

**SYNNEX TECHNOLOGY INTERNATIONAL
CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2023 AND 2022**

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
JUNE 30, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

PWCR23000101

To the Board of Directors and Shareholders of Synnex Technology International Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Synnex Technology International Corporation and subsidiaries (the “Group”) as at June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six 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” that came into effect 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 Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of 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\$31,024,209 thousand and NT\$33,524,545 thousand, constituting 15% and 17% of the consolidated total assets as at June 30, 2023 and 2022, respectively. Total liabilities amounted to NT\$7,676,752 thousand and NT\$8,451,678 thousand, constituting 6% and 6% of the consolidated total liabilities as at June 30, 2023 and 2022, respectively. Net income of these subsidiaries and investments accounted for under the equity method amounted to NT\$555,370 thousand, NT\$815,349 thousand, NT\$1,038,031 thousand and NT\$1,764,542 thousand, constituting 31%, 33%, 28% and 34% of the total net income and the balances of recognised investment profit or loss which is adopting equity method for the three months and six 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\$550,098 thousand, NT\$654,681 thousand, NT\$1,032,032 thousand and NT\$1,590,743 thousand, constituting (18%), (285%), (47%) and 30% of the consolidated comprehensive income for the three months and six 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 June 30, 2023 and 2022, and its consolidated financial performance for the three

months and six months then ended and its consolidated cash flows for the six 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” that came into effect as endorsed by the Financial Supervisory Commission.

Huang, Shih-Chun

Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

August 7, 2023

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

JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(The balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

Assets			June 30, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 20,401,259	10	\$ 14,482,285	7	\$ 5,861,619	3
1110	Current financial assets at fair value through profit or loss	6(2) and 12(3)	258,077	-	181,682	-	790,335	-
1120	Current financial assets at fair value through other comprehensive income	6(3) and 12(3)	20,247,178	10	25,768,699	12	10,468,198	5
1136	Current financial assets at amortised cost	6(4) and 8	46,785	-	6,684	-	59,540	-
1150	Notes receivable, net	6(5)	6,967,559	3	6,842,112	3	5,064,926	3
1170	Accounts receivable, net	6(5), 8 and 12(2)	66,184,333	32	71,827,487	32	71,039,675	35
1180	Accounts receivable - related parties, net	6(5) and 7(2)	673,328	-	499,491	-	415,748	-
1200	Other receivables	6(7) and 7(2)	7,646,723	4	7,234,780	3	8,144,845	4
1220	Current income tax assets		142,779	-	111,526	-	137,260	-
130X	Inventories	6(8) and 8	45,513,327	22	57,299,453	26	56,498,038	28
1410	Prepayments		4,939,376	3	6,313,650	3	7,750,974	4
11XX	Total current assets		173,020,724	84	190,567,849	86	166,231,158	82
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 12(3)	6,146,871	3	5,683,237	3	5,603,435	3
1535	Non-current financial assets at amortised cost	6(4) and 8	804,707	-	866,178	-	1,499,728	1
1550	Investments accounted for under equity method	6(9)	9,455,074	5	8,964,673	4	14,076,955	7
1600	Property, plant and equipment	6(10)	9,887,224	5	9,757,191	4	9,725,052	5
1755	Right-of-use assets	6(11)	1,300,995	1	1,195,314	1	974,907	-
1760	Investment property, net	6(13)	945,333	-	987,460	-	1,009,252	-
1780	Intangible assets	6(14)	662,438	-	665,725	-	653,639	-
1840	Deferred income tax assets		1,337,390	1	1,241,023	1	1,058,131	1
1900	Other non-current assets	6(5)(12)(15)	1,875,041	1	1,717,668	1	1,619,533	1
15XX	Total non-current assets		32,415,073	16	31,078,469	14	36,220,632	18
1XXX	Total assets		\$ 205,435,797	100	\$ 221,646,318	100	\$ 202,451,790	100

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

JUNE 30, 2023, DECEMBER 31, 2022 AND JUNE 30, 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(The balance sheets as of June 30, 2023 and 2022 are reviewed, not audited)

	Liabilities and Equity	Notes	June 30, 2023		December 31, 2022		June 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(16)	\$ 50,832,368	25	\$ 73,314,084	33	\$ 61,779,096	30
2110	Short-term notes and bills payable	6(17)	14,230,000	7	4,860,000	2	10,020,000	5
2120	Current financial liabilities at fair value through profit or loss	6(2) and 12(3)	-	-	4,484	-	577	-
2150	Notes payable		984,664	-	1,239,838	1	525,525	-
2170	Accounts payable	7(2)	33,396,270	16	30,623,774	14	40,028,509	20
2200	Other payables	6(18) and 7(2)	13,340,644	7	7,607,914	3	16,261,164	8
2230	Current income tax liabilities		918,695	-	1,202,706	1	1,204,562	1
2280	Current lease liabilities		189,179	-	285,994	-	205,994	-
2300	Other current liabilities	6(19)	3,903,251	2	4,231,772	2	3,300,681	2
21XX	Total current liabilities		<u>117,795,071</u>	<u>57</u>	<u>123,370,566</u>	<u>56</u>	<u>133,326,108</u>	<u>66</u>
	Non-current liabilities							
2540	Long-term borrowings	6(20)	13,020,000	7	15,900,000	7	1,500,000	1
2570	Deferred income tax liabilities		6,837,603	3	6,762,571	3	4,221,464	2
2580	Non-current lease liabilities		491,762	-	268,227	-	116,629	-
2600	Other non-current liabilities		405,345	-	413,920	-	448,784	-
25XX	Total non-current liabilities		<u>20,754,710</u>	<u>10</u>	<u>23,344,718</u>	<u>10</u>	<u>6,286,877</u>	<u>3</u>
2XXX	Total liabilities		<u>138,549,781</u>	<u>67</u>	<u>146,715,284</u>	<u>66</u>	<u>139,612,985</u>	<u>69</u>
	Equity attributable to owners of parent							
	Share capital	6(22)						
3110	Share capital - ordinary share		16,679,470	8	16,679,470	7	16,679,470	8
	Capital surplus	6(23)						
3200	Capital surplus		13,506,095	7	13,505,904	6	14,256,898	7
	Retained earnings	6(24)						
3310	Legal reserve		12,946,469	6	11,368,673	5	11,368,673	6
3320	Special reserve		6,038,409	3	8,247,113	4	8,247,113	4
3350	Unappropriated retained earnings		27,023,392	13	28,800,686	13	17,945,325	9
	Other equity interest	6(25)						
3400	Other equity interest		(12,020,256)	(6)	(6,038,409)	(2)	(8,198,390)	(4)
31XX	Total equity attributable to owners of parent		<u>64,173,579</u>	<u>31</u>	<u>72,563,437</u>	<u>33</u>	<u>60,299,089</u>	<u>30</u>
36XX	Non-controlling interest		<u>2,712,437</u>	<u>2</u>	<u>2,367,597</u>	<u>1</u>	<u>2,539,716</u>	<u>1</u>
3XXX	Total equity		<u>66,886,016</u>	<u>33</u>	<u>74,931,034</u>	<u>34</u>	<u>62,838,805</u>	<u>31</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		<u>\$ 205,435,797</u>	<u>100</u>	<u>\$ 221,646,318</u>	<u>100</u>	<u>\$ 202,451,790</u>	<u>100</u>

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 SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2023		2022		2023		2022	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(26) and 7(2)	\$ 94,949,700	100	\$ 103,353,405	100	\$ 183,549,539	100	\$ 204,218,590	100
5000 Operating costs	6(8) and 7(2)	(90,768,957)	(96)	(99,223,633)	(96)	(175,092,078)	(96)	(195,805,588)	(96)
5950 Net operating margin		<u>4,180,743</u>	<u>4</u>	<u>4,129,772</u>	<u>4</u>	<u>8,457,461</u>	<u>4</u>	<u>8,413,002</u>	<u>4</u>
Operating expenses	6(31)(32)								
6100 Selling expenses		(1,865,537)	(2)	(1,722,894)	(2)	(3,643,125)	(2)	(3,360,022)	(2)
6200 General and administrative expenses		(232,277)	-	(358,324)	-	(575,670)	-	(744,454)	-
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(55,636)	-	(61,981)	-	(145,900)	-	(27,017)	-
6000 Total operating expenses		(2,153,450)	(2)	(2,143,199)	(2)	(4,364,695)	(2)	(4,131,493)	(2)
6900 Operating profit		<u>2,027,293</u>	<u>2</u>	<u>1,986,573</u>	<u>2</u>	<u>4,092,766</u>	<u>2</u>	<u>4,281,509</u>	<u>2</u>
Non-operating income and expenses									
7100 Interest income	6(27)	263,937	-	72,656	-	374,744	-	125,165	-
7010 Other income	6(28) and 7(2)	388,131	1	453,461	-	766,143	1	727,294	-
7020 Other gains and losses	6(29)	78,235	-	705	-	187,918	-	117,614	-
7050 Finance costs	6(30)	(442,940)	-	(222,226)	-	(1,061,161)	-	(387,643)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(9)	<u>380,461</u>	<u>-</u>	<u>738,904</u>	<u>1</u>	<u>730,368</u>	<u>-</u>	<u>1,409,535</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>667,824</u>	<u>1</u>	<u>1,043,500</u>	<u>1</u>	<u>998,012</u>	<u>1</u>	<u>1,991,965</u>	<u>1</u>
7900 Profit before income tax		2,695,117	3	3,030,073	3	5,090,778	3	6,273,474	3
7950 Income tax expense	6(33)	(886,770)	(1)	(586,177)	(1)	(1,446,344)	(1)	(1,131,495)	-
8200 Profit for the period		<u>\$ 1,808,347</u>	<u>2</u>	<u>\$ 2,443,896</u>	<u>2</u>	<u>\$ 3,644,434</u>	<u>2</u>	<u>\$ 5,141,979</u>	<u>3</u>

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)
(REVIEWED, NOT AUDITED)

(REVIEWED, NOT AUDITED)									
		Three months ended June 30				Six months ended June 30			
		2023		2022		2023		2022	
Items	Notes	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	(\$ 4,614,503)	(5)	(\$ 2,526,202)	(2)	(\$ 5,283,778)	(3)	(\$ 3,545,977)	(2)
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	(5,273)	-	2,534	-	(5,999)	-	(13,055)	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss	(4,619,776)	(5)	(2,523,668)	(2)	(5,289,777)	(3)	(3,559,032)	(2)
Components of other comprehensive income that will be reclassified to profit or loss									
8361	Financial statements translation differences of foreign operations	(246,506)	-	13,520	-	(562,052)	-	3,831,351	2
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	-	-	(163,203)	-	-	-	(160,744)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss	(246,506)	-	(149,683)	-	(562,052)	-	3,670,607	2
8300	Total other comprehensive income (loss)	(\$ 4,866,282)	(5)	(\$ 2,673,351)	(2)	(\$ 5,851,829)	(3)	\$ 111,575	-
8500	Total comprehensive income (loss) for the period	(\$ 3,057,935)	(3)	(\$ 229,455)	-	(\$ 2,207,395)	(1)	\$ 5,253,554	3
Profit, attributable to:									
8610	Owners of parent	\$ 1,698,282	2	\$ 2,377,642	2	\$ 3,429,612	2	\$ 4,922,600	3
8620	Non-controlling interest	110,065	-	66,254	-	214,822	-	219,379	-
	Profit for the period	\$ 1,808,347	2	\$ 2,443,896	2	\$ 3,644,434	2	\$ 5,141,979	3
Comprehensive income (loss) attributable to:									
8710	Owners of parent	(\$ 3,225,916)	(3)	(\$ 278,763)	-	(\$ 2,552,235)	(1)	\$ 4,971,322	3
8720	Non-controlling interest	167,981	-	49,308	-	344,840	-	282,232	-
	Comprehensive income for the period	(\$ 3,057,935)	(3)	(\$ 229,455)	-	(\$ 2,207,395)	(1)	\$ 5,253,554	3
Earnings per share									
9750	Basic earnings per share	\$ 1.02		\$ 1.43		\$ 2.06		\$ 2.95	
9850	Diluted earnings per share	\$ 1.02		\$ 1.43		\$ 2.06		\$ 2.95	

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent									
		Retained Earnings					Other equity interest				
							Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				Total	Non-controlling interest	Total equity
<u>Six months ended June 30, 2022</u>											
	\$ 16,679,470	\$ 14,199,960	\$ 9,673,477	\$ 6,336,545	\$ 24,968,224	(\$ 10,641,478)	\$ 2,394,366	\$ 63,610,564	\$ 2,280,513	\$ 65,891,077	
	-	-	-	-	4,922,600	-	-	4,922,600	219,379	5,141,979	
6(25)	-	-	-	-	-	3,607,634	(3,558,912)	48,722	62,853	111,575	
	-	-	-	-	4,922,600	3,607,634	(3,558,912)	4,971,322	282,232	5,253,554	
<u>Appropriations of 2021 earnings</u>											
	-	-	1,695,196	-	(1,695,196)	-	-	-	-	-	
	-	-	-	1,910,568	(1,910,568)	-	-	-	-	-	
	-	-	-	-	(8,339,735)	-	-	(8,339,735)	-	(8,339,735)	
6(23)	-	54,259	-	-	-	-	-	54,259	-	54,259	
6(35)	-	2,085	-	-	-	-	-	2,085	(23,029)	(20,944)	
6(23)	-	594	-	-	-	-	-	594	-	594	
	<u>\$ 16,679,470</u>	<u>\$ 14,256,898</u>	<u>\$ 11,368,673</u>	<u>\$ 8,247,113</u>	<u>\$ 17,945,325</u>	<u>(\$ 7,033,844)</u>	<u>(\$ 1,164,546)</u>	<u>\$ 60,299,089</u>	<u>\$ 2,539,716</u>	<u>\$ 62,838,805</u>	
<u>Six months ended June 30, 2023</u>											
	\$ 16,679,470	\$ 13,505,904	\$ 11,368,673	\$ 8,247,113	\$ 28,800,686	(\$ 5,467,061)	(\$ 571,348)	\$ 72,563,437	\$ 2,367,597	\$ 74,931,034	
	-	-	-	-	3,429,612	-	-	3,429,612	214,822	3,644,434	
6(25)	-	-	-	-	-	(692,070)	(5,289,777)	(5,981,847)	130,018	(5,851,829)	
	-	-	-	-	3,429,612	(692,070)	(5,289,777)	(2,552,235)	344,840	(2,207,395)	
<u>Appropriations of 2022 earnings</u>											
	-	-	1,577,796	-	(1,577,796)	-	-	-	-	-	
	-	-	-	(2,208,704)	2,208,704	-	-	-	-	-	
	-	-	-	-	(5,837,814)	-	-	(5,837,814)	-	(5,837,814)	
6(23)	-	(23)	-	-	-	-	-	(23)	-	(23)	
6(35)	-	214	-	-	-	-	-	214	-	214	
	<u>\$ 16,679,470</u>	<u>\$ 13,506,095</u>	<u>\$ 12,946,469</u>	<u>\$ 6,038,409</u>	<u>\$ 27,023,392</u>	<u>(\$ 6,159,131)</u>	<u>(\$ 5,861,125)</u>	<u>\$ 64,173,579</u>	<u>\$ 2,712,437</u>	<u>\$ 66,886,016</u>	

