration.

Price risk

- i. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk arising from investments in equity instruments, the Group diversifies its portfolio in accordance with the limits set by the Group.
- ii. The Group primarily invests in equity instruments issued by domestic and foreign companies. The prices of equity instruments would be affected by the uncertainty of the future value of underlying investments. If the prices of these equity instruments had

increased/decreased by 1% with all other variables held constant, post-tax profit for the nine months ended September 30, 2021 and 2020 would have increased/decreased by \$63,229 and \$100,687, respectively, as a result of gains/losses on equity instruments at fair value through profit or loss. Other components of equity would have increased/decreased by \$172,978 and \$43,861, respectively, as a result of gains/losses from equity instruments at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises mainly from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the nine months ended September 30, 2021 and 2020, the Group's borrowings at variable rate were mainly denominated in NTD, USD and AUD.
- 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 rates had increased/decreased by 1% with all other variables held constant, pre-tax profit for the nine months ended September 30, 2021 and 2020 would have decreased/increased by \$2,255 and \$3,061, respectively. The main factor is the changes in interest expense resulting 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.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.
- iii. 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 after taking into consideration the historical experiences.
- iv. In accordance with historical collections and customers' credit rating levels, the default occurs when the contract payments are past due over certain periods classified based on the credit rating of customers.
- v. The Group classifies customer's accounts receivable and lease receivables in accordance with credit rating of customer. The Group applies the modified approach using loss rate

method to estimate expected credit loss.

- vi. 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.
- vii. The Group will continue executing the recourse procedures to secure their rights on those defaulted financial assets. 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.
- viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable (including related parties), accounts receivable (including related parties), overdue receivables, and lease receivables. As of September 30, 2021, December 31, 2020, and September 30, 2020, the assessment is as follows:

	Group provision	Individual provision				Total
		Group A	Group B	Group C	Group D	
<u>At September 30, 2021</u>						
Expected loss rate	0.03%-0.3%	15%	50%	75%	100%	
Total book value	\$ 68,345,954	\$ 651,807	\$ 236,042	\$ 196,414	\$ 1,847,830	\$ 71,278,047
Loss allowance	\$ 93,516	\$ 97,771	\$ 118,021	\$ 154,736	\$ 1,847,830	\$ 2,311,874

	Group provision	Individual provision				Total
		Group A	Group B	Group C	Group D	
<u>At December 31, 2020</u>						
Expected loss rate	0.001%-0.4%	15%	50%	75%	100%	
Total book value	\$ 64,561,592	\$ 700,438	\$ 359,180	\$ 115,468	\$ 1,761,899	\$ 67,498,577
Loss allowance	\$ 156,087	\$ 105,066	\$ 179,590	\$ 86,581	\$ 1,761,899	\$ 2,289,223

	Group provision	Individual provision				Total
		Group A	Group B	Group C	Group D	
<u>At September 30, 2020</u>						
Expected loss rate	0.001%-0.4%	15%	50%	75%	100%	
Total book value	\$ 57,365,632	\$ 728,745	\$ 300,587	\$ 1,432,779	\$ 546,426	\$ 60,374,169
Loss allowance	\$ 100,637	\$ 109,312	\$ 150,294	\$ 1,177,142	\$ 546,426	\$ 2,083,811

- ix. Movements in relation to the Group applying the modified approach to provide loss allowance for notes receivable (including related parties), accounts receivable (including related parties) and overdue receivables are as follows:

	2021				
	Notes receivable	Accounts receivable	Overdue receivables	Other receivables	Total
At January 1	\$ 20,516	\$ 135,571	\$ 2,126,571	\$ 6,565	\$ 2,289,223
Provision for (reversal of) impairment loss	(4,685)	(54,367)	123,194	-	64,142
Write-offs	-	(108)	(5,823)	-	(5,931)
Impact of changes in foreign exchange rate	(261)	(3,150)	(32,055)	(94)	(35,560)
At September 30	<u>\$ 15,570</u>	<u>\$ 77,946</u>	<u>\$ 2,211,887</u>	<u>\$ 6,471</u>	<u>\$ 2,311,874</u>
	2020				
	Notes receivable	Accounts receivable	Overdue receivables	Other receivables	Total
At January 1	\$ 19,791	\$ 59,517	\$ 2,035,766	\$ 6,449	\$ 2,121,523
Provision for (reversal of) impairment loss	(374)	24,141	(41,250)	-	(17,483)
Write-offs	-	-	(3,889)	-	(3,889)
Impact of changes in foreign exchange rate	(79)	(2,359)	(13,877)	(25)	(16,340)
At September 30	<u>\$ 19,338</u>	<u>\$ 81,299</u>	<u>\$ 1,976,750</u>	<u>\$ 6,424</u>	<u>\$ 2,083,811</u>

(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. Surplus cash held by the operating entities over and above balance required for working capital management is transferred to the Group treasury. Group treasury invests surplus cash in interest-bearing demand deposits, time deposits, money market deposits, and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.
- iii. The Group's derivative and non-derivative financial liabilities are classified into relevant maturity groups based on the remaining period from the balance sheet date to the contractual maturity date. Except for those maturing within a year whose contractual undiscounted cash flows approximate the amounts presented in the balance sheet, the remaining contractual undiscounted cash flows of non-derivative financial liabilities are disclosed in the table below:

Non-derivative financial liabilities:

	Less than 1 year	Over 1 year	Total
September 30, 2021			
Lease liabilities (current/non-current)	\$ 236,221	\$ 281,436	\$ 517,657
Guarantee deposits received	-	224,717	224,717

Non-derivative financial liabilities:

	Less than 1 year	Over 1 year	Total
December 31, 2020			
Lease liabilities (current/non-current)	\$ 242,758	\$ 316,073	\$ 558,831
Guarantee deposits received	-	152,626	152,626

Non-derivative financial liabilities:

	Less than 1 year	Over 1 year	Total
September 30, 2020			
Lease liabilities (current/non-current)	\$ 248,907	\$ 396,345	\$ 645,252
Guarantee deposits received	-	196,975	196,975

Derivative financial liabilities:

September 30, 2021: None

Derivative financial liabilities:

	Less than 1 year	Over 1 year	Total
December 31, 2020			
Forward exchange contracts	\$ 751	\$ -	\$ 751

Derivative financial liabilities:

September 30, 2020 : None

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels in which 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 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 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 unlisted stocks 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 equity instruments without active market is included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(13).

- C. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, other non-current assets – refundable deposits, other non-current assets – long-term notes and overdue receivables, financial assets at amortised cost – pledged time deposits, other non-current assets – long-term lease receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, and other non-current liabilities – guarantee deposits received) are approximate to their fair values.

- D. 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 is as follows:

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

September 30, 2021	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 186,722	\$ -	\$ -	\$ 186,722
Financial products	-	6,135,170	-	6,135,170
Forward exchange contracts	-	1,052	-	1,052
Current financial assets at fair value through other comprehensive income				
Equity securities	11,210,620	-	-	11,210,620
Non-current financial assets at fair value through other comprehensive income				
Equity securities	1,934,846	186,653	3,965,698	6,087,197
	<u>\$ 13,332,188</u>	<u>\$ 6,322,875</u>	<u>\$ 3,965,698</u>	<u>\$ 23,620,761</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2020	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 120,604	\$ -	\$ -	\$ 120,604
Non-current financial assets at fair value through other comprehensive income				
Equity securities	1,412,585	111,022	3,662,329	5,185,936
	<u>\$ 1,533,189</u>	<u>\$ 111,022</u>	<u>\$ 3,662,329</u>	<u>\$ 5,306,540</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 751</u>	<u>\$ -</u>	<u>\$ 751</u>

September 30, 2020	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 114,483	\$ -	\$ -	\$ 114,483
Financial products	-	9,953,382	-	9,953,382
Forward exchange contracts	-	848	-	848
Non-current financial assets at fair value through other comprehensive income				
Equity securities	948,580	97,883	3,339,611	4,386,074
	<u>\$ 1,063,063</u>	<u>\$ 10,052,113</u>	<u>\$ 3,339,611</u>	<u>\$ 14,454,787</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ -	\$ -	\$ -

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

- i. For the instruments the Group used market quoted prices as their fair values (that is, Level 1), listed shares are measured at closing price at the balance sheet date.
- 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 calculation by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, 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 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, such as 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 in the consolidated balance sheet. The inputs and

pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

- v. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the nine months ended September 30, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the nine months ended September 30, 2021 and 2020:

	2021	2020
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	\$ 3,662,329	\$ 3,202,607
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	304,819	145,580
Liquidated in the period	-	(7,773)
Effect of exchange rate changes	(1,450)	(803)
At September 30	<u>\$ 3,965,698</u>	<u>\$ 3,339,611</u>

- G. For the nine months ended September 30, 2021 and 2020, there was no transfer into or out from Level 3.
- H. Financial quality management segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable, in line with other resources, and represented as the exercisable price, frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model, and making any other necessary adjustments to the fair value.
- I. The following is the quantitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	<u>Fair value at September 30, 2021</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 108,164	Market comparable companies	Discount for lack of marketability	0.7	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	<u>3,857,534</u>	Net asset value	Not applicable	-	Not applicable
	<u>\$ 3,965,698</u>				

	<u>Fair value at December 31, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 199,838	Market comparable companies	Discount for lack of marketability	0.7	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	<u>3,462,491</u>	Net asset value	Not applicable	-	Not applicable
	<u>\$ 3,662,329</u>				

	<u>Fair value at September 30, 2020</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative equity instrument:					
Unlisted shares	\$ 201,159	Market comparable companies	Discount for lack of marketability	0.7	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	<u>3,138,452</u>	Net asset value	Not applicable	-	Not applicable
	<u>\$ 3,339,611</u>				

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, using different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs to valuation models have changed:

			September 30, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 10%	\$ -	\$ -	\$ 10,816	(\$ 10,816)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 38,575	(\$ 38,575)
			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 10%	\$ -	\$ -	\$ 19,984	(\$ 19,984)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 34,625	(\$ 34,625)
			September 30, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 10%	\$ -	\$ -	\$ 20,116	(\$ 20,116)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 31,385	(\$ 31,385)

(4) Other matter

Due to the COVID-19 pandemic and various preventive measures imposed by the government, the Group has adopted various countermeasures, such as split operation, work from home, and use of digital tools, in line with the government's policies. The pandemic has no significant impact on the Group's financial position and operating performance in the third quarter of 2021.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group operates in the distribution industry and is primarily engaged in the sale of 3C and electronic component products. Given the characteristics of the industry the Group operates in, the Board of Directors and management team set up operating strategies and allocate resources based on the operating performance of IT/Telecom business and Component business.

(2) Segment information

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

Nine months ended September 30, 2021

	IT/Telecom business	Component business	Reconciliation	Total
Revenue from external customers	\$ 194,621,653	\$ 90,259,429	\$ -	\$ 284,881,082
Inter-segment revenue	22,603,070	7,982,686	(30,585,756)	-
Segment revenue	<u>\$ 217,224,723</u>	<u>\$ 98,242,115</u>	<u>(\$ 30,585,756)</u>	<u>\$ 284,881,082</u>
Segment profit	<u>\$ 4,974,909</u>	<u>\$ 1,548,159</u>	<u>\$ -</u>	<u>\$ 6,523,068</u>

Nine months ended September 30, 2020

	IT/Telecom business	Component business	Reconciliation	Total
Revenue from external customers	\$ 172,321,255	\$ 61,953,698	\$ -	\$ 234,274,953
Inter-segment revenue	17,128,522	7,046,357	(24,174,879)	-
Segment revenue	<u>\$ 189,449,777</u>	<u>\$ 69,000,055</u>	<u>(\$ 24,174,879)</u>	<u>\$ 234,274,953</u>
Segment profit	<u>\$ 4,048,522</u>	<u>\$ 1,178,922</u>	<u>\$ -</u>	<u>\$ 5,227,444</u>

(3) Reconciliation for segment income (loss)

A. The operating income (loss) of each area reported to the chief operating decision-maker is measured in a manner consistent with revenues and expenses in the statement of comprehensive income.

A reconciliation of reportable segment profit to the income before tax for the nine months ended September 30, 2021 and 2020 is provided as follows:

	Nine months ended September 30,	
	2021	2020
Reportable segment profit	\$ 6,523,068	\$ 5,227,444
Total non-operating income and expenses	12,817,873	2,182,133
Income before tax	<u>\$ 19,340,941</u>	<u>\$ 7,409,577</u>

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with those in the financial statements.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to others

Nine months ended September 30, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower (Note 6)	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at September 30, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2021 (Note 8)	(Note 8)							Item	Value			
0	Synnex Technology International Corporation	Seper Technology Corporation	Other receivables	Y	\$ 1,000,000	\$ 1,000,000	\$ -	1.08%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 23,622,111	\$ 23,622,111	(Note 2)
0	Synnex Technology International Corporation	Synnex Global Ltd.	Other receivables	Y	2,858,500	2,790,000	-	0%~0.79%	(Note 1)	-	Operating turnover	-	-	-	23,622,111	23,622,111	(Note 2)
1	Synnex Global Ltd.	Synnex Technology International Corporation	Other receivables	Y	1,426,500	1,395,000	1,171,800	-	(Note 1)	-	Operating turnover	-	-	-	9,135,830	9,135,830	(Note 3)
1	Synnex Global Ltd.	Synnex (Chengdu) Ltd.	Other receivables	Y	214,388	-	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Nanjing) Ltd.	Other receivables	Y	214,388	-	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Shenyang) Ltd.	Other receivables	Y	85,755	83,700	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Beijing) Ltd.	Other receivables	Y	85,755	83,700	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Xi'an) Ltd.	Other receivables	Y	114,340	111,600	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Hangzhou) Ltd.	Other receivables	Y	14,293	-	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Tianjin) Ltd.	Other receivables	Y	22,868	22,320	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Qingdao) Ltd.	Other receivables	Y	142,925	-	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Jinan) Ltd.	Other receivables	Y	214,388	209,250	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (ZhenZhou) Ltd.	Other receivables	Y	214,388	209,250	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Wuhan) Ltd.	Other receivables	Y	142,925	-	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex(Hefei) Ltd.	Other receivables	Y	174,369	170,190	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Harbing) Ltd.	Other receivables	Y	214,388	209,250	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex (Nanchang) Ltd.	Other receivables	Y	114,340	111,600	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex(Ningbo) Ltd.	Other receivables	Y	114,340	-	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)