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Six months ended June 30	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 5,090,778	\$ 6,273,474
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6(31)	150,037	150,722
Depreciation charges on right-of-use assets	6(31)	137,655	120,663
Depreciation charges on investment property	6(31)	16,747	18,245
Amortization charges on intangible assets	6(31)	24,433	20,543
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9)	12(2)	145,900	27,017
Net gain on financial assets at fair value through profit or loss	6(29)	3,444	105
Allowance for inventory valuation losses	6(8)	281,859	289,616
Interest expense	6(30)	1,061,161	387,643
Interest income	6(27)	(374,744)	(125,165)
Dividend income	6(28)	(416,127)	(279,827)
Share of profit of associates accounted for under equity method	6(9)	(730,368)	(1,409,535)
(Loss) gain on disposal of property, plant and equipment and investment property	6(29)	1,211	(14,057)
Gain on lease modification	6(11)	(1,465)	(194)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes and accounts receivable		5,342,055	9,042,128
Other receivables	(	172,734)	(1,704,854)
Inventories		11,504,267	(9,074,382)
Prepayments		1,346,712	(2,822,253)
Long-term notes and overdue receivables	(	227,819)	(52,178)
Long-term lease receivables	(	17,167)	24,572
Changes in operating liabilities			
Notes and accounts payable		2,517,322	(9,538,589)
Other payables	(	104,870)	717,751
Other current liabilities	(	328,521)	(1,481,281)
Other non-current liabilities		-	(92,640)
Cash inflow (outflow) generated from operations		25,249,766	(9,522,476)
Dividends received from investments accounted for under equity method		413,162	686,932
Interest paid	(	1,061,161)	(387,643)
Interest received		374,744	125,165
Dividends received		176,917	148,716
Income taxes paid	(	1,782,943)	(1,268,496)
Net cash flows from (used in) operating activities		23,370,485	(10,217,802)

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)
(REVIEWED, NOT AUDITED)

		Six months ended June 30	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at fair value through profit or loss		\$ -	\$ 1,490,739
Acquisition of property, plant and equipment	6(10)	(372,965)	(159,974)
Proceeds from disposal of property, plant and equipment		14,838	21,796
Acquisition of investment property	6(13)	(1,826)	(1,712)
Acquisition of intangible assets	6(14)	(5,315)	(7,453)
Increase in time deposits maturing within three months to a year		(61,740)	(208,390)
Decrease in time deposits maturing within three months to a year		16,005	148,850
Increase in restricted time deposits		(69)	(61,097)
Decrease in restricted time deposits		67,174	876
Increase in refundable deposits		(39,797)	(17,698)
Decrease in refundable deposits		35,378	4,421
Increase in other non-current assets		(887)	(17,029)
Net cash flows (used in) from investing activities		(349,204)	1,193,329
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(36)	(22,481,716)	8,452,389
Increase (decrease) in short-term notes and bills payable	6(36)	9,370,000	(2,470,000)
Decrease in long-term borrowings	6(36)	(2,880,000)	-
Increase in guarantee deposits received	6(36)	97,211	86,985
Decrease in guarantee deposits received	6(36)	(86,980)	(64,970)
Payments of lease liabilities	6(36)	(133,016)	(115,427)
Acquisition of additional shares in subsidiary	6(35)	-	(20,944)
Net cash flows (used in) from financing activities		(16,114,501)	5,868,033
Effects of changes in foreign exchange rates		(987,806)	1,965,101
Net increase (decrease) in cash and cash equivalents		5,918,974	(1,191,339)
Cash and cash equivalents at beginning of period		14,482,285	7,052,958
Cash and cash equivalents at end of period		\$ 20,401,259	\$ 5,861,619

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(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 Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in:

- A. Assembly and sale of computers and computer peripherals;
- B. Sale of communication products;
- C. Sale of consumer electronic products;
- D. Sale of semiconductor products;
- 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 August 7, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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

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

Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’
The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Group expects to recognise a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities retrospectively as of January 1, 2022. These amendments resulted to an increase in deferred tax assets by \$108,141,

\$116,200, \$105,273 and \$150,001 and deferred tax liabilities by \$108,141, \$116,200, \$105,273 and \$150,001 as of June 30, 2023, January 1, June 30, 2022 and December 31, 2022, respectively.

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

None.

(3) IFRSs is used 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 — comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Group's consolidated financial condition and consolidated 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' that came into effect 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 that came into effect 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-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business Activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Synnex Technology International Corporation	Synnex Global Ltd.	Investment holding	100	100	100	-
Synnex Technology International Corporation	Seper Technology Corporation	Sales of 3C products	100	100	100	-
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Investment holding	100	100	100	-
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Warehouse and logistics services	100	100	100	-
Synnex Technology International Corporation	Synergy Technology Services Corporation	Maintenance and technical services	100	100	100	Note 1
Synnex Technology International Corporation	Bestcom Infotech Corp.	Sales of 3C products	100	100	100	-
Synnex Technology International Corporation	Syntech Asia Ltd.	Sales of semiconductor products	100	100	-	Note 2
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia and subsidiaries	Sales of 3C products	50	50	-	Note 3
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and subsidiaries	Sales of 3C products	100	100	-	Note 4
Synergy Intelligent Logistics Corporation	Synergy Intelligent Logistics (HK) Corporation	Warehouse and logistics services	100	100	-	Note 5
E-Fan Investments CO., LTD.	Leveltech Ltd.	Sales of semiconductor products	100	100	-	Note 6
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Sales of 3C products	100	100	100	-
Synnex Global Ltd.	King's Eye Investments Ltd.	Investment holding	100	100	100	-
Synnex Global Ltd.	Peer Developments Ltd.	Investment holding	100	100	100	-
Synnex Global Ltd.	Synnex Mauritius Ltd.	Investment holding	100	100	100	-
Synnex Global Ltd.	Synnex China Holdings Ltd.	Investment holding	100	100	100	-
Synnex Global Ltd.	Trade Vanguard Global Ltd.	Investment holding	100	100	100	-

Name of investor	Name of subsidiary	Main business Activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	Investment holding	100	100	100	-
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Sales of 3C products	100	100	100	-
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	Sales of 3C products	100	100	100	-
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Sales of semiconductor products	-	-	100	Note 8
King's Eye Investments Ltd.	Syntech Asia Ltd.	Sales of semiconductor products	-	-	100	Note 2
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Real estate investments	100	100	100	-
King's Eye Investments Ltd.	Golden Thinking Ltd.	Real estate investments	100	100	100	-
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia and subsidiaries	Sales of 3C products	-	-	50	Note 3
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and subsidiaries	Sales of 3C products	-	-	100	Note 4
Peer Developments Ltd.	LianXiang Technology (Shenzhen) Ltd.	Sales of semiconductor products	100	100	100	-
Peer Developments Ltd.	Synergy Intelligent Logistics (HK) Corporation	Warehouse and logistics services	-	-	100	Note 5
Synnex China Holdings Ltd.	Synnex Investments (China) Ltd.	Investment holding	100	100	100	-
Synnex China Holdings Ltd.	Leveltech Ltd.	Sales of semiconductor products	-	-	100	Note 6
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Sales of 3C products	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Shanghai) Ltd.	Sales of semiconductor products and warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Chengdu) Ltd.	Warehouse and logistics services	100	100	100	-

Name of investor	Name of subsidiary	Main business Activities	Ownership (%)			Description
			June 30, 2023	December 31, 2022	June 30, 2022	
Synnex Investments (China) Ltd.	Synnex (Nanjing) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Hangzhou) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Qingdao) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Guangzhou) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Xi'an) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Suzhou) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Wuhan) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Changsha) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Warehouse and logistics services	100	100	100	-
Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	-	-	97.96	Note 7
Synnex Investments (China) Ltd.	Synnex Technology Development Ltd.	Sales of 3C products	100	100	100	-
Synnex Investments (China) Ltd.	Jifu Intelligent Logistics Corporation	Warehouse and logistics services	100	100	100	-

The table below listed the abovementioned subsidiaries included in the consolidated financial statements as of June 30, 2023 and 2022 that had been reviewed by the Company's auditors. Other subsidiaries were not reviewed. The subsidiaries included in the consolidated financial statements as of December 31, 2022 had been audited by the Company's auditors and other auditors.

	June 30, 2023	June 30, 2022
Significant consolidated subsidiaries	Synnex Global Ltd. Syntech Asia Ltd. King's Eye Investments Ltd. Peer Developments Ltd. Synnex China Holdings Ltd. Synnex Investments (China) Ltd. Synnex Distributions (China) Ltd.	Synnex Global Ltd. Syntech Asia Ltd. King's Eye Investments Ltd. Peer Developments Ltd. Synnex China Holdings Ltd. Synnex Investments (China) Ltd. Synnex Distributions (China) Ltd.
Insignificant consolidated subsidiaries	Seper Technology Corporation E-Fan Investments CO., LTD. Synergy Intelligent Logistics Corporation Bestcom Infotech Corp. Synnex Technology International (HK) Ltd. and subsidiaries Synnex Australia Pty. Ltd. Synnex (Shanghai) Ltd. Synnex Technology Development Ltd. Laser Computer Holdings Ltd.	Seper Technology Corporation E-Fan Investments CO., LTD. Synergy Intelligent Logistics Corporation Bestcom Infotech Corp. Synnex Technology International (HK) Ltd. and subsidiaries Synnex Australia Pty. Ltd. Synnex (Shanghai) Ltd. Synnex Technology Development Ltd. Laser Computer Holdings Ltd.

Note 1: The Company's subsidiary, Synergy Technology Services Corporation(通盛科技服務股份有限公司), formerly named as Synergy Technology Services Corporation(通達技術服務股份有限公司), completed the registration for the change in May 2023.

Note 2: The Group's investment was restructured, and Syntech Asia Ltd. was changed to be directly held by the Company in November 2022.

Note 3: The Group's investment was restructured, and PT. Synnex Metrodata Indonesia and its subsidiaries were changed to be directly held by the Company in November 2022.

Note 4: The Group's investment was restructured, and Synnex Technology International (HK) Ltd. and its subsidiaries were changed to be directly held by the Company in November 2022.

Note 5: The Group's investment was restructured, and Synergy Intelligent Logistics (HK) Corporation was changed to be directly held by the Company's subsidiary, Synergy Intelligent Logistics Corporation, in November 2022.

Note 6: The Group's investment was restructured, and Leveltech Ltd. was changed to be directly held by the Company's subsidiary, E-Fan Investments CO., LTD., in November 2022.

Note 7: The Company's subsidiary, Yude (Shanghai) Warehouse Co., Ltd. was dissolved as resolved by the Board of Directors in August 2022, and its registration was cancelled in December 2022.

Note 8: The Company's subsidiary, Synnex Electronics Hong Kong Ltd., was dissolved as resolved by the Board of Directors in July 2022, and its registration was cancelled in October 2022.

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 Company's functional currency is NTD and the subsidiaries' functional currencies are NTD, RMB, USD, HKD, AUD, NZD and IDR. The consolidated financial statements are presented in NTD, 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 gross 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

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. 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. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

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

(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

Provisions (mainly warranty provisions) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. 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. Provisions are not recognised for future operating losses.

(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' 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. 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.

(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, semiconductor and consumer electronic products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) 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 sales are usually made with a credit term of advance sales receipts, 7 to 120 days after the receipt of shipment and 1 day to 150 days after monthly billings. For those contracts which the Group entered into with customers, as the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (d) The Group's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.
- (e) 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.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(34) Operating segments

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

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

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

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

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if it does not control a promised good or service before the good or service is transferred to a customer. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the good or service before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services;
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer; and
- C. The Group has discretion in establishing prices for the goods or services.

(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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand and revolving funds	\$ 472	\$ 485	\$ 546
Checking accounts and demand deposits	16,562,805	12,053,986	5,515,105
Time deposits	3,837,982	2,427,814	345,968
	<u>\$ 20,401,259</u>	<u>\$ 14,482,285</u>	<u>\$ 5,861,619</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>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ 23,876	\$ 23,807	\$ 23,646
Private equity fund investment	26,605	-	-
Financial products	-	-	599,506
Non-hedging derivatives — forward exchange	15,766	-	863
	<u>66,247</u>	<u>23,807</u>	<u>624,015</u>
Valuation adjustment	191,830	157,875	166,320
	<u>\$ 258,077</u>	<u>\$ 181,682</u>	<u>\$ 790,335</u>
Financial liabilities held for trading			
Non-hedging derivatives — forward exchange	\$ -	\$ 4,484	\$ 577

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

		Three months ended June 30,	
		2023	2022
<u>Financial assets and liabilities at fair value through profit or loss</u>			
–Financial products	\$	-	\$ 13,552
–Equity instruments		18,575	(32,459)
–Derivatives		15,561	3,427
	\$	34,136	(\$ 15,480)
		Six months ended June 30,	
		2023	2022
<u>Financial assets and liabilities at fair value through profit or loss</u>			
–Financial products	\$	-	\$ 35,309
–Equity instruments		34,113	(33,119)
–Derivatives	(	37,557)	(2,295)
	(\$	3,444)	(\$ 105)

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

		June 30, 2023	
		Book Value	Nominal Principal (in thousands)
The subsidiaries	Items		
Synnex Technology International (HK)	Forward exchange - buy USD sell HKD	\$ 15,338	USD 11,000
PT. Synnex Metrodata Indonesia	Forward exchange - buy USD sell IDR	428	USD 10,000
		\$ 15,766	
		December 31, 2022	
		Book Value	Nominal Principal (in thousands)
The subsidiaries	Items		
Synnex New Zealand	Forward exchange - buy USD sell NZD	(\$ 2)	USD 90
Synnex Global Limited	Forward exchange - buy USD sell RMB	(4,482)	AUD 279,908
		(\$ 4,484)	

		June 30, 2022			
				Nominal Principal	
The subsidiaries	Items	Book Value		(in thousands)	
Synnex New Zealand	Forward exchange - buy USD sell NZD	\$	881	USD	910
Synnex New Zealand	Forward exchange - buy AUD sell NZD	(	18)	AUD	440
Synnex Technology International (HK)	Forward exchange - buy USD sell HKD	(	577)	USD	40,000
		\$	286		

The Group undertook forward exchange contracts to hedge risks of foreign currency assets and liabilities arising from fluctuations in exchange rates. However, these forward exchange contracts are not accounted for under hedge accounting.