No.	Creditor	Borrower (Note 6)	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended	Balance at September 30, 2021	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2021 (Note 8)	(Note 8)							Item	Value			
1	Synnex Global Ltd.	Synnex(Xiamen) Ltd.	Other receivables	Y	\$ 257,265	\$ 251,100	\$ -	-	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 63,950,811	\$ 91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex(Changsha) Ltd.	Other receivables	Y	114,340	111,600	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Other receivables	Y	1,107,000	1,004,400	-	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex New Zealand Ltd.	Other receivables	Y	933,840	862,515	335,423	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Synnex China Holdings Ltd.	Other receivables	Y	2,858,500	2,817,900	2,792,977	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Syntech Asia Ltd.	Other receivables	Y	5,717,000	5,580,000	5,580,000	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
1	Synnex Global Ltd.	Leveltech Ltd.	Other receivables	Y	1,400,500	1,395,000	103,230	-	(Note 1)	-	Operating turnover	-	-	-	63,950,811	91,358,302	(Note 3)
2	Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Other receivables	Y	575,544	572,485	491,562	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Other receivables	Y	233,680	232,438	201,015	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Other receivables	Y	294,263	292,699	283,445	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Other receivables	Y	225,025	223,829	219,137	1.65%~ 3.26%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex(Ningbo) Ltd.	Other receivables	Y	177,840	-	-	-	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex(Changsha) Ltd.	Other receivables	Y	225,025	223,829	208,333	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	7,903,980	7,747,920	3,873,960	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Other receivables	Y	8,782	8,609	3,874	4.35%	(Note 1)	-	Operating turnover	-	-	-	4,893,666	4,893,666	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Other receivables	Y	149,295	148,502	147,641	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (ZhenZhou) Ltd.	Other receivables	Y	34,619	34,435	33,144	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Other receivables	Y	23,801	23,674	21,823	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex(Xiamen) Ltd.	Other receivables	Y	41,110	40,892	38,740	1.65%	(Note 1)	-	Operating turnover	-	-	-	12,234,164	12,234,164	(Note 4)

No.	Creditor	Borrower (Note 6)	General ledger account	Is a related party	Maximum outstanding balance during the nine months ended		Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					September 30, 2021 (Note 8)	Balance at September 30, 2021 (Note 8)							Item	Value			
3	Trade Vanguard Global Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	\$ 11,285,300	\$ 11,191,440	\$ 7,834,008	-	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 26,910,778	\$ 26,910,778	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Investments (China) Ltd.	Other receivables	Y	3,512,880	3,443,520	2,926,992	-	(Note 1)	-	Operating turnover	-	-	-	26,910,778	26,910,778	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	4,391,100	4,304,400	1,181,065	-	(Note 1)	-	Operating turnover	-	-	-	26,910,778	26,910,778	(Note 5)

Note 1: Short-term financing.

Note 2: Limit on loans granted to a single party by Synnex Technology International Corporation and ceiling on total loans granted:

- Limit on loans granted to a single party is 40% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation.
- Ceiling on total loans granted to all parties is 40% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation.

Note 3: Limit on loans granted to a single party by Synnex Global Ltd. and ceiling on total loans granted:

- Ceiling on loans granted to parties whose shares held by the Company over 80% is 40% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 40% of the aforementioned net assets value.
The reviewed net assets value of Synnex Global Ltd. amounted to \$91,358,302 for the nine months ended September 30, 2021.
- Ceiling on loans granted to parties whose shares held by the Company under 80% is 20% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 5% of the aforementioned net assets value.
The reviewed net assets value of Synnex Global Ltd. amounted to \$91,358,302 for the nine months ended September 30, 2021.
- Ceiling on loans granted to parties whose voting rights are directly or indirectly held by the Company and which are located outside Taiwan is 100% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 70% of the aforementioned net assets value. The reviewed net assets value of Synnex Global Ltd. amounted to \$91,358,302 for the nine months ended September 30, 2021.
- Ceiling on loans granted to the Company's parent company and its wholly-owned subsidiaries which are located in Taiwan is 10% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 10% of the aforementioned net assets value. The reviewed net assets value of Synnex Global Ltd. amounted to \$91,358,302 for the nine months ended September 30, 2021.

Note 4: Limit on loans granted to a single party by Synnex Investments (China) Ltd. and ceiling on total loans granted:

- Ceiling on loans granted to parties whose shares held by the Company over 80% is 40% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 40% of the aforementioned net assets value.
The reviewed net assets value of Synnex Investments (China) Ltd. amounted to \$12,234,164 for the nine months ended September 30, 2021.
- Ceiling on loans granted to parties whose shares held by the Company under 80% is 20% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 5% of the aforementioned net assets value.
The reviewed net assets value of Synnex Investments (China) Ltd. amounted to \$12,234,164 for the nine months ended September 30, 2021.
- Ceiling on loans granted to parties whose voting rights are directly or indirectly held by the Company and which are located outside Taiwan is 100% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 100% of the aforementioned net assets value. The reviewed net assets value of Synnex Investments (China) Ltd. amounted to \$12,234,164 for the nine months ended September 30, 2021.

Note 5: Limit on loans granted to a single party by Trade Vanguard Global Ltd. and ceiling on total loans granted:

- Ceiling on loans granted to parties whose shares held by the Company over 80% is 40% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 40% of the aforementioned net assets value.
The audited net assets value of Trade Vanguard Global Ltd. amounted to \$12,232,172 for the year ended December 31, 2020.
- Ceiling on loans granted to parties whose shares held by the Company under 80% is 20% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 5% of the aforementioned net assets value.
The audited net assets value of Trade Vanguard Global Ltd. amounted to \$12,232,172 for the year ended December 31, 2020.
- Ceiling on loans granted to parties whose voting rights are directly or indirectly held by the Company and which are located outside Taiwan is 220% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 220% of the aforementioned net assets value. The audited net assets value of Trade Vanguard Global Ltd. amounted to \$12,232,172 for the year ended December 31, 2020.

Note 6: All the borrowers and lenders are the Company's direct or indirect wholly-owned subsidiaries, except for the subsidiary - Yude (Shanghai) Warehouse Co., Ltd., whose 80% share was indirectly held by the Company.

Note 7: Translated into New Taiwan Dollars using the exchange rate of US: NT=1:27.9.

Note 8: The limit on loans balance are resolved by the Board of Directors.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Nine months ended September 30, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021	Outstanding endorsement/ guarantee amount at September 30, 2021	Actual amount drawn down	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 1)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor											
0	Synnex Technology International Corporation	Synnex Global Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	\$ 59,055,277	\$ 23,153,850	\$ 18,135,000	\$ 1,288,269	\$ -	31%	\$ 118,110,554	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Synnex Australia Pty. Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	59,055,277	7,484,454	7,484,454	2,005,598	-	13%	118,110,554	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	59,055,277	8,725,584	8,689,482	5,527,959	-	15%	118,110,554	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Synnex New Zealand Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	59,055,277	1,737,540	1,700,034	225,657	-	3%	118,110,554	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Seper Technology Corporation	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	59,055,277	2,000,000	2,000,000	650,705	-	3%	118,110,554	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Syntech Asia Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	59,055,277	9,390,173	8,727,120	7,475,468	-	15%	118,110,554	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	59,055,277	2,201,045	2,148,300	1,459,192	-	4%	118,110,554	Y	N	Y	(Note 1)
1	Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	938,546	100,000	100,000	-	-	5%	938,546	Y	N	N	(Note 2)

Note 1: Synnex Technology International Corporation’s limit on endorsements and guarantees provided for a single party and ceiling on total amount of endorsements and guarantees provided:

(1) Ceiling on total endorsements and guarantees provided for all parties is 200% of the net assets value per the latest audited or reviewed financial statements of the Company.

(2) Limit on endorsements and guarantees provided for a single party is 100% of the net assets value per the latest audited or reviewed financial statements of the Company.

Note 2: Bestcom Infotech Corp.’s limit on endorsements and guarantees provided for a single party and ceiling on total amount of endorsements and guarantees provided:

(1) Ceiling on total endorsements and guarantees provided for all parties is 50% of the net assets value per the latest audited or reviewed financial statements of the Company. For the nine months ended September 30, 2021, Bestcom Infotech Corp.’s reviewed net assets value amounted to \$1,877,091.

(2) Limit on endorsements and guarantees provided for a single entity (directly or indirectly controlled over 50% ownership by the Group is not limited to the 50% limit).

In addition to the aforementioned rules, limit on endorsements and guarantees provided for a single party is limited to the transaction amount in the most recent year (transaction amount represents the higher amount of purchase or sales).

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Synnex Technology International Corporation	Lien Hwa Industrial Holdings Corporation	The issuer's chairperson is the same as the Company's chairperson	Current financial assets at fair value through profit or loss	1,879,057	\$ 115,750	0.15%	\$ 115,750	
Synnex Technology International Corporation	UPC Technology Corporation	The issuer's chairperson is the same as the Company's chairperson	Non-current financial assets at fair value through other comprehensive income	68,992,033	\$ 1,755,847	5.18%	\$ 1,755,847	
"	Mitac Information Technology Corporation	The issuer's director is the same as the Company's chairperson	"	8,262,486	108,164	5.51%	108,164	
"	Tong Da Investment Corporation	The issuer's chairperson is the same as the Company's director	"	4,848,125	186,653	19.99%	186,653	
"	Mitac Incorporated	The issuer's chairperson is the same as the Company's chairperson	"	69,547,771	3,652,784	18.37%	3,652,784	
"	Harbinger Venture Capital Corporation	"	"	25,848	-	13.05%	-	
"	Harbinger III Venture Capital Corporation	The issuer's chairperson is the same as the Company's director	"	19,000	394	19.00%	394	
"	Lien Yuan Investment Corp.	"	"	9,217,196	159,458	19.99%	159,458	
"	Taiwan Paging Network Inc.	-	"	1,450,000	-	3.58%	-	
"	Digitimes Inc.	The Company is the issuer's director	"	504,000	6,736	2.68%	6,736	
"	Harbinger Capital Management Co., Ltd.	The issuer's chairperson is the same as the Company's chairperson	"	862,922	15,718	19.99%	15,718	
Synnex Technology International Corporation			Total non-current financial assets at fair value through other comprehensive income		\$ 5,885,754		\$ 5,885,754	
Bestcom Infotech Corp.	Jetwell Computer Co., Ltd.	Bestcom Infotech Corp. is the issuer's director	Non-current financial assets at fair value through other comprehensive income	3,254,524	\$ 178,999	8.34%	\$ 178,999	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2021				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Synnex Global Ltd.	Budworth Investment Ltd.	-	Non-current financial assets at fair value through other comprehensive income	125,807	\$ -	13.83%	\$ -	
"	Pilot View Ltd.	-	"	84,457	-	1.21%	-	
Synnex Global Ltd.			Total non-current financial assets at fair value through other comprehensive income		\$ -		\$ -	
King's Eye Investments Ltd.	Hi Food Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,150,000	\$ 22,444	10.00%	\$ 22,444	
"	Listed common stock	-	Current financial assets at fair value through profit or loss	12,552,403	\$ 70,972	0.51%	\$ 70,972	
Peer Developments Ltd.	TD Synnex Corporation	-	Current financial assets at fair value through other comprehensive income	3,859,888	\$ 11,210,620	4.02%	\$ 11,210,620	
Synnex Investments (China) Ltd.	Tianli Express Net Worth and Win-win Stable Day-day Profit	-	Current financial assets at fair value through profit or loss	-	\$ 971,033	-	\$ 971,033	
Synnex Distributions (China) Ltd.	Yue Xiang Ying, Tianli Express Net Worth and Anxin Express Day-day Profit	-	Current financial assets at fair value through profit or loss	-	\$ 3,030,362	-	\$ 3,030,362	
Jifu Intelligent Logistics Corporation	Win-win Stable Day-day Profit	-	Current financial assets at fair value through profit or loss	-	\$ 228,071	-	\$ 228,071	
Laser International Trading (Shanghai) Company Ltd.	Tianli Express Net Worth	-	Current financial assets at fair value through profit or loss	-	\$ 629,360	-	\$ 629,360	
Synnex (Shanghai) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	\$ 886,147	-	\$ 886,147	
Synnex (Beijing) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	\$ 5,596	-	\$ 5,596	
Synnex (Chengdu) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	\$ 3,874	-	\$ 3,874	
Synnex (Changsha) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	\$ 861	-	\$ 861	
Synnex (Guangzhou) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	\$ 164,429	-	\$ 164,429	

Table 3, Page 2

				As of September 30, 2021				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Synnex (Harbing) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 1,722</u>	-	<u>\$ 1,722</u>	
Synnex (Hefei) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 3,444</u>	-	<u>\$ 3,444</u>	
Synnex (Hangzhou) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 63,275</u>	-	<u>\$ 63,275</u>	
Synnex (Jinan) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 2,583</u>	-	<u>\$ 2,583</u>	
Synnex (Nanjing) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 38,740</u>	-	<u>\$ 38,740</u>	
Synnex (Qingdao) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 26,687</u>	-	<u>\$ 26,687</u>	
Synnex (Suzhou) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 33,144</u>	-	<u>\$ 33,144</u>	
Synnex (Wuhan) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 26,472</u>	-	<u>\$ 26,472</u>	
Synnex (Xi'an) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 15,926</u>	-	<u>\$ 15,926</u>	
Synnex(Xiamen) Ltd.	Chao Zhao Jin No.7007	-	Current financial assets at fair value through profit or loss	-	<u>\$ 3,444</u>	-	<u>\$ 3,444</u>	