- C. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.
D. Information relating to credit risk is provided in Note 12(3).

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

	June 30, 2023	December 31, 2022	June 30, 2022
Current items:			
Equity instruments			
Listed stocks	\$ 29,950,644	\$ 29,537,730	\$ 14,601,470
Valuation adjustment	(9,703,467)	(3,769,031)	(4,133,272)
	<u>\$ 20,247,177</u>	<u>\$ 25,768,699</u>	<u>\$ 10,468,198</u>
Non-current items:			
Equity instruments			
Listed stocks	\$ 835,880	\$ 835,880	\$ 835,880
Non-listed (TSE and OTC) stocks	2,045,271	2,044,281	2,042,002
Valuation adjustment	<u>3,265,720</u>	<u>2,803,076</u>	<u>2,725,553</u>
	<u>\$ 6,146,871</u>	<u>\$ 5,683,237</u>	<u>\$ 5,603,435</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.
B. Information relating to the Company's financial assets at fair value through other comprehensive income recognised as comprehensive (loss) income is provided in the statement of comprehensive income.
C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.
D. Information relating to fair value is provided in Note 12(3).

(4) Financial assets at amortised cost

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current items:			
Time deposits maturing within three months to a year	\$ 46,785	\$ 1,050	\$ 59,540
Pledged time deposits	-	5,634	-
	<u>\$ 46,785</u>	<u>\$ 6,684</u>	<u>\$ 59,540</u>
Non-current items:			
Pledged time deposits	<u>\$ 804,707</u>	<u>\$ 868,178</u>	<u>\$ 1,499,728</u>

- A. Information on interest income recognised from financial assets measured at amortised cost is provided in Note 6(27).
- B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- C. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes, accounts and overdue receivable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Notes receivable	\$ 6,994,770	\$ 6,862,856	\$ 5,079,665
Less: Allowance for uncollectible accounts	(27,211)	(20,744)	(14,739)
	<u>\$ 6,967,559</u>	<u>\$ 6,842,112</u>	<u>\$ 5,064,926</u>
Accounts receivable	\$ 66,252,765	\$ 71,893,768	\$ 71,043,468
Accounts receivable due from related parties	673,328	499,491	415,748
Lease receivables (expiring within one year)	<u>120,546</u>	<u>127,349</u>	<u>138,956</u>
	67,046,639	72,520,608	71,598,172
Less: Allowance for uncollectible accounts	(188,978)	(193,630)	(142,749)
	<u>66,857,661</u>	<u>72,326,978</u>	<u>71,455,423</u>
Overdue receivables (recorded as other non-current assets)	4,050,030	3,822,166	3,607,665
Less: Allowance for uncollectible accounts	(2,453,379)	(2,373,023)	(2,270,997)
	<u>1,596,651</u>	<u>1,449,143</u>	<u>1,336,668</u>
	<u>\$ 68,454,312</u>	<u>\$ 73,776,121</u>	<u>\$ 72,792,091</u>

Overdue receivables consist primarily of amounts due from customers under bankruptcy proceedings and are stated at their estimated net realizable value. As of June 30, 2023, December 31, 2022 and June 30, 2022, 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:

	June 30, 2023			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 6,994,770	\$ 58,027,980	\$ 2,139	\$ 65,024,889
Up to 60 days past due	-	6,764,126	19,549	6,783,675
61-120 days past due	-	1,414,003	37,333	1,451,336
121-180 days past due	-	289,962	354,344	644,306
More than 181 days past due	-	550,568	3,636,665	4,187,233
	<u>\$ 6,994,770</u>	<u>\$ 67,046,639</u>	<u>\$ 4,050,030</u>	<u>\$ 78,091,439</u>
	December 31, 2022			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 6,862,856	\$ 62,258,418	\$ -	\$ 69,121,274
Up to 60 days past due	-	7,229,507	579	7,230,086
61-120 days past due	-	1,799,015	26,310	1,825,325
121-180 days past due	-	789,698	30,457	820,155
More than 181 days past due	-	443,970	3,764,820	4,208,790
	<u>\$ 6,862,856</u>	<u>\$ 72,520,608</u>	<u>\$ 3,822,166</u>	<u>\$ 83,205,630</u>
	June 30, 2022			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 5,079,665	\$ 62,977,862	\$ -	\$ 68,057,527
Up to 60 days past due	-	6,313,529	25,667	6,339,196
61-120 days past due	-	1,780,425	36,072	1,816,497
121-180 days past due	-	287,623	46,834	334,457
More than 181 days past due	-	238,733	3,499,092	3,737,825
	<u>\$ 5,079,665</u>	<u>\$ 71,598,172</u>	<u>\$ 3,607,665</u>	<u>\$ 80,285,502</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2023, December 31, 2022 and June 30, 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$89,215,559.
- C. Details of the Group's accounts receivable pledged to others as collateral are provided in Note 8.
- D. Certain notes receivable were discounted to banks (pertaining to bankers acceptance). The Group has payment obligation when the acceptors (acceptance banks) of the notes refuse to pay the notes at maturity. However, if the credit rating of the aforesaid acceptors of the notes is high, in general, the Group does not expect that the acceptors of the notes would refuse to pay for the notes at maturity which met the derecognition criteria for financial assets. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group has derecognised notes receivable (pertaining to bankers acceptance) that were discounted to banks but not yet matured amounting to \$355,635, \$544,983 and \$744,869, respectively. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group had liabilities arising from discounted notes receivable amounting to \$164,472, \$362,955 and \$0, respectively, and was recorded under other payables.
- 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)

June 30, 2023				
Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced	
<u>The Company</u>				
\$ 799	\$ 799	USD 57,500	\$ 799	
(USD 26)	(USD 26)		(USD 26)	
<u>Subsidiaries</u>				
\$ 517,841	\$ 517,841	USD 115,000	\$ 517,841	
(USD 16,603)	(USD 16,603)		(USD 16,603)	

(Unit: USD thousand)

December 31, 2022				
Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced	
<u>The Company</u>				
\$ 571,103	\$ 571,103	USD 57,500	\$ 571,103	
(USD 18,491)	(USD 18,491)		(USD 18,491)	
<u>Subsidiaries</u>				
\$ 2,218,137	\$ 2,218,137	USD 115,000	\$ 2,218,137	
(USD 72,111)	(USD 72,111)		(USD 72,111)	

(Unit: USD thousand)

June 30, 2022				
Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced	
<u>The Company</u>				
\$ 669,562	\$ 669,562	USD 57,500	\$ 669,562	
(USD 22,552)	(USD 22,552)		(USD 22,552)	
<u>Subsidiaries</u>				
\$ 2,191,248	\$ 2,191,248	USD 115,000	\$ 2,191,248	
(USD 73,606)	(USD 73,606)		(USD 73,606)	

A. The counterparties of the Group's accounts receivable factoring were domestic financial institutions. As of June 30, 2023, December 31, 2022 and June 30, 2022, the interest rate of amount advanced was 5.55~5.69%, 3.37%~5.18% and 0.99%~2.35%, respectively.

B. As of June 30, 2023, December 31, 2022 and June 30, 2022, the commercial papers issued for accounts receivable factoring all amounted to US\$43,000 thousand.

(7) Other receivables

	June 30, 2023	December 31, 2022	June 30, 2022
Receivables from suppliers	\$ 7,131,360	\$ 6,510,285	\$ 6,832,796
Tax refund receivable — business tax	179,428	622,179	1,000,033
Other non-operating receivables, others (including related parties)	335,936	102,316	312,016
	<u>\$ 7,646,724</u>	<u>\$ 7,234,780</u>	<u>\$ 8,144,845</u>

(8) Inventories

	June 30, 2023		
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 46,659,086	(\$ 1,182,653)	\$ 45,476,433
Inventory in transit	36,894	-	36,894
	<u>\$ 46,695,980</u>	<u>(\$ 1,182,653)</u>	<u>\$ 45,513,327</u>

	December 31, 2022		
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 57,693,596	(\$ 900,794)	\$ 56,792,802
Inventory in transit	506,651	-	506,651
	<u>\$ 58,200,247</u>	<u>(\$ 900,794)</u>	<u>\$ 57,299,453</u>

	June 30, 2022		
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 57,260,179	(\$ 777,803)	\$ 56,482,376
Inventory in transit	15,662	-	15,662
	<u>\$ 57,275,841</u>	<u>(\$ 777,803)</u>	<u>\$ 56,498,038</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 June 30,	
	2023	2022
Cost of inventories sold	\$ 90,634,305	\$ 99,083,349
Loss on decline in market value	134,652	140,284
	<u>\$ 90,768,957</u>	<u>\$ 99,223,633</u>

	Six months ended June 30,	
	2023	2022
Cost of inventories sold	\$ 174,810,219	\$ 195,515,972
Loss on decline in market value	281,859	289,616
	<u>\$ 175,092,078</u>	<u>\$ 195,805,588</u>

(9) Investments accounted for under equity method

A. The details are as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Associates:			
Concentrix Corporation (Note 1)	\$ -	\$ -	\$ 5,572,553
Redington Limited (Note 2)	6,602,359	5,883,598	5,764,588
Synnex FPT Joint Stock Company	1,498,726	1,608,478	1,430,473
Synnex (Thailand) Public Company Ltd.	1,328,904	1,443,353	1,286,364
Other	25,085	29,244	22,977
	<u>\$ 9,455,074</u>	<u>\$ 8,964,673</u>	<u>\$ 14,076,955</u>

The information on shareholding ratio is provided in table 9.

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' auditors. Details are as follows:

	Profit/(loss) of associates	
	Three months ended June 30,	
	2023	2022
Concentrix Corporation (Note 1)	\$ -	\$ 212,804
Redington Limited (Note 2)	297,408	369,502
Synnex FPT Joint Stock Company	58,706	93,892
Synnex (Thailand) Public Company Ltd.	25,663	64,618
Other	(1,316)	(1,912)
	<u>\$ 380,461</u>	<u>\$ 738,904</u>
	Profit/(loss) of associates	
	Six months ended June 30,	
	2023	2022
Concentrix Corporation (Note 1)	\$ -	\$ 416,467
Redington Limited (Note 2)	532,401	603,501
Synnex FPT Joint Stock Company	124,444	254,283
Synnex (Thailand) Public Company Ltd.	76,242	140,201
Other	(2,719)	(4,917)
	<u>\$ 730,368</u>	<u>\$ 1,409,535</u>

	Share of other comprehensive income of associates	
	Three months ended June 30,	
	2023	2022
Concentrix Corporation (Note 1)	\$ -	(\$ 163,203)
Synnex (Thailand) Public Company Ltd.	(5,273)	2,534
	<u>(\$ 5,273)</u>	<u>(\$ 160,669)</u>

	Share of other comprehensive income of associates	
	Six months ended June 30,	
	2023	2022
Concentrix Corporation (Note 1)	\$ -	(\$ 160,744)
Synnex (Thailand) Public Company Ltd.	(5,999)	(13,055)
	<u>(\$ 5,999)</u>	<u>(\$ 173,799)</u>

Note 1: The Group was initially one of the major shareholders of Concentrix Corporation. However, due to the decrease in influence, the Group lost its significant influence over Concentrix Corporation on July 21, 2022. The Group derecognised investments accounted for using equity method at carrying amount on that day, and the investment was remeasured at fair value and was recognised in the financial assets at fair value through other comprehensive income. Accordingly, the differences were recognised as gain on disposal of investment in the amount of US\$275,676 thousand, approximately NT\$8,345,108.

Note 2. The Group's investment was restructured on December 26, 2022, thus, Redington Limited that was previously held by the Company through Synnex Mauritius Ltd. was changed to be directly held by the Company through a transaction at a price of IDR 32,145,486 thousand, equivalent to NT\$ 11,963,644. Because the transaction is treated as an investment restructuring, it was accounted for using the book value method. The difference between the consideration paid by the Company and the book value of investments accounted for using the equity method held by Synnex Mauritius Ltd. holder was adjusted in shareholders' equity interest account. The share subscriptions payable has been paid at full amount after February 24, 2023.

C. Associates

All of the Group's associates were individually immaterial. 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:

(a) As of June 30, 2023, December 31, 2022 and June 30, 2022, the carrying amount of the Group's individually immaterial associates amounted to \$9,455,074, \$8,964,673 and \$14,076,955, respectively.