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
Nine months ended September 30, 2021

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty (Note 1)	Relationship with the investor (Note 1)	Transaction currency	Balance as at January 1, 2021		Addition		Disposal			Gain (loss) on disposal	Other Amount	Balance as at September 30, 2021	
						Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value			Number of shares	Amount
Synnex Investments (China) Ltd.	Tianli Express Net Worth, Anxin Express Day-day Profit, Win-win Stable Day-day Profit and Yue Xiang Ying	Current financial assets at fair value through profit or loss	-	-	RMB	-	\$ -	-	\$ 30,205,620	-	\$ 29,332,075	\$ 29,332,075	\$ - (Note 2)	\$ 97,488 (Note 3)	-	\$ 971,033
Laser International Trading (Shanghai) Company Ltd.	Tianli Express Net Worth	"	-	-	RMB	-	-	-	2,198,397	-	1,586,133	1,586,133	- (Note 2)	17,096 (Note 3)	-	629,360
Synnex Distributions (China) Ltd.	Tianli Express Net Worth, Anxin Express Day-day Profit, Win-win Stable Day-day Profit and Yue Xiang Ying	"	-	-	RMB	-	-	-	115,056,186	-	112,087,778	112,087,778	- (Note 2)	61,953 (Note 3)	-	3,030,362
Synnex (Shanghai) Ltd.	Chao Zhao Jin No.7007	"	-	-	RMB	-	-	-	3,898,820	-	3,028,022	3,028,022	- (Note 2)	15,349 (Note 3)	-	886,147
Jifu Intelligent Logistics Corporation	Win-win Stable Day-day Profit	"	-	-	RMB	-	-	-	700,631	-	474,111	474,111	- (Note 2)	1,550 (Note 3)	-	228,071
Peer Developments Ltd.	Concentrix Corporation	Investments accounted for using equity method	Public trading market	None	USD	3,859,888	4,871,435	-	-	262,003	1,068,734	338,605	730,535	363,445 (Note 4)	3,597,885	4,896,275

Note 1: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 2: The general ledger account is 'financial assets at fair value through profit or loss'. Due to adoption of IFRS, valuation gains and losses were recognised, and therefore there was no gain (loss) on disposal.

Note 3: It refers to the effect of exchange rate and gains or losses on valuation.

Note 4: It includes profit or loss on investments accounted for using equity method and equity adjustments.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION 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 months ended September 30, 2021

Table 5

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		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Synnex Technology International Corporation	Syntech Asia Ltd.	Indirect wholly-owned subsidiary	(Sales)	(\$ 4,602,930)	(11%)	60 days	Standard selling price and collection terms	Insignificant difference	\$ 67,816	1%		
Synnex Technology International Corporation	Syntech Asia Ltd.	Indirect wholly-owned subsidiary	Purchases	2,739,943	7%	60 days	Standard purchasing price and payment terms	Insignificant difference	(125,379)	(2%)		
Synnex Technology International Corporation	Seper Technology Corporation	Direct wholly-owned subsidiary	Purchases	1,233,733	3%	30 days	Standard purchasing price and payment terms	Insignificant difference	(89,661)	(2%)		
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Direct wholly-owned subsidiary	Purchases	465,584	1%	30 days	Standard purchasing price and payment terms	Insignificant difference	(51,419)	(1%)		
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirect wholly-owned subsidiary	(Sales)	(224,661)	(1%)	60 days	Standard selling price and collection terms	Insignificant difference	3,450	-		
Synnex Technology International Corporation	Getac Technology Corporation	Other related party	(Sales)	(178,964)	-	50 days	Standard selling price and collection terms	Insignificant difference	27,012	-		
Synnex Technology International Corporation	Jetwell Computer Co., Ltd.	Other related party	(Sales)	(130,470)	-	50 days	Standard selling price and collection terms	Insignificant difference	34,626	-		
Seper Technology Corporation	Synnex Technology International Corporation	Ultimate parent company	(Sales)	(1,233,733)	(29%)	30 days	Standard selling price and collection terms	Insignificant difference	89,661	17%		
Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Ultimate parent company	(Sales)	(465,584)	(67%)	30 days	Standard selling price and collection terms	Insignificant difference	51,419	64%		
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Technology International Corporation	Ultimate parent company	Purchases	224,661	-	60 days	Standard purchasing price and payment terms	Insignificant difference	(3,450)	-		
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	(Sales)	(11,668,110)	(23%)	90 days after receipt of goods	Standard selling price and collection terms	Insignificant difference	542,954	8%		
Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	An affiliate	(Sales)	(319,758)	(1%)	60 days	Standard selling price and collection terms	Insignificant difference	166,611	2%		

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Syntech Asia Ltd.	Synnex Technology International Corporation	Ultimate parent company	(Sales)	(\$ 2,739,943)	(3%)	60 days	Standard selling price and collection terms	Insignificant difference	\$ 125,379	1%	
Syntech Asia Ltd.	Synnex Technology International Corporation	Ultimate parent company	Purchases	4,602,930	5%	60 days	Standard purchasing price and payment terms	Insignificant difference	(67,816)	-	
Syntech Asia Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases	319,758	-	60 days	Standard purchasing price and payment terms	Insignificant difference	(166,611)	(1%)	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases	11,668,110	20%	90 days after receipt of goods	Standard purchasing price and payment terms	Insignificant difference	(542,954)	(12%)	
Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Direct wholly-owned subsidiary	(Sales)	(111,209)	-	30 days	Standard selling price and collection terms	Insignificant difference	-	-	
Synnex Technology Development (Beijing) Ltd.	Synnex Distributions (China) Ltd.	Wholly-owning parent company	Purchases	111,209	99%	30 days	Standard purchasing price and payment terms	Insignificant difference	-	-	
Synnex Australia Pty. Ltd.	Synnex New Zealand Ltd.	An affiliate	(Sales)	(103,419)	-	60 days	Standard selling price and collection terms	Insignificant difference	4,757	-	
Synnex New Zealand Ltd.	Synnex Australia Pty. Ltd.	An affiliate	Purchases	103,419	4%	60 days	Standard purchasing price and payment terms	Insignificant difference	(4,757)	(1%)	
PT. Synnex Metrodata Indonesia	PT Mitra Integrasi Informatika	Other related party	(Sales)	(593,828)	(3%)	30 days	Standard selling price and collection terms	Insignificant difference	224,840	8%	
Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	(504,921)	(97%)	60 days	Standard selling price and collection terms	Insignificant difference	-	-	
LianXiang Technology (Shenzhen) Ltd.	Synnex (Shanghai) Ltd.	An affiliate	Purchases	504,921	52%	60 days	Standard purchasing price and payment terms	Insignificant difference	-	-	