(b) The Group's share of the operating results are summarised below:

	Six months ended June 30,	
	2023	2022
Profit for the period	\$ 730,368	\$ 1,409,535
Other comprehensive loss, net of tax	(5,999)	(173,799)
Total comprehensive income	<u>\$ 724,369</u>	<u>\$ 1,235,736</u>

(c) The fair value calculated proportionately based on ownership shares of the Group's associates with quoted market prices is as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Concentrix Corporation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,528,260</u>
Redington Limited	<u>\$ 13,335,332</u>	<u>\$ 12,673,374</u>	<u>\$ 8,933,597</u>
Synnex (Thailand) Public Company Ltd.	<u>\$ 3,529,716</u>	<u>\$ 4,946,009</u>	<u>\$ 5,205,331</u>

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(10) Property, plant and equipment

2023

	2023											
	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 -occupied	Owner -occupied	Lease	Subtotal	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	
At January 1												
Cost	\$ 1,472,456	\$ 4,056,238	\$ 1,620,566	\$ 5,676,804	\$ 422,088	\$ 216,771	\$ 193,358	\$ 88,264	\$ 585,651	\$ 103,635	\$ 3,270,652	\$ 12,029,679
Accumulated depreciation and impairment	- (1,146,641)	(305,288)	(1,451,929)	(232,770)	(135,081)	(86,209)	(71,400)	(235,556)	(59,543)	-	(2,272,488)	
	\$ 1,472,456	\$ 2,909,597	\$ 1,315,278	\$ 4,224,875	\$ 189,318	\$ 81,690	\$ 107,149	\$ 16,864	\$ 350,095	\$ 44,092	\$ 3,270,652	\$ 9,757,191
Opening net book amount	\$ 1,472,456	\$ 2,909,597	\$ 1,315,278	\$ 4,224,875	\$ 189,318	\$ 81,690	\$ 107,149	\$ 16,864	\$ 350,095	\$ 44,092	\$ 3,270,652	\$ 9,757,191
Additions	- 11,003	690	11,693	1,731	1,226	-	2,339	11,116	1,936	342,924	372,965	
Disposals	- (15,292)	- (15,292)	-	-	- (724)	- (33)	-	-	-	-	- (16,049)	
Reclassifications	- (2,302)	17,316	15,014	4,073	109	6,024	2,200	-	12,314	(23,383)	16,351	
Depreciation charge	- (53,428)	(19,468)	(72,896)	(18,225)	(16,783)	(8,790)	(3,603)	(18,969)	(10,771)	-	(150,037)	
Effect of exchange rate changes	(2,477)	(34,657)	(36,732)	(71,389)	(4,415)	(213)	(40)	467	(5,002)	(1,167)	(8,961)	(93,197)
Closing net book amount	\$ 1,469,979	\$ 2,814,921	\$ 1,277,084	\$ 4,092,005	\$ 172,482	\$ 66,029	\$ 103,619	\$ 18,267	\$ 337,207	\$ 46,404	\$ 3,581,232	\$ 9,887,224
At June 30												
Cost	\$ 1,469,979	\$ 3,813,350	\$ 1,589,040	\$ 5,402,390	\$ 402,340	\$ 207,212	\$ 188,435	\$ 96,193	\$ 468,961	\$ 112,895	\$ 3,581,232	\$ 11,929,637
Accumulated depreciation and impairment	- (998,429)	(311,956)	(1,310,385)	(229,858)	(141,183)	(84,816)	(77,926)	(131,754)	(66,491)	-	(2,042,413)	
	\$ 1,469,979	\$ 2,814,921	\$ 1,277,084	\$ 4,092,005	\$ 172,482	\$ 66,029	\$ 103,619	\$ 18,267	\$ 337,207	\$ 46,404	\$ 3,581,232	\$ 9,887,224

											Construction in progress and equipment to be inspected	Total
	Land	Buildings and structures			Utilities equipment	Computer equipment	Transportation equipment	Furniture and fixtures	Tools	Leasehold improvements		
	Owner -occupied	Owner -occupied	Lease	Subtotal	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	Owner -occupied	
<u>At January 1</u>												
Cost	\$ 1,444,237	\$ 3,935,891	\$ 1,601,720	\$ 5,537,611	\$ 428,854	\$ 270,128	\$ 182,227	\$ 79,859	\$ 558,903	\$ 69,502	\$ 3,076,245	\$ 11,647,566
Accumulated depreciation and impairment	- (	1,035,263)	(271,765)	(1,307,028)	(219,107)	(156,952)	(84,905)	(61,785)	(195,915)	(53,687)	- (	2,079,379)
	<u>\$ 1,444,237</u>	<u>\$ 2,900,628</u>	<u>\$ 1,329,955</u>	<u>\$ 4,230,583</u>	<u>\$ 209,747</u>	<u>\$ 113,176</u>	<u>\$ 97,322</u>	<u>\$ 18,074</u>	<u>\$ 362,988</u>	<u>\$ 15,815</u>	<u>\$ 3,076,245</u>	<u>\$ 9,568,187</u>
Opening net book amount	\$ 1,444,237	\$ 2,900,628	\$ 1,329,955	\$ 4,230,583	\$ 209,747	\$ 113,176	\$ 97,322	\$ 18,074	\$ 362,988	\$ 15,815	\$ 3,076,245	\$ 9,568,187
Additions	-	28,714	-	28,714	(1,200)	3,522	-	3,889	11,872	734	112,443	159,974
Disposals	(1,529)	(97)	-	(97)	-	(76)	(5,334)	-	(69)	-	(634)	(7,739)
Reclassifications	-	(35,644)	35,644	-	5,521	-	25,870	-	1,433	4,471	(5,521)	31,774
Depreciation charge	-	(51,745)	(20,309)	(72,054)	(18,934)	(20,941)	(9,628)	(4,633)	(20,647)	(3,885)	-	(150,722)
Effect of exchange rate changes	15,990	58,772	28,802	87,574	4,865	289	93	482	6,025	190	8,070	123,578
Closing net book amount	<u>\$ 1,458,698</u>	<u>\$ 2,900,628</u>	<u>\$ 1,374,092</u>	<u>\$ 4,274,720</u>	<u>\$ 199,999</u>	<u>\$ 95,970</u>	<u>\$ 108,323</u>	<u>\$ 17,812</u>	<u>\$ 361,602</u>	<u>\$ 17,325</u>	<u>\$ 3,190,603</u>	<u>\$ 9,725,052</u>
<u>At June 30</u>												
Cost	\$ 1,458,698	\$ 3,989,597	\$ 1,673,373	\$ 5,662,970	\$ 432,654	\$ 261,387	\$ 191,704	\$ 85,787	\$ 579,441	\$ 71,556	\$ 3,190,603	\$ 11,934,800
Accumulated depreciation and impairment	-	(1,088,969)	(299,281)	(1,388,250)	(232,655)	(165,417)	(83,381)	(67,975)	(217,839)	(54,231)	-	(2,209,748)
	<u>\$ 1,458,698</u>	<u>\$ 2,900,628</u>	<u>\$ 1,374,092</u>	<u>\$ 4,274,720</u>	<u>\$ 199,999</u>	<u>\$ 95,970</u>	<u>\$ 108,323</u>	<u>\$ 17,812</u>	<u>\$ 361,602</u>	<u>\$ 17,325</u>	<u>\$ 3,190,603</u>	<u>\$ 9,725,052</u>

Note 1: 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 six months ended June 30, 2023 and 2022, 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 June 30,	
	2023	2022
Amount capitalised	\$ 13,707	\$ 5,343
Range of the interest rates for capitalisation	1.79%~1.81%	0.93%~1.04%

	Six months ended June 30,	
	2023	2022
Amount capitalised	\$ 21,097	\$ 10,491
Range of the interest rates for capitalisation	1.74%~1.81%	0.82%~1.04%

Note 2: The Group had no property, plant and equipment pledged to others as collateral as of June 30, 2023, December 31, 2022 and June 30, 2022.

(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 10 years for buildings and 44 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:

	Land use rights	Buildings	Total
January 1, 2023	\$ 655,201	\$ 540,113	\$ 1,195,314
Additions	-	350,803	350,803
Early termination of leases	- (	83,702) (	83,702)
Depreciation charge	(9,049) (	128,606) (	137,655)
Effect of exchange rate changes	(18,074) (	5,691) (	23,765)
June 30, 2023	<u>\$ 628,078</u>	<u>\$ 672,917</u>	<u>\$ 1,300,995</u>

	Land use rights	Buildings	Total
January 1, 2022	\$ 678,316	\$ 427,338	\$ 1,105,654
Additions	-	12,524	12,524
Early termination of leases	- (	12,315) (	12,315)
Depreciation charge	(9,239) (	111,424) (	120,663)
Lease modifications	(16,087) (	16,491) (	32,578)
Effect of exchange rate changes	14,654	7,631	22,285
June 30, 2022	<u>\$ 667,644</u>	<u>\$ 307,263</u>	<u>\$ 974,907</u>

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

		Three months ended June 30,	
		2023	2022
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	5,476	\$ 1,327
Expense on short-term lease contracts		24,111	50,224
Expense on leases of low-value assets		2,443	2,203
Loss (gain) on lease modification	(	1,010)	(194)
		Six months ended June 30,	
		2023	2022
<u>Items affecting profit or loss</u>			
Interest expense on lease liabilities	\$	9,830	\$ 3,057
Expense on short-term lease contracts		51,326	68,996
Expense on leases of low-value assets		5,484	4,568
Loss (gain) on lease modification	(	1,465)	(194)

D. Apart from the cash outflow relating to the lease expense mentioned above, the Group's cash outflow arising from the payment of lease liabilities amounted is provided in Note 6(36).

(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. To protect the lessor's ownership rights on the leased assets, all or certain leased assets may not be subleased, sublet and pledged.
- 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 June 30,	
		2023	2022
Sales profit	\$	22,543	\$ 10,218
Finance income from the net investment in the finance lease		2,900	3,067
	\$	<u>25,443</u>	<u>\$ 13,285</u>
		Six months ended June 30,	
		2023	2022
Sales profit	\$	38,339	\$ 18,178
Finance income from the net investment in the finance lease		5,653	6,399
	\$	<u>43,992</u>	<u>\$ 24,577</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Within 1 year	\$ 143,950	\$ 151,501	\$ 163,753
1-5 year(s)	136,846	118,121	118,656
	<u>\$ 280,796</u>	<u>\$ 269,622</u>	<u>\$ 282,409</u>

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

	June 30, 2023		
	Current	Non-current	Total
Undiscounted lease payments	\$ 143,950	\$ 136,846	\$ 280,796
Unearned finance income	(23,404)	(19,254)	(42,658)
Net investment in the lease	<u>\$ 120,546</u>	<u>\$ 117,592</u>	<u>\$ 238,138</u>
	December 31, 2022		
	Current	Non-current	Total
Undiscounted lease payments	\$ 151,501	\$ 118,121	\$ 269,622
Unearned finance income	(24,152)	(17,696)	(41,848)
Net investment in the lease	<u>\$ 127,349</u>	<u>\$ 100,425</u>	<u>\$ 227,774</u>
	June 30, 2022		
	Current	Non-current	Total
Undiscounted lease payments	\$ 163,753	\$ 118,656	\$ 282,409
Unearned finance income	(24,797)	(16,889)	(41,686)
Net investment in the lease	<u>\$ 138,956</u>	<u>\$ 101,767</u>	<u>\$ 240,723</u>

E. Gain arising from operating lease agreements for the three months and six months ended June 30, 2023 and 2022 are as follows:

	Three months ended June 30,	
	2023	2022
Rental income (including operating revenue and other income)	<u>\$ 131,450</u>	<u>\$ 144,198</u>
	Six months ended June 30,	
	2023	2022
Rental income (including operating revenue and other income)	<u>\$ 281,882</u>	<u>\$ 288,890</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Within 1 year	\$ 377,465	\$ 419,333	\$ 353,176
1-5 year(s)	802,832	994,926	919,934
Over 5 years	246,678	281,255	211,845
	<u>\$ 1,426,975</u>	<u>\$ 1,695,514</u>	<u>\$ 1,484,955</u>

(13) Investment property

	2023		
	Buildings and structures	Utilities equipment	Total
<u>At January 1</u>			
Cost	\$ 1,355,029	\$ 17,289	\$ 1,372,318
Accumulated depreciation	(374,067)	(10,791)	(384,858)
	<u>\$ 980,962</u>	<u>\$ 6,498</u>	<u>\$ 987,460</u>
Opening net book amount	\$ 980,962	\$ 6,498	\$ 987,460
Additions	1,754	72	1,826
Depreciation charge	(15,984)	(763)	(16,747)
Net exchange differences	(27,043)	(163)	(27,206)
Closing net book amount	<u>\$ 939,689</u>	<u>\$ 5,644</u>	<u>\$ 945,333</u>
<u>At June 30</u>			
Cost	\$ 1,318,796	\$ 15,958	\$ 1,334,754
Accumulated depreciation	(379,107)	(10,314)	(389,421)
	<u>\$ 939,689</u>	<u>\$ 5,644</u>	<u>\$ 945,333</u>
	2022		
	Buildings and structures	Utilities equipment	Total
<u>At January 1</u>			
Cost	\$ 1,333,076	\$ 34,973	\$ 1,368,049
Accumulated depreciation	(336,602)	(27,376)	(363,978)
	<u>\$ 996,474</u>	<u>\$ 7,597</u>	<u>\$ 1,004,071</u>
Opening net book amount	\$ 996,474	\$ 7,597	\$ 1,004,071
Additions	-	1,712	1,712
Depreciation charge	(16,027)	(2,218)	(18,245)
Net exchange differences	21,551	163	21,714
Closing net book amount	<u>\$ 1,001,998</u>	<u>\$ 7,254</u>	<u>\$ 1,009,252</u>
<u>At June 30</u>			
Cost	\$ 1,361,931	\$ 36,873	\$ 1,398,804
Accumulated depreciation	(359,933)	(29,619)	(389,552)
	<u>\$ 1,001,998</u>	<u>\$ 7,254</u>	<u>\$ 1,009,252</u>

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

	Three months ended June 30,	
	2023	2022
Rental income from investment property	\$ 98,059	\$ 96,535
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 19,866	\$ 14,161

	Six months ended June 30,	
	2023	2022
Rental income from investment property	\$ 199,856	\$ 195,120
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 42,076	\$ 41,948

- B. The fair value of the investment property held by the Group as of June 30, 2023, December 31, 2022 and June 30, 2022 was \$2,563,718, \$3,067,536 and \$3,083,161, 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.
- C. The Group has no investment property pledged to others as collateral and capitalization of interests as of June 30, 2023, December 31, 2022 and June 30, 2022.

(14) Intangible assets

	2023		
	Computer software cost	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 194,340	\$ 554,455	\$ 748,795
Accumulated amortisation	(83,070)	-	(83,070)
	<u>\$ 111,270</u>	<u>\$ 554,455</u>	<u>\$ 665,725</u>
Opening net book amount	\$ 111,270	\$ 554,455	\$ 665,725
Additions - acquired separately	5,315	-	5,315
Reclassifications	11,553	-	11,553
Amortisation charge	(24,433)	-	(24,433)
Net exchange differences	(498)	4,776	4,278
Closing net book amount	<u>\$ 103,207</u>	<u>\$ 559,231</u>	<u>\$ 662,438</u>
<u>At June 30</u>			
Cost	\$ 196,230	\$ 559,231	\$ 755,461
Accumulated amortisation	(93,023)	-	(93,023)
	<u>\$ 103,207</u>	<u>\$ 559,231</u>	<u>\$ 662,438</u>
	2022		
	Computer software cost	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 185,001	\$ 524,197	\$ 709,198
Accumulated amortisation	(69,279)	-	(69,279)
	<u>\$ 115,722</u>	<u>\$ 524,197</u>	<u>\$ 639,919</u>
Opening net book amount	\$ 115,722	\$ 524,197	\$ 639,919
Additions - acquired separately	7,453	-	7,453
Reclassifications	5,752	-	5,752
Amortisation charge	(20,543)	-	(20,543)
Net exchange differences	542	20,516	21,058
Closing net book amount	<u>\$ 108,926</u>	<u>\$ 544,713</u>	<u>\$ 653,639</u>
<u>At June 30</u>			
Cost	\$ 192,022	\$ 544,713	\$ 736,735
Accumulated amortisation	(83,096)	-	(83,096)
	<u>\$ 108,926</u>	<u>\$ 544,713</u>	<u>\$ 653,639</u>

A. Amortisation charges on intangible assets were recognised as administrative expenses amounting to \$12,382, \$10,259, \$24,433 and \$20,543 for the three months and six months ended June 30, 2023 and 2022, respectively.

B. Goodwill is allocated to the Group's cash-generating units:

	June 30, 2023	December 31, 2022	June 30, 2022
Taiwan	\$ 239,479	\$ 239,479	\$ 239,479
Hong Kong	309,744	305,473	295,642
Indonesia	10,008	9,503	9,592
	<u>\$ 559,231</u>	<u>\$ 554,455</u>	<u>\$ 544,713</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.

D. This Group has no intangible assets pledged to others as collateral as of June 30, 2023, December 31, 2022 and June 30, 2022.

(15) Other non-current assets

	June 30, 2023	December 31, 2022	June 30, 2022
Refundable deposits	\$ 121,273	\$ 117,909	\$ 129,660
Long-term notes and overdue receivables	1,596,651	1,449,143	1,336,668
Long-term lease receivables	117,592	100,425	101,767
Others	39,525	50,191	51,438
	<u>\$ 1,875,041</u>	<u>\$ 1,717,668</u>	<u>\$ 1,619,533</u>

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

(16) Short-term borrowings

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Bank borrowings			
Unsecured borrowings	\$ 49,321,562	\$ 73,314,084	\$ 61,021,152
Secured borrowings	1,510,806	-	757,944
	<u>\$ 50,832,368</u>	<u>\$ 73,314,084</u>	<u>\$ 61,779,096</u>
Interest rate range			
Unsecured borrowings	<u>1.74%~6.66%</u>	<u>1.37%~5.60%</u>	<u>0.78%~3.60%</u>
Secured borrowings	<u>6.00%~6.15%</u>	<u>-</u>	<u>3.95%~3.97%</u>
Collateral			
Unsecured borrowings	None	None	None
Secured borrowings	Accounts receivable and inventories	None	Accounts receivable and inventories

Interest expense recognised in profit or loss, please refer to Note 6(30).

(17) Short-term notes and bills payable

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Commercial paper payable	\$ 14,230,000	\$ 4,860,000	\$ 10,020,000
Interest rate range	<u>1.78%~1.90%</u>	<u>1.86%~1.98%</u>	<u>1.06%~1.49%</u>

The above-mentioned short-term notes and bills payables are issued and accepted by financial institutions. The interest includes costs related to issuance.

(18) Other payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Dividends payable	\$ 5,837,814	\$ -	\$ 8,339,735
Temporary receipt of suppliers' payment	5,052,180	4,643,453	5,819,792
Salary and bonus payable	763,433	956,662	785,664
Accrued expenses — others	579,034	731,622	577,576
Other payables — others (including related parties)	1,108,183	1,276,177	738,397
	<u>\$ 13,340,644</u>	<u>\$ 7,607,914</u>	<u>\$ 16,261,164</u>

(19) Other current liabilities

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Refund liability — dealers' rebates payable	\$ 3,551,571	\$ 4,109,787	\$ 3,193,998
Other current liabilities — others	351,680	121,985	106,683
	<u>\$ 3,903,251</u>	<u>\$ 4,231,772</u>	<u>\$ 3,300,681</u>

(20) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2023
Unsecured borrowings	Borrowing period is from December 30, 2021 to December 30, 2024; principal is repayable in full at maturity; interest is repayable monthly.	2.13%	None	\$ 1,500,000
Syndicated Loans- Tranche A	Five years from the date of first drawdown of Tranche B (August 1, 2022); principal is repayable in full at maturity; interest is repayable monthly.	1.81%	None	10,520,000
Syndicated Loans- Tranche B	Five years from the date of first drawdown (August 1, 2022); principal is repayable in full at maturity; interest is repayable in full at face value.	1.82%	None	1,000,000
				\$ 13,020,000
Less: Current portion				-
				<u>\$ 13,020,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Unsecured borrowings	Borrowing period is from December 30, 2021 to December 30, 2024; principal is repayable in full at maturity; interest is repayable monthly.	1.99%	None	\$ 1,500,000
Syndicated Loans- Tranche A	Five years from the date of first drawdown of Tranche B (August 1, 2022); principal is repayable in full at maturity; interest is repayable monthly.	1.79%~1.81%	None	11,400,000
Syndicated Loans- Tranche B	Five years from the date of first drawdown (August 1, 2022); principal is repayable in full at maturity; interest is repayable in full at face value.	1.78%~1.80%	None	3,000,000
				\$ 15,900,000
Less: Current portion				-
				<u>\$ 15,900,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	June 30, 2022
Unsecured borrowings	Borrowing period is from December 30, 2021 to December 30, 2024; principal is repayable in full at maturity; interest is repayable monthly.	1.47%	None	\$ 1,500,000
Less: Current portion				-
				<u>\$ 1,500,000</u>

A. As of June 30, 2023 and December 31, 2022, the terms of syndicated borrowing agreement are as follows:

(a) Credit items and facilities: total credit line of the syndicated loans amounting to NT\$14.4 billion.

i Tranche A:

The credit line of medium-term borrowings amounted to NT\$14.4 billion and can be revolved.

ii Tranche B:

The credit line of issuing commercial paper guarantee amounted to NT\$11.52 billion and can be revolved.

iii Tranche C:

The credit line of issuing cooperate bond guarantee amounted to NT\$7.272 billion and can not be revolved.

(b) Contract term:

i The contract terms to Tranche A and Tranche B both are five years from the date of first drawdown.

ii The contract term to Tranche C is no more than five years from the date of collecting payments of corporate bonds.

(c) Drawdown period:

i Tranche A and Tranche B: The facility is revolving during the facility period.

ii Tranche C: The loan is drawn in a lump sum within 12 months from the day of signing the contract, and the undrawn amount will be canceled on the expiry date and kept intact.

(d) Covenants:

Borrowers shall comply with the following financial covenants, and calculate based on the consolidated financial statements audited by borrowers' independent auditors and will be assessed once a year.

i Current ratio (current assets/current liabilities) shall not be less than 100%;

- ii Debt ratio ((medium and long term borrowings + short-term borrowings (including current portion) + the balance of short-term notes and bills payable + domestic and foreign cooperate bonds (including convertible bonds) – cash) / net tangible assets) shall not be more than 200%.
 - iii Interest coverage ratio ((income before tax + interest expense + depreciation expense and amortisation expense) / interest expense) shall not be less than three times.
 - iv Net tangible assets (net asset value - intangible asset) shall be at least NT\$40 billion.
- B. Information on interest expense recongnised in profit or loss in provided in Note 6(30).

(21) 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 \$4,919, \$4,714, \$9,821 and \$9,343 for the three months and six months ended June 30, 2023 and 2022, respectively.
- (c) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to \$9,056.

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 six months ended June 30, 2023 and 2022 were \$85,005, \$81,897, \$170,948 and \$162,049, respectively.

(22) Share capital

- A. As of June 30, 2023, 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), and the paid-in capital was \$16,679,470 with a par value of NT\$10 (in dollars) per share. 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 Company's ordinary shares outstanding are as follows: (Unit: shares)

	2023	2022
At January 1 (At June 30)	<u>1,667,946,968</u>	<u>1,667,946,968</u>

- B. In 1997 and 1999, the Company issued new shares and Mitac Incorporated and other major shareholders offered part of their shares to jointly participate in the issuance of global depository shares (GDSs). These GDSs were issued in Europe, Asia and the USA. Each GDS represents 4 shares of ordinary share. After several issuances of GDSs by issuing new shares, the total number of GDSs outstanding as of June 30, 2023 was 23,174 units, representing 92,708 shares of ordinary share. The main terms and conditions of the GDSs are as follows:

(a) Voting rights

The holders of GDSs have no right to directly attend any shareholders' meeting of the Company, vote, or speak. However, when the Depositary receives the same instruction from more than 51% of the holders of GDSs on a proposal, the Depositary shall vote on the proposal as instructed by the holders of GDSs.

(b) Conversion of GDSs

Commencing three months after the initial issuance of GDSs, subject to the terms of the Deposit Agreement and applicable laws of the R.O.C., a holder of GDSs may request the Depositary to redeem and deliver or sell the Company's ordinary share represented by the GDSs.

(c) Dividends

The holders of GDSs are entitled to receive dividends to the same extent as the holders of ordinary shares.

(23) 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.

	2023					
	Changes in equity					
	Share premium	Treasury share transactions	of associates and joint ventures	Stock options	Others	Total
At January 1	\$ 12,814,051	\$ 340,678	\$ 118,239	\$ 228,445	\$ 4,491	\$ 13,505,904
Changes in equity of associates and joint ventures	-	-	(23)	-	-	(23)
Unclaimed dividends	-	-	-	-	214	214
At June 30	<u>\$ 12,814,051</u>	<u>\$ 340,678</u>	<u>\$ 118,216</u>	<u>\$ 228,445</u>	<u>\$ 4,705</u>	<u>\$ 13,506,095</u>

	2022					
	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	\$ -	\$ 228,445	\$ 3,897	\$ 14,199,960
Changes in equity of associates and joint ventures	-	-	54,258	-	-	54,258
Difference between consideration and carrying amount of subsidiaries acquired	-	-	2,085	-	-	2,085
Unclaimed dividends	-	-	-	-	595	595
At June 30	<u>\$ 13,626,940</u>	<u>\$ 340,678</u>	<u>\$ 56,343</u>	<u>\$ 228,445</u>	<u>\$ 4,492</u>	<u>\$ 14,256,898</u>

(24) Retained earnings

A. The Company's Articles of Incorporation:

- (a) If the Company's final accounts show a profit, the current year's earnings shall first be used to pay all taxes, offset prior year's losses, and then 10% of the remaining amount shall be set aside for legal reserve and provision for or reversal of special reserve as required by law. After setting aside or reversing a special reserve in accordance with related laws, the remaining earnings, if any, shall first be appropriated as stock dividends for preferred stock. 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 2022 and 2021 earnings had been resolved at the shareholders' meeting on May 30, 2023 and May 30, 2022, respectively. Details are summarized below:

	Years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Provision for legal reserve	\$ 1,577,796		\$ 1,695,196	
(Reversal of) provision for special reserve	(2,208,704)		1,910,568	
Cash dividends	5,837,814	\$ 3.50	8,339,735	\$ 5.00

(25) Other equity items

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2023	(\$ 5,467,061)	(\$ 571,348)	(\$ 6,038,409)
Revaluation:			
–Group	-	(5,283,778)	(5,283,778)
–Associates	-	(5,999)	(5,999)
Currency translation differences:			
–Group	(692,070)	-	(692,070)
At June 30, 2023	<u>(\$ 6,159,131)</u>	<u>(\$ 5,861,125)</u>	<u>(\$ 12,020,256)</u>

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2022	(\$ 10,641,478)	\$ 2,394,366	(\$ 8,247,112)
Revaluation:			
–Group	-	(3,545,857)	(3,545,857)
–Associates	-	(13,055)	(13,055)
Currency translation differences:			
–Group	3,768,378	-	3,768,378
–Associates	(160,744)	-	(160,744)
At June 30, 2022	<u>(\$ 7,033,844)</u>	<u>(\$ 1,164,546)</u>	<u>(\$ 8,198,390)</u>

(26) 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 Juner 30,	
		2023	2022
Revenue from 3C and semiconductor products	At a point in time	\$ 94,455,469	\$ 102,912,863
Others	Over time	494,231	440,542
		<u>\$ 94,949,700</u>	<u>\$ 103,353,405</u>

	Timing of revenue	Six months ended June 30,	
		2023	2022
Revenue from 3C and semiconductor products	At a point in time	\$ 182,554,191	\$ 203,310,739
Others	Over time	995,348	907,851
		<u>\$ 183,549,539</u>	<u>\$ 204,218,590</u>

(27) Interest income

	Three months ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 147,467	\$ 14,110
Other interest income	116,470	58,546
	<u>\$ 263,937</u>	<u>\$ 72,656</u>

	Six months ended June 30,	
	2023	2022
Interest income from bank deposits	\$ 200,057	\$ 28,188
Other interest income	174,687	96,977
	<u>\$ 374,744</u>	<u>\$ 125,165</u>

(28) Other income

	Three months ended June 30,	
	2023	2022
Rental income	\$ 131,042	\$ 143,802
Dividend income	274,405	214,881
Others	(17,316)	94,778
	<u>\$ 388,131</u>	<u>\$ 453,461</u>

	Six months ended June 30,	
	2023	2022
Rental income	\$ 281,066	\$ 288,104
Dividend income	416,127	279,827
Others	68,950	159,363
	<u>\$ 766,143</u>	<u>\$ 727,294</u>

(29) Other gains and (losses)

	Three months ended June 30,	
	2023	2022
Net (losses) gains on financial assets at fair value through profit or loss	\$ 34,136	(\$ 15,480)
Net currency exchange gains	58,205	29,172
Gain (loss) on disposal of property, plant and equipment and investment property	(2,584)	13,191
Related expense charges on investment property	(19,866)	(14,161)
Others	8,344	(12,017)
	<u>\$ 78,235</u>	<u>\$ 705</u>

	Six months ended June 30,	
	2023	2022
Net losses on financial assets at fair value through profit or loss	(\$ 3,444)	(\$ 105)
Net currency exchange gains	228,639	115,762
Gain (loss) on disposal of property, plant and equipment and investment property	(1,211)	14,057
Related expense charges on investment property	(42,076)	(41,948)
Losses on disposal of investments	(70)	-
Others	6,080	29,848
	<u>\$ 187,918</u>	<u>\$ 117,614</u>

(30) Finance costs

	Three months ended June 30,	
	2023	2022
Interest expense on bank borrowings	\$ 343,124	\$ 206,281
Interest expense on short-term notes and bills payable	108,047	19,961
Interest expense on lease liabilities	5,476	1,327
Less: Capitalisation of qualifying assets	(13,707)	(5,343)
	<u>\$ 442,940</u>	<u>\$ 222,226</u>
	Six months ended June 30,	
	2023	2022
Interest expense on bank borrowings	\$ 880,410	\$ 345,276
Interest expense on short-term notes and bills payable	192,018	49,801
Interest expense on lease liabilities	9,830	3,057
Less: Capitalisation of qualifying assets	(21,097)	(10,491)
	<u>\$ 1,061,161</u>	<u>\$ 387,643</u>