Table 5, Page 2

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
September 30, 2021

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Synnex Technology International Corporation	Sytech Asia Ltd.	Indirect wholly-owned subsidiary	\$ 189,210	8.75	\$ -	-	\$ 67,816	\$ -
Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Indirect wholly-owned subsidiary	100,422	-	-	-	-	-
Synnex Global Ltd.	Sytech Asia Ltd.	Indirect wholly-owned subsidiary	328,981	-	-	-	328,981	-
Sytech Asia Ltd.	Synnex Technology International Corporation	Ultimate parent company	125,379	7.80	-	-	125,379	-
Synnex Australia Pty. Ltd.	Golden Thinking Ltd.	An affiliate	174,547	-	-	-	9,485	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Global Ltd.	Indirect wholly-owned parent company	3,165,764	-	-	-	3,165,764	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Sytech Asia Ltd.	An affiliate	175,205	8.61	-	-	60,381	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	822,874	8.61	-	-	822,097	-
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Direct wholly-owned subsidiary	3,846,268	-	-	-	-	-
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	1,120,531	-	-	-	-	-
Synnex Technology Development (Beijing) Ltd.	Synnex Distributions (China) Ltd.	Wholly-owning parent company	197,855	-	-	-	4,784	-
PT. Synnex Metrodata Indonesia	PT Mitra Integrasi Informatika	Other related party	224,840	9.76	-	-	67,915	-

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Nine months ended September 30, 2021

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to indirectly wholly-owned subsidiary	Sales	\$ 4,602,930	The same with third parties	2%
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to indirectly wholly-owned subsidiary	Other receivables	121,394	Note 5	-
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Parent company to indirectly wholly-owned subsidiary	Other receivables	100,422	Note 5	-
0	Synnex Technology International Corporation	Synnex Australia Pty. Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	157,361	Note 9	-
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	138,113	Note 9	-
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	100,422	Note 9	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to indirectly wholly-owned subsidiary	Sales	224,661	The same with third parties	-
1	Seper Technology Corporation	Synnex Technology International Corporation	Subsidiary to parent company	Sales	1,233,733	The same with third parties	-
2	Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Subsidiary to parent company	Sales	465,584	The same with third parties	-
3	Synnex Global Ltd.	Syntech Asia Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	328,981	Note 6	-
4	Syntech Asia Ltd.	Synnex Technology International Corporation	Indirectly wholly-owned subsidiary to parent company	Sales	2,739,943	The same with third parties	1%
4	Syntech Asia Ltd.	Synnex Technology International Corporation	Indirectly wholly-owned subsidiary to parent company	Accounts receivable	125,379	The same with third parties	-
5	Synnex Australia Pty. Ltd.	Golden Thinking Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	174,547	Note 6	-
5	Synnex Australia Pty. Ltd.	Synnex New Zealand Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	103,419	The same with third parties	-

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
6	Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	\$ 3,846,268	Note 6	2%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Global Ltd.	Indirectly wholly-owned subsidiary to directly wholly-owned subsidiary	Other receivables	3,165,764	Note 6	2%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	319,758	The same with third parties	-
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	166,606	The same with third parties	-
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	11,668,110	The same with third parties	4%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	542,954	The same with third parties	-
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	279,920	Note 6	-
8	Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	504,921	The same with third parties	-
9	Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	111,209	The same with third parties	-
9	Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	1,120,531	Note 6	1%
10	Synnex Technology Development (Beijing) Ltd.	Synnex Distributions (China) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	197,855	Note 6	-

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

(1)Parent company is ‘0’.

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

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

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the period when the subject of transaction is an asset/liability, and is calculated using total consolidated revenues during the period when the subject of transaction is a revenue/expense.

Note 4: It is not disclosed for individual transaction below 100 million.

Note 5: Represents technical service receivable and interest receivable.

Note 6: Inter-company transactions between subsidiaries.

Note 7: For information relating to receivables from related parties arising on financing, please refer to table 1 Loans to others.

Note 8: For information relating to endorsements and guarantees between the Company and subsidiaries, please refer to table 2 Provision of endorsements and guarantees to others.

Note 9: Represents technical service revenue from the Company’s provision of technical service to related parties.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees
Nine months ended September 30, 2021