(31) Expenses by nature

	Three months ended June 30,	
	2023	2022
Employee benefit expense	\$ 1,348,827	\$ 1,359,328
Depreciation charges on property, plant and equipment	\$ 74,982	\$ 75,893
Depreciation charges on right-of-use assets	\$ 70,177	\$ 57,690
Depreciation charges on investment property	\$ 8,326	\$ 9,157
Amortisation charges on intangible assets	\$ 12,382	\$ 10,259

	Six months ended June 30,	
	2023	2022
Employee benefit expense	\$ 2,695,325	\$ 2,683,488
Depreciation charges on property, plant and equipment	\$ 150,037	\$ 150,722
Depreciation charges on right-of-use assets	\$ 137,655	\$ 120,663
Depreciation charges on investment property	\$ 16,747	\$ 18,245
Amortisation charges on intangible assets	\$ 24,433	\$ 20,543

(32) Employee benefit expense

	Three months ended June 30,	
	2023	2022
Wages and salaries	\$ 1,160,888	\$ 1,172,560
Employee social security expense	65,967	64,965
Pension costs	89,924	86,611
Directors' remuneration	2,042	1,975
Other personnel expenses	30,006	33,217
	<u>\$ 1,348,827</u>	<u>\$ 1,359,328</u>
	Six months ended June 30,	
	2023	2022
Wages and salaries	\$ 2,314,746	\$ 2,314,532
Employee social security expense	133,803	130,336
Pension costs	180,769	171,392
Directors' remuneration	4,084	3,950
Other personnel expenses	61,923	63,278
	<u>\$ 2,695,325</u>	<u>\$ 2,683,488</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 six months ended June 30, 2023 and 2022, employees' compensation (bonus) was accrued at \$300, \$300, \$600 and \$600, respectively; directors' remuneration was accrued at \$2,042, \$1,975, \$4,084 and \$3,950, respectively. The aforementioned amounts were recognised in salary expenses.
- The employees' compensation and directors' remuneration were estimated and accrued based on 0.01% and 0.04% of distributable profit for the six months ended June 30, 2023 and 2022, respectively.
- For 2022, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$2,000 and \$8,168, respectively. The differences between the amounts resolved by the Board of Directors and the amounts of \$2,000 and \$7,900 recognised in the 2022 financial statements had been adjusted in the profit or loss of 2023. As of June 30, 2023, the employees' compensation and directors' remuneration had not been distributed.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(33) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended June 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 752,744	\$ 439,413
Prior period income tax underestimation (overestimation)	4,703 (	5,324)
Prepaid income tax	193,673	221,932
Tax on undistributed earnings	(527,096)	(266,327)
Total current tax	424,024	389,694
Deferred tax:		
Origination and reversal of temporary differences	(64,350)	(69,844)
Other:		
Tax on undistributed earnings	527,096	266,327
Income tax expense	<u>\$ 886,770</u>	<u>\$ 586,177</u>

	Six months ended June 30,	
	2023	2022
Current tax:		
Current tax on profits for the period	\$ 1,123,354	\$ 790,533
Prior period income tax underestimation (overestimation)	(631)	(11,334)
Prepaid income tax	344,956	328,984
Tax on undistributed earnings	(527,096)	(266,327)
Total current tax	940,583	841,856
Deferred tax:		
Origination and reversal of temporary differences	(21,335)	23,312
Other:		
Tax on undistributed earnings	527,096	266,327
Income tax expense	<u>\$ 1,446,344</u>	<u>\$ 1,131,495</u>

(b) For the three months and six months ended June 30, 2023 and 2022, the Group had no income tax relating to components of other comprehensive income.

(c) For the three months and six months ended June 30, 2023 and 2022, the Group had no income tax charged/(credited) to equity during the period.

B. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

As for the Group's domestic consolidated subsidiaries, Synergy Intelligent Logistics Corporation, E-Fan Investments Co., Ltd. and Bizwave Tech Co., Ltd., the income tax returns through 2021 have been assessed and approved by the Tax Authority.

As for the Group's domestic consolidated subsidiaries, Seper Technology Corporation and Bestcom Infotech Corp., the income tax returns through 2020 have been assessed and approved by the Tax Authority.

C. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group recognised deferred income tax liabilities of \$5,669,453, \$5,669,453 and \$3,936,970, respectively, for the earnings that were assessed to be repatriated by investees.

(34) Earnings per share

			857
	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 of the parent	\$ 1,698,282	1,667,947	\$ 1.02
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,698,282	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6	
Profit attributable to ordinary shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,698,282	1,667,953	\$ 1.02

Three months ended June 30, 2022			
	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 of the parent	\$ 2,377,642	1,667,647	\$ 1.43
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 2,377,642	1,667,647	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	7	
Profit attributable to ordinary shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 2,377,642	1,667,654	\$ 1.43
Six months ended June 30, 2023			
	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 of the parent	\$ 3,429,612	1,667,947	\$ 2.06
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 3,429,612	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	16	
Profit attributable to ordinary shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 3,429,612	1,667,963	\$ 2.06

Six months ended June 30, 2022			
	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 of the parent	\$ 4,922,600	1,667,947	\$ 2.95
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 4,922,600	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	18	
Profit attributable to ordinary shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 4,922,600	1,667,965	\$ 2.95

(35) Transactions with non-controlling interests

Acquisition of additional equity interest in a subsidiary

The Group acquired an additional 1.07% shares of Bestcom Infotech Corp. for a cash consideration of \$20,944 on March 31, 2022.

The effect of changes in interests in Bestcom Infotech Corp. on the equity attributable to owners of the parent for the six months ended June 30, 2022 is shown below:

	Six months ended June 30, 2022
Consideration paid to non-controlling interest	(\$ 20,944)
Decrease in carrying amount of non-controlling interest	23,029
Capital surplus - difference between consideration and carrying amount of subsidiary acquired	\$ 2,085

(36) Changes in liabilities from financing activities

	Cash dividends payable	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Current/ Non-current lease liabilities	Guarantee deposits received
At January 1, 2023	\$ -	\$ 73,314,084	\$ 4,860,000	\$ 15,900,000	\$ 554,220	\$ 190,167
Cash dividends declared	5,837,814	-	-	-	-	-
Decrease in short-term borrowings	-	(22,481,716)	-	-	-	-
Increase in short-term notes and bills payable	-	-	9,370,000	-	-	-
Decrease in long-term borrowings	-	-	-	(2,880,000)	-	-
Payments of lease liabilities	-	-	-	-	(133,016)	-
Increase in lease liabilities	-	-	-	-	350,803	-
Changes in other non-cash items	-	-	-	-	(85,167)	-
Increase in guarantee deposits received	-	-	-	-	-	97,211
Decrease in guarantee deposits received	-	-	-	-	-	(86,980)
Impact of changes in foreign exchange rate	-	-	-	-	(5,899)	(33,453)
At June 30, 2023	<u>\$ 5,837,814</u>	<u>\$ 50,832,368</u>	<u>\$ 14,230,000</u>	<u>\$ 13,020,000</u>	<u>\$ 680,941</u>	<u>\$ 166,945</u>

	Cash dividends payable	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Current/ Non-current lease liabilities	Guarantee deposits received
At January 1, 2022	\$ -	\$ 53,326,707	\$ 12,490,000	\$ 1,500,000	\$ 446,021	\$ 190,368
Cash dividends declared	8,339,735	-	-	-	-	-
Increase in short-term borrowings	-	8,452,389	-	-	-	-
Decrease in short-term notes and bills payable	-	-	(2,470,000)	-	-	-
Payments of lease liabilities	-	-	-	-	(115,427)	-
Increase in lease liabilities	-	-	-	-	12,524	-
Changes in other non-cash items	-	-	-	-	(29,000)	-
Increase in guarantee deposits received	-	-	-	-	-	86,985
Decrease in guarantee deposits received	-	-	-	-	-	(64,970)
Impact of changes in foreign exchange rate	-	-	-	-	8,505	(45,349)
At June 30, 2022	<u>\$ 8,339,735</u>	<u>\$ 61,779,096</u>	<u>\$ 10,020,000</u>	<u>\$ 1,500,000</u>	<u>\$ 322,623</u>	<u>\$ 167,034</u>

(37) Financing activities with no cash flow effect

	Six months ended June 30,	
	2023	2022
Consideration received		
Cash dividends declared but yet to be paid	<u>\$ 5,837,814</u>	<u>\$ 8,339,735</u>

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 and its Subsidiaries (Synnex FPT)	King's Eye's investee accounted for using equity method
Asgard System, Inc.	Indirect investee of Bestcom Infotech Corp.
<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 Holdings Corporation and its Subsidiaries	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
Linde Lienhwa Industrial Gases Co., Ltd.	The Company's chairperson is the related party's director
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
Jetwell Computer Co., Ltd.	The Company's subsidiary, Bestcom Infotech

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Zong Yi Information Co., Ltd.	Corp., is the related party's director Wholly-owned subsidiary of Jetwell Computer Co., Ltd.
Inforcom Technology Inc.	The Company's subsidiary, Bestcom Infotech Corp., is the related party's director
Din Yen Technology Inc.	99.97%-owned subsidiary of Inforcom Technology Inc.
Udar Digital Inc.	96.38%-owned subsidiary of Inforcom Technology Inc.
Digitimes Inc.	The Company is the related party's director
Lien Hwa Milling Corporation	The Company's chairperson is the related party's director
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
PT. Sinergi Transformasi Digital (STD)	Subsidiary's other related party
PT. Cacafty Metrodata Indonesia (CMI)	Subsidiary's other related party
PT. Aneka Teknologi Utama (ATU)	Subsidiary's other related party
TD Synnex Corporation (SYN)	The Company's chairperson is the related party's director
Concentrix Corporation (CNCX)	The Company's director is the related party's director

(2) Significant related party transactions and balances

A. Operating revenue

	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Sales of goods:		
— Associates	\$ 2,666	\$ 21,204
— Other related parties	1,600,755	448,059
	<u>\$ 1,603,421</u>	<u>\$ 469,263</u>

	Six months ended June 30,	
	2023	2022
Sales of goods:		
— Associates	\$ 19,722	\$ 28,115
— Other related parties	3,022,847	1,055,008
	<u>\$ 3,042,569</u>	<u>\$ 1,083,123</u>

Goods are sold based on the price lists in force and terms that would be available to third parties. The Group's collection term for related parties is within credit term of advance sales receipts or 30~120 days of the date of billing statement. The collection term for third parties is within credit term of advance sales receipts or 14~150 days of the date of billing statement.

B. Receivables from related parties

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts receivable:			
— Associates	\$ 1,141	\$ 43,687	\$ 14,980
— Other related parties	672,187	455,804	400,768
	<u>\$ 673,328</u>	<u>\$ 499,491</u>	<u>\$ 415,748</u>

The receivables from related parties arise mainly from sales of goods.

C. Purchases of goods

	Three months ended June 30,	
	2023	2022
Purchases of goods:		
— Other related parties	<u>\$ 37,111</u>	<u>\$ 30,235</u>
	Six months ended June 30,	
	2023	2022
Purchases of goods:		
— Other related parties	<u>\$ 90,118</u>	<u>\$ 56,550</u>

Goods are purchased from associates on normal commercial terms and conditions. The Group's payment term for related parties is within 30~60 days of the date of billing statement. The payment term for third parties is within 25~75 days of the date of billing.

D. Payables to related parties

	June 30, 2023	December 31, 2022	June 30, 2022
Accounts payable:			
— Other related parties	<u>\$ 7,646</u>	<u>\$ 20,839</u>	<u>\$ 16,819</u>

The payables to related parties arise mainly from purchase transactions.

E. Other transactions

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other receivables:			
Associates	\$ -	\$ 169	\$ -
Other related parties	188,424	-	105,375
	<u>\$ 188,424</u>	<u>\$ 169</u>	<u>\$ 105,375</u>
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Other payables:			
Other related parties	\$ 327	\$ 4,797	\$ 217
		<u>Three months ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
Other income:			
Associates		\$ 36	\$ 31
Other related parties		275,405	179,307
		<u>\$ 275,441</u>	<u>\$ 179,338</u>
		<u>Six months ended June 30,</u>	
		<u>2023</u>	<u>2022</u>
Other income:			
Associates		\$ 36	\$ 31
Other related parties		417,119	179,307
		<u>\$ 417,155</u>	<u>\$ 179,338</u>

(3) Key management compensation

	<u>Three months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 31,930	\$ 30,103
Post-employment benefits (Note)	1,331	1,210
Total	<u>\$ 33,261</u>	<u>\$ 31,313</u>
	<u>Six months ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 63,860	\$ 60,207
Post-employment benefits (Note)	2,662	2,420
Total	<u>\$ 66,522</u>	<u>\$ 62,627</u>

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
	June 30, 2023	December 31, 2022	June 30, 2022	
Current financial assets at amortised cost:				
Pledged time deposits	\$ -	\$ 5,634	\$ -	Guarantees for performance bond
Non-current financial assets at amortised cost:				
Pledged time deposits	804,707	866,178	1,499,728	Guarantees for purchases
Accounts receivable	1,570,792	1,424,405	1,385,447	Pledged for short-term borrowings (Note)
Inventories	1,570,781	1,455,615	1,412,453	Pledged for short-term borrowings (Note)
	<u>\$ 3,946,280</u>	<u>\$ 3,751,832</u>	<u>\$ 4,297,628</u>	

Note: As of June 30, 2023, December 31, 2022 and June 30, 2022, the actual drawdown amounts were \$1,510,806, \$0, and \$757,994, respectively.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

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 refiled the complaint to claim for compensation of RMB 28,926 thousand, RMB 17,401 thousand and RMB 5,593 thousand and a default fine for breach of contract on the ground that the law enforcement has cancelled the investigation. The Company lost the above-mentioned case based on the judgement of final instance by the Suzhou Xiangcheng People's Court in China. Therefore, the Group has fully paid the related compensations and default fine in May 2022 and filed a motion for retrial in August 2022.

(2) Commitments

A. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group issued promissory notes to guarantee the suppliers' credit limit amounting to \$2,250,256, \$4,199,856 and \$8,035,346, respectively, for inventory purchases.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Property, plant and equipment	<u>\$ 4,784,412</u>	<u>\$ 2,506,080</u>	<u>\$ 2,516,402</u>

June 30, 2023: 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 and the logistics center in Melbourne.

December 31, 2022 and June 30, 2022: 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, short-term notes and bills payable, and long-term borrowings 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 June 30, 2023, December 31, 2022 and June 30, 2022 were 86%, 106% and 106%, respectively.

(2) Financial instruments

A. Financial instruments by category

Please refer to the consolidated balance sheets and related information in Note 6 for the Group's financial assets (cash and cash equivalents, current financial assets at fair value through profit or loss, current financial assets at fair value through other comprehensive income, current financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, non-current financial assets at fair value through other comprehensive income, non-current financial assets at amortised cost, other non-current assets-refundable deposits, other non-current assets-long-term notes and overdue receivables and other non-current assets-long-term lease receivables) and financial liabilities (short-term borrowings, short-term notes and bills payable, current financial liabilities at fair value through profit or loss, notes payable, accounts payable, other payables, other current liabilities-refund liability, long-term borrowings,

other non-current liabilities-guarantee deposits received, lease liabilities (current and non-current)).

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.
- (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:

	June 30, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	145,174	31.19	\$ 4,527,977
USD:HKD	93,956	7.84	\$ 2,932,742
USD:AUD	7,921	1.51	247,056
NZD:USD	26,974	0.61	513,205
RMB:HKD	369,064	1.08	1,583,949
USD:IDR	17,083	14,925.37	532,819
USD:NZD	1,542	1.64	48,095
HKD:RMB	425,209	0.93	1,691,814
AUD:USD	5,066	0.66	104,286
<u>Non-monetary items</u>			
INR:NTD	17,366,635	0.380175	\$ 6,602,359
THB:USD	1,518,523	0.028058	1,328,904
VND:USD	1,144,083,354	0.000042	1,498,726
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	122,741	31.19	\$ 3,828,292
USD:HKD	213,369	7.84	6,660,098
USD:AUD	7,830	1.51	244,218
USD:RMB	2,652	7.27	82,716
AUD:USD	2,394	0.66	49,281
USD:IDR	23,520	14,925.37	733,589
RMB:HKD	284,838	1.08	1,222,468
NTD:RMB	65,285	0.23	65,285
NTD:USD	88,794	0.03	88,794
RMB:IDR	42,154	2,052.13	180,018

December 31, 2022

	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	147,740	30.76	\$ 4,544,482
USD:HKD	48,357	7.80	1,487,426
USD:AUD	13,948	1.47	429,040
NZD:USD	20,468	0.63	396,645
RMB:HKD	1,096,128	1.12	4,835,781
USD:IDR	24,865	15,625.00	759,311
HKD:RMB	359,702	0.89	1,419,018
AUD:USD	11,527	0.68	241,108
<u>Non-monetary items</u>			
INR:NTD	15,830,035	0.371673	\$ 5,883,598
THB:USD	1,622,119	0.028927	1,443,353
VND:USD	1,245,029,252	0.000042	1,608,478
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	125,172	30.76	\$ 3,850,291
USD:HKD	194,088	7.80	5,970,006
USD:AUD	14,361	1.47	441,744
USD:RMB	2,808	6.97	86,374
USD:IDR	24,518	15,625.00	754,174
RMB:HKD	707,806	1.12	3,122,623
NTD:RMB	152,451	0.23	152,451
RMB:IDR	14,761	2,241.01	65,365

	June 30, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	157,129	29.77	\$ 4,677,730
USD:HKD	848,187	7.85	25,250,527
USD:AUD	12,838	1.45	382,187
AUD:NTD	4,660	20.50	95,514
NZD:USD	13,905	0.62	256,650
RMB:HKD	961,587	1.17	4,263,959
USD:IDR	16,289	14,925.37	484,924
HKD:RMB	298,862	0.86	1,133,725
AUD:USD	5,659	0.69	116,243
<u>Non-monetary items</u>			
INR:USD	15,279,530	0.012673	\$ 5,764,588
THB:USD	1,524,433	0.028345	1,286,364
VND:USD	1,117,461,316	0.000043	1,430,473
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	143,548	29.77	\$ 4,273,424
USD:HKD	370,770	7.85	11,037,823
USD:AUD	13,916	1.45	414,279
USD:IDR	22,916	14,925.37	682,209
RMB:HKD	683,521	1.17	3,030,933
NTD:RMB	65,288	0.23	65,288
RMB:IDR	52,932	2,223.12	234,712

- v. For the 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 six months ended June 30, 2023 and 2022, please refer to Note 6(29).
- vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Six months ended June 30, 2023				
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%	\$	45,280	\$ -
USD:HKD	1%		29,327	-
USD:AUD	1%		2,471	-
NZD:USD	1%		5,132	-
RMB:HKD	1%		15,839	-
USD:IDR	1%		5,328	-
USD:NZD	1%		481	-
HKD:RMB	1%		16,918	-
AUD:USD	1%		1,043	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$	38,283)	\$ -
USD:HKD	1%	(	66,601)	-
USD:AUD	1%	(	2,442)	-
USD:RMB	1%	(	827)	-
AUD:USD	1%	(	493)	-
USD:IDR	1%	(	7,336)	-
RMB:HKD	1%	(	12,225)	-
NTD:RMB	1%	(	653)	-
NTD:USD	1%	(	888)	-
RMB:IDR	1%	(	1,800)	-

Six months ended June 30, 2022				
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%	\$ 46,777	\$	-
USD:HKD	1%	252,505		-
USD:AUD	1%	3,822		-
AUD:NTD	1%	955		-
NZD:USD	1%	2,567		-
RMB:HKD	1%	42,640		-
USD:IDR	1%	4,849		-
HKD:RMB	1%	11,337		-
AUD:USD	1%	1,162		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 42,734)	\$	-
USD:HKD	1%	(110,378)		-
USD:AUD	1%	(4,143)		-
USD:IDR	1%	(6,822)		-
RMB:HKD	1%	(30,309)		-
NTD:RMB	1%	(653)		-
RMB:IDR	1%	(2,347)		-

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 six months ended June 30, 2023 and 2022 would have increased/decreased by \$2,581 and \$7,903, 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 \$263,940 and \$160,716, 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 for the six months ended June 30, 2023 and 2022, 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 0.25% with all other variables held constant, interest expense for the six months ended June 30, 2023 and 2022 would have decreased/increased by \$104,675 and \$90,094, 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 customers' 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 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.

vii. 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 June 30, 2023, December 31, 2022 and June 30, 2022, the assessment is as follows:

	Group provision	Individual provision				Total
		Group A	Group B	Group C	Group D	
<u>At June 30, 2023</u>						
Expected loss rate	0.2%-0.4%	15%	50%	75%	100%	
Total book value	\$ 74,041,409	\$ 1,550,280	\$ 472,806	\$ 170,040	\$ 1,856,904	\$ 78,091,439
Loss allowance	(\$ 216,189)	(\$ 232,542)	(\$ 236,403)	(\$ 127,530)	(\$ 1,856,904)	(\$ 2,669,568)
	Group provision	Individual provision				Total
		Group A	Group B	Group C	Group D	
<u>At December 31, 2022</u>						
Expected loss rate	0.2%-0.3%	15%	50%	75%	100%	
Total book value	\$ 79,383,464	\$ 1,474,604	\$ 293,201	\$ 196,516	\$ 1,857,845	\$ 83,205,630
Loss allowance	(\$ 214,374)	(\$ 221,190)	(\$ 146,601)	(\$ 147,387)	(\$ 1,857,845)	(\$ 2,587,397)
	Group provision	Individual provision				Total
		Group A	Group B	Group C	Group D	
<u>At June 30, 2022</u>						
Expected loss rate	0.03%-0.3%	15%	50%	75%	100%	
Total book value	\$ 76,677,837	\$ 1,354,442	\$ 281,085	\$ 179,717	\$ 1,792,421	\$ 80,285,502
Loss allowance	(\$ 157,488)	(\$ 203,245)	(\$ 140,543)	(\$ 134,788)	(\$ 1,792,421)	(\$ 2,428,485)

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

	2023			
	Notes receivable	Accounts receivable	Overdue receivables	Total
At January 1	\$ 20,744	\$ 193,630	\$ 2,373,023	\$ 2,587,397
Provision for (reversal of) impairment loss	7,165	(3,408)	142,143	145,900
Write-offs	-	-	(45)	(45)
Effect of exchange rate changes	(698)	(1,244)	(61,742)	(63,684)
At June 30	<u>\$ 27,211</u>	<u>\$ 188,978</u>	<u>\$ 2,453,379</u>	<u>\$ 2,669,568</u>
	2022			
	Notes receivable	Accounts receivable	Overdue receivables	Total
At January 1	\$ 15,997	\$ 187,106	\$ 2,202,041	\$ 2,405,144
Provision for (reversal of) impairment loss	(1,625)	6,034	22,608	27,017
Write-offs	-	(55,169)	(4,724)	(59,893)
Effect of exchange rate changes	367	4,778	51,072	56,217
At June 30	<u>\$ 14,739</u>	<u>\$ 142,749</u>	<u>\$ 2,270,997</u>	<u>\$ 2,428,485</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:

<u>June 30, 2023</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities (current/non-current)	\$ 220,915	\$ 534,700	\$ 755,615
Guarantee deposits received	-	166,945	166,945
Long-term borrowings	35,446	13,036,359	13,071,805

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities (current/non-current)	\$ 185,810	\$ 426,999	\$ 612,809
Guarantee deposits received	-	190,167	190,167
Long-term borrowings	54,906	15,931,550	15,986,456

<u>June 30, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Lease liabilities (current/non-current)	\$ 205,994	\$ 118,746	\$ 324,740
Guarantee deposits received	-	167,034	167,034
Long-term borrowings	22,092	1,533,229	1,555,321

June 30, 2023 : None

<u>December 31, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Derivative financial liabilities:</u>			
Forward exchange contracts	\$ 4,484	\$ -	\$ 4,484

<u>June 30, 2022</u>	<u>Less than 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>Derivative financial liabilities:</u>			
Forward exchange contracts	\$ 577	\$ -	\$ 577

- 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 and private equity fund investment 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, current financial assets at amortised cost, non-current financial assets at amortised cost, other non-current assets-refundable deposits, other non-current assets-long-term notes and overdue receivables, other non-current assets-long-term lease receivables, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, other current liabilities-refund liability, long-term borrowings, 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:

June 30, 2023	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	\$ 215,706	\$ -	\$ -	\$ 215,706
Private equity fund	-	-	26,605	26,605
Forward exchange contracts	-	15,766	-	15,766
Current financial assets at fair value through other comprehensive income				
Equity securities	20,247,177	-	-	20,247,177
Non-current financial assets at fair value through other comprehensive income				
Equity securities	<u>1,267,645</u>	<u>128,960</u>	<u>4,750,266</u>	<u>6,146,871</u>
	<u>\$21,730,528</u>	<u>\$ 144,726</u>	<u>\$ 4,776,871</u>	<u>\$26,652,125</u>
December 31, 2022	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	\$ 181,682	\$ -	\$ -	\$ 181,682
Current financial assets at fair value through other comprehensive income				
Equity securities	25,768,699	-	-	25,768,699
Non-current financial assets at fair value through other comprehensive income				
Equity securities	<u>1,106,876</u>	<u>108,598</u>	<u>4,467,763</u>	<u>5,683,237</u>
	<u>\$27,057,257</u>	<u>\$ 108,598</u>	<u>\$ 4,467,763</u>	<u>\$31,633,618</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 4,484</u>	<u>\$ -</u>	<u>\$ 4,484</u>

June 30, 2022	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	\$ 189,966	\$ -	\$ -	\$ 189,966
Financial products	-	599,506	-	599,506
Forward exchange contracts	-	863	-	863
Current financial assets at fair value through other comprehensive income				
Equity securities	10,468,198	-	-	10,468,198
Non-current financial assets at fair value through other comprehensive income				
Equity securities	1,228,815	160,958	4,213,662	5,603,435
	<u>\$11,886,979</u>	<u>\$ 761,327</u>	<u>\$ 4,213,662</u>	<u>\$16,861,968</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	<u>\$ -</u>	<u>\$ 577</u>	<u>\$ -</u>	<u>\$ 577</u>

(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 six months ended June 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the six months ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	<u>Non-derivative equity instrument</u>	<u>Non-derivative equity instrument</u>
At January 1	\$ 4,467,763	\$ 4,790,889
Gains and losses recognised in other comprehensive income		
Recorded as unrealised (losses) gains on valuation of investments in equity instruments measured at fair value through other comprehensive income	282,168 (	581,923)
Acquired in the period	27,531	-
Effect of exchange rate changes	(591)	4,696
At June 30	<u>\$ 4,776,871</u>	<u>\$ 4,213,662</u>

- G. For the six months ended June 30, 2023 and 2022, 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 June 30, 2023</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	\$ 145,254	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	4,605,012	Net asset value	Not applicable	-	Not applicable
Private equity fund investment	<u>26,605</u>	Net asset value	Not applicable	-	Not applicable
Total	<u>\$ 4,776,871</u>				

	<u>Fair value at December 31, 2022</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	\$ 99,749	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>4,368,014</u>	Net asset value	Not applicable	-	Not applicable
Total	<u>\$ 4,467,763</u>				

	<u>Fair value at June 30, 2022</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	\$ 114,927	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>4,098,735</u>	Net asset value	Not applicable	-	Not applicable
Total	<u>\$ 4,213,662</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:

			June 30, 2023			
			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%	\$ -	\$ -	\$ 14,525	(\$ 14,525)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 46,316	(\$ 46,316)
			December 31, 2022			
			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%	\$ -	\$ -	\$ 9,978	(\$ 9,978)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 43,680	(\$ 43,680)
			June 30, 2022			
			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%	\$ -	\$ -	\$ 11,493	(\$ 11,493)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 40,987	(\$ 40,987)

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: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 4.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: Please refer to table 5.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.

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

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

B. 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 11.

14. SEGMENT INFORMATION

(1) General information

The Group operates in the distribution industry and is primarily engaged in the sale of 3C and semiconductor 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 semiconductor business.

(2) Measurement of segment information

The chief operating decision-maker of the Group evaluates the performance of the operating segments based on the operating profit (loss). This measurement basis includes operating revenue achievement percentage, gross profit achievement percentage, operating income achievement percentage, etc. The chief operating decision-maker reviews the conditions of overspending or underspending monthly, so as to assess the rationality of resources depletion.