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income(loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Synnex Technology International Corporation	Synnex Global Ltd.	British Virgin Islands	Investment holding	\$ 17,607,381	\$ 17,607,381	548,250,000	100.00	\$ 91,358,302	\$ 16,911,675	\$ 16,911,675	
Synnex Technology International Corporation	Bestcom Infotech Corp.	Taiwan	Sales of 3C products	1,640,447	1,603,026	101,203,296	98.06	2,066,001	253,148	245,324	
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Taiwan	Investment holding	1,145,384	1,145,384	22,500,000	100.00	514,725	573	573	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Taiwan	Warehouse and logistics services	50,000	50,000	5,000,000	100.00	231,827	158,066	158,066	
Synnex Technology International Corporation	Seper Technology Corporation	Taiwan	Sales of 3C products	1,426	1,426	100,000	100.00	55,960	52,529	52,529	
Synnex Technology International Corporation	Synergy Technology Services Corporation	Taiwan	Maintenance and technical services	1,000	1,000	100,000	100.00	989	-	-	
Synnex Global Ltd.	King’s Eye Investments Ltd.	British Virgin Islands	Investment holding	1,743,108	1,743,108	62,477,000	100.00	22,308,844	3,959,836	-	Note 1
Synnex Global Ltd.	Synnex China Holdings Ltd.	British Virgin Islands	Investment holding	2,795,580	2,795,580	100,200,000	100.00	9,183,173	1,389,236	-	Note 1
Synnex Global Ltd.	Synnex Mauritius Ltd.	Mauritius	Investment holding	669,600	669,600	24,000,000	100.00	4,554,559	678,245	-	Note 1
Synnex Global Ltd.	Peer Developments Ltd.	British Virgin Islands	Investment holding	873,270	873,270	30,200,001	100.00	16,299,227	10,906,508	-	Note 1
Synnex Global Ltd.	Trade Vanguard Global Ltd.	British Virgin Islands	Investment holding	11,160,000	11,160,000	400,000,000	100.00	12,254,651	22,645	-	Note 1
King’s Eye Investments Ltd.	Laser Computer Holdings Ltd.	British Virgin Islands	Investment holding	1,028,031	1,028,031	36,850,001	100.00	5,788,397	800,529	-	Note 1
King’s Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	828,212	828,212	33,250,000	100.00	4,722,471	644,882	-	Note 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income(loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	\$ 5,022,000	\$ 5,370,750	-	-	\$ 5,022,000	\$ -	\$ -	Note 2
King’s Eye Investments Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	28,514	28,514	1,500,000	100.00	136,006	29,450	-	Note 1
Synnex Global Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	191,673	201,299	-	-	191,673	-	-	Note 2
King’s Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Hong Kong	Sales of electronic components	8,370	8,370	299,999	100.00	8,273	283,549	-	Note 1
King’s Eye Investments Ltd.	Syntech Asia Ltd.	Hong Kong	Sales of electronic components	8,370	8,370	300,000	100.00	6,973,588	1,115,311	-	Note 1
King’s Eye Investments Ltd.	Synnex (Thailand) Public Company Ltd.	Thailand	Sales of 3C products	252,665	252,665	338,939,513	40.00	1,175,781	522,401	-	Note 1
King’s Eye Investments Ltd.	Synnex FPT Joint Stock Company	Vietnam	Sales of 3C products	861,952	861,952	55,854,748	47.00	1,366,351	534,258	-	Note 1
King’s Eye Investments Ltd.	PT. Synnex Metrodata Indonesia	Indonesia	Sales of 3C products	292,950	292,950	150,000	50.00	2,113,963	707,924	-	Note 1
King’s Eye Investments Ltd.	Fortune Ideal Ltd.	Hong Kong	Real estate	51,947	51,947	14,500,000	100.00	185,404	15,256	-	Note 1
King’s Eye Investments Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	100,311	100,311	28,000,000	100.00	112,911	22,773	-	Note 1
Synnex China Holdings Ltd.	Leveltech Ltd.	Hong Kong	Sales of electronic components	8,370	-	300,000	100.00	8,947	-	-	Note 1
Synnex Global Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	1,020,470	1,091,336	-	-	1,020,470	-	-	Note 2
Synnex Global Ltd.	Synnex Investments (China) Ltd.	China	Investment holding	8,986,590	8,986,590	-	-	8,986,590	-	-	Note 2
Synnex Global Ltd.	Synnex Distributions (China) Ltd.	China	Sales of 3C products	4,282,650	4,282,650	-	-	4,282,650	-	-	Note 2
Synnex Global Ltd.	Synnex (Shanghai) Ltd.	China	Sales of 3C products and warehouse and logistics services	920,700	920,700	-	-	920,700	-	-	Note 2
Peer Developments Ltd.	Concentrix Corporation	USA	Business process outsourcing services	4,440,508	4,763,869	3,597,885	6.88	4,896,275	7,828,294	-	Note 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2021			Net profit (loss) of the investee for the nine months ended September 30, 2021	Investment income(loss) recognised by the Company for the nine months ended September 30, 2021	Footnote
				Balance as at September 30, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Peer Developments Ltd.	Synergy Intellignent Logistics (HK) Corporation	Hong Kong	Warehouse and logistics services	\$ 363	\$ 363	100,000	100.00	\$ 868	\$ 187	\$ -	Note 1
Synnex Mauritius Ltd.	Redington (India) Ltd.	India	Sales of 3C products	573,010	573,010	188,591,880	24.24	4,513,115	2,836,948	-	Note 1
Laser Computer Holdings Ltd.	Laser Computer (China) Ltd.	Malaysia	Sales of 3C products	28	28	1,000	100.00	28	-	-	Note 1
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Hong Kong	Sales of 3C products	214,952	214,952	60,000,000	100.00	1,665,058	800,529	-	Note 1
Bestcom Infotech Corp.	Inforcom Technology Inc.	Taiwan	Wholesale of computer software and hardware. Computer information system planning, analysis and design.	19,977	19,977	3,677,931	22.94	47,274	5,190	-	Note 1
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Taiwan	Wholesale and retailing of computer software and hardware. Accreditaion and consulting services.	19,940	19,940	2,000,000	100.00	25,792	2,993	-	Note 1
Bestcom Infotech Corp.	Asgard System, Inc.	Taiwan	Wholesale of computer software and hardware. Computer information system planning, analysis and design.	19,956	19,956	2,400,000	20.00	26,410 (	6,329)	-	Note 1
Bestcom Infotech Corp.	I-Direction Co., Ltd.	Taiwan	Wholesale and retailing of computers. Information system provider.	8,000	8,000	800,000	40.00	-	-	-	Note 1

Note 1: Investment income (loss) for this period had been recognized by the Company's subsidiary.

Note 2: The investment amount is an amount for long-term investment.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Nine months ended September 30, 2021

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 11)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the nine months ended September 30, 2021 (Note 11)		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income of investee for the nine months ended September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2021 (Note 3)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021	Footnote
Laser International Trading (Shanghai) Company Ltd.	International trade	\$ 27,900	2	\$ 27,900	\$ -	\$ -	\$ 27,900	\$ 27,602	100.00	\$ 27,602	\$ 501,983	\$ -	(Note 2) (Note 4)
Hi Food (Shanghai) Co., Ltd.	Manufacture and sales of food	558,000	2	50,220	-	-	50,220	-	10.00	-	50,220	-	(Note 2) (Note 5)
Synnex Investments (China) Ltd.	Investment holding	5,580,000	2	5,580,000	-	-	5,580,000	1,498,045	100.00	1,498,045	12,234,164	-	(Note 2) (Note 6)
Synnex Distributions (China) Ltd.	Sales of 3C products	9,207,000	2	9,207,000	-	-	9,207,000	891,797	100.00	891,797	13,724,485	-	(Note 2) (Note 6)
Synnex (Shanghai) Ltd.	Sales of electronic components and warehouse and logistics services	613,800	2	613,800	-	-	613,800	172,390	100.00	172,390	1,104,766	-	(Note 2) (Note 6)
Synnex (Beijing) Ltd.	Warehouse and logistics services	251,100	2	251,100	-	-	251,100	(19,198)	100.00	(19,198)	237,608	-	(Note 2) (Note 6)
Synnex (Nanjing) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	8,611	100.00	8,611	165,889	-	(Note 2) (Note 6)
Synnex (Chengdu) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	6,328	100.00	6,328	164,062	-	(Note 2) (Note 6)
Synnex (Shenyang) Ltd.	Warehouse and logistics services	83,700	2	83,700	-	-	83,700	62	100.00	62	108,099	-	(Note 2) (Note 6)
Synnex (Tianjin) Ltd.	Warehouse and logistics services	125,550	2	125,550	-	-	125,550	(4,291)	100.00	(4,291)	88,550	-	(Note 2) (Note 6)
Synnex (Hangzhou) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	3,356	100.00	3,356	154,658	-	(Note 2) (Note 6)
Synnex (Qingdao) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	3,395	100.00	3,395	132,189	-	(Note 2) (Note 6)
Synnex (Guangzhou) Ltd.	Warehouse and logistics services	334,800	2	334,800	-	-	334,800	4,316	100.00	4,316	341,636	-	(Note 2) (Note 6)
Synnex (Xi'an) Ltd.	Warehouse and logistics services	111,600	2	111,600	-	-	111,600	(3,116)	100.00	(3,116)	116,718	-	(Note 2) (Note 6)
Synnex (Suzhou) Ltd.	Warehouse and logistics services	167,400	2	167,400	-	-	167,400	5,273	100.00	5,273	162,341	-	(Note 2) (Note 6)
Synnex (Wuhan) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	2,525	100.00	2,525	142,020	-	(Note 2) (Note 6)
Synnex (Jinan) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	7,978	100.00	7,978	172,057	-	(Note 2) (Note 6)
Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	2,699	100.00	2,699	132,329	-	(Note 2) (Note 6)
Synnex (Changsha) Ltd.	Warehouse and logistics services	111,600	2	111,600	-	-	111,600	520	100.00	520	65,084	-	(Note 2) (Note 6)
Synnex (Ningbo) Ltd.	Warehouse and logistics services	111,600	2	111,600	-	-	111,600	(167)	-	(167)	-	-	(Note 2) (Note 6) (Note 14)

Investee in Mainland China	Main business activities	Paid-in capital (Note 11)	Investment method (Note 1)	Accumulated	Amount remitted from Taiwan		Accumulated	Net income of investee for the nine months ended September 30, 2021	Ownership held by the Company (direct or indirect)	Investment income	Book value of investments in Mainland China as of September 30, 2021	Accumulated	Footnote
				amount of	to Mainland China/ Amount remitted back		amount			(loss) recognised		amount	
				remittance from Taiwan to Mainland China as of January 1, 2021	to Taiwan for the nine months ended September 30, 2021 (Note 11)		of remittance from Taiwan to Mainland China as of September 30, 2021			by the Company for the nine months ended September 30, 2021 (Note 3)		of investment income remitted back to Taiwan as of September 30, 2021	
Synnex (Hefei) Ltd.	Warehouse and logistics services	\$ 170,190	2	\$ 170,190	-	-	\$ 170,190	\$ 7,682	100.00	\$ 7,682	\$ 105,818	\$ -	(Note 2) (Note 6)
Synnex (Nanchang) Ltd.	Warehouse and logistics services	111,600	2	111,600	-	-	111,600	(12,938)	100.00	(12,938)	20,328	-	(Note 2) (Note 6)
Synnex (Harbing) Ltd.	Warehouse and logistics services	139,500	2	139,500	-	-	139,500	(3,361)	100.00	(3,361)	4,600	-	(Note 2) (Note 6)
Synnex (Chongqing) Ltd.	Warehouse and logistics services	16,740	2	16,740	-	-	16,740	-	100.00	-	-	-	(Note 2) (Note 6)
Synnex (Xiamen) Ltd.	Warehouse and logistics services	167,400	2	167,400	-	-	167,400	3,033	100.00	3,033	124,470	-	(Note 2) (Note 6)
Synnex Technology Development (Beijing) Ltd.	Sales of 3C products	219,525	2	-	-	-	-	18,077	100.00	18,077	242,568	-	(Note 2) (Note 7) (Note 13)
LianXiang Technology (Shenzhen) Ltd.	Sales of electronic components	5,580	2	5,580	-	-	5,580	33,197	100.00	33,197	159,147	-	(Note 2) (Note 8)
Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	10,331	2	-	-	-	-	1,541	97.96	1,510	(11,707)	-	(Note 2) (Note 6)
Jifu Intelligent Logistics Corporation	Warehouse and logistics services	215,221	2	215,221	-	-	215,221	9,652	100.00	9,652	225,835	-	(Note 6) (Note 12)
Bestcom Infotech Shanghai Ltd.	Sales of 3C products	75,330	2	75,330	-	(79,166)	-	-	-	-	-	-	(Note 2) (Note 9)
				\$ 18,654,331	\$ -	(\$ 79,166)	\$ 18,579,001						

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: Indirect investment in PRC through existing companies located in the third area. Partial capital of Synnex (Nanjing) Ltd. and Synnex (Shenyang) Ltd. were invested by indirect wholly-owned subsidiary, and total membership contributions are US\$1,500 and US\$3,000 thousand, respectively. Due to the Company's restructuring in November 2008, the entire capital of Synnex Distributions (China) Ltd., Synnex (Shanghai) Ltd., Synnex (Beijing) Ltd., Synnex (Nanjing) Ltd. and Synnex (Chengdu) Ltd., amounting to US\$13,000, US\$22,000, US\$9,000, US\$1,000 and US\$2,000 thousand, respectively, was changed to be owned by Synnex Investments (China) Ltd. Total membership contribution is USD\$47,000 thousand.

Note 3: Investment income (loss) of Synnex Investments (China) Ltd., Synnex Distributions (China) Ltd., Synnex (Shanghai) Ltd. and Synnex Technology Development (Beijing) Ltd. recognised by the Company for the nine months ended September 30, 2021 were recognised based on the financial statements which were reviewed by independent auditors while the others were recognised based on the investees' financial statements which were not reviewed by the investees' independent auditors.

Note 4: Laser International Trading (Shanghai) Company Ltd. is a 100% owned subsidiary of Groupware Solutions Ltd., which is a wholly-owned subsidiary of Synnex Technology International (HK) Ltd. Synnex Technology International (HK) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US\$1,000 thousand.

Note 5: Hi Food (Shanghai) Co., Ltd. is a 10% owned invested company of Hi Food Co., Ltd. Hi Food Co., Ltd. is 10% indirectly owned by the Company. Total membership contribution is US\$1,800 thousand.

Note 6: Synnex Investments (China) Ltd. is a 100% owned subsidiary of Synnex China Holdings Ltd. Synnex China Holdings Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US\$200,000 thousand. Additionally, Synnex Investments (China) Ltd. reinvested in other subsidiaries in Mainland China. Total membership contribution is translated into New Taiwan Dollars using the exchange rate of US\$1:NT\$27.9.

Note 7: Synnex Technology Development (Beijing) Ltd. is a 100% owned subsidiary of Synnex Distributions (China) Ltd. Synnex Distributions (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is RMB\$50,000 thousand.

Note 8: LianXiang Technology (Shenzhen) Ltd. is a 100% owned subsidiary of Peer Developments Ltd. Peer Developments Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US\$200 thousand.

Note 9: Bestcom Infotech Shanghai Ltd. is a 100% owned subsidiary of Bestcom International Ltd. Bestcom International Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD\$2,700 thousand. The investee cancelled its registration on December 23, 2020.

Note 10: Synnex Distributions (China) Ltd. is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD\$100,000 thousand.

Note 11: Translated into New Taiwan Dollars using the exchange rates of US\$1:NT27.9 and RMB\$1:NT\$4.3044.

Note 12: Jifu Intelligent Logistics Corporation is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is RMB\$50,000 thousand.

Note 13: LianZhongHongYu Information Technology(Beijing) Co.,Ltd. is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is RMB\$1,000 thousand.

Note 14: The Company sold 100% equity of the subsidiary - Synnex(Ningbo) Ltd. to Ningbo Jiuyuan Electronic Co., Ltd. on February 28, 2021. As of the date, the Company lost its control over the subsidiary and the subsidiary was no longer included in the Group's consolidated financial statements.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021		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	
Synnex Technology International Corporation(Note)	\$	18,579,001	\$	18,592,560	\$	36,731,738

Note: The ceiling is calculated based on the Tai-Tsai-Tseng (1) Letter No. 006130 issued by the Securities and Futures Commission, Ministry of Finance, Executive Yuan (90), effective November 16, 2001.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Major shareholders information

September 30, 2021

Table 10

Name of major shareholders	Shares	
	Number of shares held	Shareholding ratio
Mitac Incorporated	260,521,054	15.61%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee.

As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets.

The information on the reported share equity of insider is provided in the "Market Observation Post System".