(3) Segment information

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

Six months ended June 30, 2023

	IT/Telecom business	Semiconductor business	Reconciliation	Total
Revenue from external customers	\$ 115,625,281	\$ 67,924,258	\$ -	\$ 183,549,539
Inter-segment revenue	12,192,179	6,508,708	(18,700,887)	-
Segment revenue	<u>\$ 127,817,460</u>	<u>\$ 74,432,966</u>	<u>(\$ 18,700,887)</u>	<u>\$ 183,549,539</u>
Segment profit	<u>\$ 2,904,700</u>	<u>\$ 1,188,066</u>	<u>\$ -</u>	<u>\$ 4,092,766</u>

Six months ended June 30, 2022

	IT/Telecom business	Semiconductor business	Reconciliation	Total
Revenue from external customers	\$ 137,027,784	\$ 67,190,806	\$ -	\$ 204,218,590
Inter-segment revenue	13,628,463	4,834,977	(18,463,440)	-
Segment revenue	<u>\$ 150,656,247</u>	<u>\$ 72,025,783</u>	<u>(\$ 18,463,440)</u>	<u>\$ 204,218,590</u>
Segment profit	<u>\$ 3,122,094</u>	<u>\$ 1,159,415</u>	<u>\$ -</u>	<u>\$ 4,281,509</u>

(4) Reconciliation for segment income (loss)

- A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. A reconciliation of reportable segment (loss) income and the income/(loss) before tax from continuing operations is provided as follows:

	Six months ended June 30,	
	2023	2022
Reportable segment profit	\$ 4,092,766	\$ 4,281,509
Total non-operating income and expenses	998,012	1,991,965
Income before tax	<u>\$ 5,090,778</u>	<u>\$ 6,273,474</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 balance sheet, and the Group's reportable segment assets equalled to total assets, and thus the reconciliation is not required.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to others
Six months ended June 30, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2023	Balance at June 30, 2023	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
					(Note 9)							Item	Value				
0	Synnex Technology International Corporation	Seper Technology Corporation	Other receivables	Y	\$ 1,000,000	\$ 1,000,000	\$ -	1.75%~1.82%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 25,669,432	\$ 25,669,432	(Note 2)
0	Synnex Technology International Corporation	Synnex Global Ltd.	Other receivables	Y	3,119,000	3,119,000	-	-	(Note 1)	-	Operating turnover	-	-	-	\$ 25,669,432	\$ 25,669,432	(Note 2)
1	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Other receivables	Y	2,064,800	2,064,800	-	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
1	Synnex Global Ltd.	Synnex New Zealand Ltd.	Other receivables	Y	876,870	853,380	502,546	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
1	Synnex Global Ltd.	Synnex China Holdings Ltd.	Other receivables	Y	3,150,190	3,150,190	3,075,742	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
1	Synnex Global Ltd.	Syntech Asia Ltd.	Other receivables	Y	28,071,000	28,071,000	18,652,275	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
1	Synnex Global Ltd.	Leveltech Ltd.	Other receivables	Y	1,559,500	1,559,500	233,987	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
1	Synnex Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	12,476,000	12,476,000	828,188	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
1	Synnex Global Ltd.	Synnex Technology International Corporation	Other receivables	Y	9,357,000	9,357,000	2,435,939	-	(Note 1)	-	Operating turnover	-	-	-	80,939,929	115,628,470	(Note 3)
2	Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Other receivables	Y	253,228	244,439	170,249	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Other receivables	Y	231,015	222,997	222,997	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Other receivables	Y	302,097	291,611	282,391	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex(Changsha) Ltd.	Other receivables	Y	231,015	222,997	207,559	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Other receivables	Y	590,866	570,357	489,735	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	7,996,680	7,719,120	3,859,560	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Other receivables	Y	153,270	147,950	147,092	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Other receivables	Y	28,877	27,875	26,803	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Other receivables	Y	42,205	40,740	38,596	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (ZhenZhou) Ltd.	Other receivables	Y	35,541	34,307	33,021	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,894,446	13,894,446	(Note 4)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended June 30, 2023 (Note 9)	Balance at June 30, 2023	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
0	Synnex Technology International Corporation	Seper Technology Corporation	Other receivables	Y	\$ 1,000,000	\$ 1,000,000	\$ -	1.75%~1.82%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 25,669,432	\$ 25,669,432	(Note 2)
2	Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Other receivables	Y	\$ 22,213	\$ 21,442	\$ 12,865	1.65%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	13,894,446	13,894,446	(Note 4)
2	Trade Vanguard Global Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	19,103,180	18,440,120	15,738,428	-	(Note 1)	-	Operating turnover	-	-	-	42,911,002	42,911,002	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	4,442,600	4,288,400	1,209,587	-	(Note 1)	-	Operating turnover	-	-	-	42,911,002	42,911,002	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Investments (China) Ltd.	Other receivables	Y	3,554,080	3,430,720	2,916,112	-	(Note 1)	-	Operating turnover	-	-	-	42,911,002	42,911,002	(Note 5)
4	E-Fan Investments CO., LTD.	Synnex Technology International Corporation	Other receivables	Y	112,000	112,000	112,000	1.75%~1.82%	(Note 1)	-	Operating turnover	-	-	-	117,926	117,926	(Note 6)
5	Golden Thinking Ltd.	Synnex Global Ltd.	Other receivables	Y	1,238,880	1,238,880	-	-	(Note 1)	-	Operating turnover	-	-	-	1,551,930	1,551,930	(Note 7)

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.
- 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.
- Ceiling on loans granted to the Company's parent company and non-Taiwanese companies whose voting rights are directly and indirectly held by the Company's parent company is 100% of the net assets value based on 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 \$115,628,470 for the six months ended June 30, 2023.
- Ceiling on loans granted to Taiwanese subsidiaries which were wholly-owned by the Company's parent company is 10% of the net assets based on 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 \$115,628,470 for the six months ended June 30, 2023.

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 \$13,894,446 for the six months ended June 30, 2023.
- 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.
- 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 \$13,894,446 for the six months ended June 30, 2023.

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 \$19,505,001 for the year ended December 31, 2022.
- 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.
- 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 \$19,505,001 for the year ended December 31, 2022.

Note 6: Limit on loans granted to a single party by E-Fan Investments CO., LTD. and ceiling on total loans granted:

- Ceiling on loans granted to the subsidiaries which were held by the Company over 80% equity interests is 40% of the net assets based on 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 E-Fan Investments CO., LTD. amounted to \$294,816 for the six months ended June 30, 2023.
- Ceiling on loans granted to the subsidiaries which were held by the Company less than 80% equity is 20% of the net assets based on 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.
- Ceiling on loans granted to the Company's parent company and Taiwan subsidiaries whose equity were wholly held by the Company is 40% of the net assets based on 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 E-Fan Investments CO., LTD. amounted to \$294,816 for the six months ended June 30, 2023.

Note 7: Limit on loans granted to a single party by Golden Thinking 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 Golden Thinking Ltd. amounted to \$155,193 for the year ended December 31, 2022.
- 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.
- Ceiling on loans granted to the Company's ultimate parent company and non-Taiwanese companies whose voting rights are directly and indirectly held by the Company's ultimate parent company is 1000% of the net assets value based on the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 1000% of the aforementioned net assets value. The audited net assets value of Golden Thinking Ltd. amounted to \$155,193 for the year ended December 31, 2022.

Note 8: Translated into New Taiwan Dollars using the exchange rate of US: NT=1:31.19.

Note 9: 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

Six months ended June 30, 2023

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 June 30, 2023	Outstanding endorsement/ guarantee amount at June 30, 2023	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.	\$ 64,173,579	\$ 27,557,050	\$ 24,172,250	\$ 603,707	\$ -	38%	\$ 128,347,158	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.	64,173,579	10,536,322	8,893,095	2,964,691	-	14%	128,347,158	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.	64,173,579	18,523,120	16,761,506	6,505,855	-	26%	128,347,158	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.	64,173,579	1,216,288	1,160,792	194,778	-	2%	128,347,158	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.	64,173,579	2,400,000	1,200,000	372,700	-	2%	128,347,158	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.	64,173,579	22,765,581	22,765,581	1,747,382	-	35%	128,347,158	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.	64,173,579	2,401,630	2,401,630	1,304,789	-	4%	128,347,158	Y	N	Y	(Note 1)
0	Synnex Technology International Corporation	Leveltech Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	64,173,579	436,660	436,660	275,891	-	1%	128,347,158	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	Trade Vanguard Global Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	64,173,579	1,559,500	1,559,500	-	-	2%	128,347,158	Y	N	N	(Note 1)
0	Synnex Technology International Corporation	LianXiang Technology (Shenzhen) Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	64,173,579	857,680	857,680	84,370	-	1%	128,347,158	Y	N	Y	(Note 1)
1	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	B. The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed /guaranteed subsidiary.	13,894,446	2,665,560	2,573,040	-	-	19%	13,894,446	N	N	Y	(Note 2)
2	Golden Thinking Ltd.	Synnex Australia Pty. Ltd.	D. The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed /guaranteed subsidiary.	1,551,930	1,027,406	-	-	-	-	1,551,930	N	N	N	(Note 3)

Note 1: Endorser/ guarantor: Synnex Technology International Corporation

a) 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.

b) 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.

Note 2: Endorser/ guarantor: Synnex Investments (China) Ltd. The audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,894,446 for the six months ended June 30, 2023.

a) 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 Synnex Investments (China) Ltd.. The reviewed net assets value of Synnex Investments (China) Ltd. amounted to \$13,894,446 for the six months ended June 30, 2023.

b) Ceiling on total endorsements and guarantees provided for all parties is 100% of the net assets value per the latest audited or reviewed financial statements of Synnex Investments (China) Ltd.. The reviewed net assets value of Synnex Investments (China) Ltd. amounted to \$13,894,446 for the six months ended June 30, 2023.

Note 3: Endorser/ guarantor: Golden Thinking Ltd.. The audited net assets value of Golden Thinking Ltd. amounted to \$155,193 for the year ended December 31, 2022.

a) Limit on endorsements and guarantees provided for a single party is 1000% of the net assets value per the latest audited financial statements of Golden Thinking Ltd.. The audited net assets value of Golden Thinking Ltd. amounted to \$155,193 for the year ended December 31, 2022.

b) Ceiling on total endorsements and guarantees provided for all parties is 1000% of the net assets value per the latest audited financial statements of Golden Thinking Ltd.. The audited net assets value of Golden Thinking Ltd. amounted to \$155,193 for the year ended December 31, 2022.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

June 30, 2023

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 June 30, 2023				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	2,170,310	<u>\$ 147,146</u>	0.15%	<u>\$ 147,146</u>	
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	\$ 1,024,532	5.09%	\$ 1,024,532	
Synnex Technology International Corporation	Mitac Information Technology Corporation	The issuer's director is the same as the Company's chairperson	Non-current financial assets at fair value through other comprehensive income	8,262,486	145,254	5.51%	145,254	
Synnex Technology International Corporation	Tong Da Investment Corporation	The issuer's chairperson is the same as the Company's chairperson	Non-current financial assets at fair value through other comprehensive income	4,848,125	128,960	19.99%	128,960	
Synnex Technology International Corporation	Mitac Incorporated	The issuer's chairperson is the same as the Company's chairperson	Non-current financial assets at fair value through other comprehensive income	74,763,853	4,389,437	18.39%	4,389,437	
Synnex Technology International Corporation	Harbinger Venture Capital Corporation	The issuer's chairperson is the same as the Company's chairperson	Non-current financial assets at fair value through other comprehensive income	25,848	-	13.05%	-	
Synnex Technology International Corporation	Harbinger III Venture Capital Corporation	The issuer's chairperson is the same as the Company's director	Non-current financial assets at fair value through other comprehensive income	19,000	456	19.00%	456	
Synnex Technology International Corporation	Lien Yuan Investment Corp.	The issuer's chairperson is the same as the Company's director	Non-current financial assets at fair value through other comprehensive income	9,217,196	141,945	19.99%	141,945	
Synnex Technology International Corporation	Taiwan Paging Network Inc.	None	Non-current financial assets at fair value through other comprehensive income	1,450,000	-	3.58%	-	
Synnex Technology International Corporation	Digitimes Inc.	The Company is the issuer's director	Non-current financial assets at fair value through other comprehensive income	504,000	8,816	2.50%	8,816	
Synnex Technology International Corporation	Harbinger Capital Management Co., Ltd.	The issuer's chairperson is the same as the Company's chairperson	Non-current financial assets at fair value through other comprehensive income	862,922	<u>16,277</u>	19.99%	<u>16,277</u>	
Total					<u>\$ 5,855,677</u>		<u>\$ 5,855,677</u>	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of June 30, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
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	\$ 243,113	8.34%	\$ 243,113	
Bestcom Infotech Corp.	Inforcom Technology Inc.	Bestcom Infotech Corp. is the issuer's director	Non-current financial assets at fair value through other comprehensive income	1,765,424	<u>22,129</u>	10.01%	<u>22,129</u>	
Total					<u>\$ 265,242</u>		<u>\$ 265,242</u>	
Synnex Global Ltd.	Budworth Investment Ltd.	None	Non-current financial assets at fair value through other comprehensive income	125,807	\$ -	13.83%	\$ -	
Synnex Global Ltd.	Pilot View Ltd.	None	Non-current financial assets at fair value through other comprehensive income	84,457	<u>-</u>	1.21%	<u>-</u>	
Total					<u>\$ -</u>		<u>\$ -</u>	
King's Eye Investments Ltd.	Hi Food Co., Ltd	None	Non-current financial assets at fair value through other comprehensive income	2,150,000	<u>25,952</u>	10.00%	<u>25,952</u>	
King's Eye Investments Ltd.	Listed common stock	None	Current financial assets at fair value through profit or loss	-	<u>\$ 68,560</u>	0.51%	<u>\$ 68,560</u>	
Peer Developments Ltd.	TD Synnex Corporation	None	Current financial assets at fair value through other comprehensive income	3,859,888	\$ 11,316,651	4.12%	\$ 11,316,651	
Peer Developments Ltd.	Concentrix Corporation	None	Current financial assets at fair value through other comprehensive income	3,545,840	<u>8,930,526</u>	6.81%	<u>8,930,526</u>	
Total					<u>\$ 20,247,177</u>		<u>\$ 20,247,177</u>	
Synnex (Shanghai) Ltd.	Guangdong Yigao Youwu Enterprise Management Consulting Partnership Private Equity Fund	None	Current financial assets at fair value through profit or loss	-	<u>\$ 26,605</u>	-	<u>\$ 26,605</u>	

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

For the six months ended June 30, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:												Reason for acquisition of real estate and status of the real estate	Other commitments
Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price		
Synnex Australia Pty.Ltd	Land, buildings and equipment in Sydney, Australia	2023/5/25	\$ 1,463,967	Outstanding Payment	Golden Thinking Ltd.	An affiliate	Australian Co-operative Foods Limited	N	2000/11/2	\$ 238,432 (Note)	The Board of Directors of the Company took reference to the opinions on price reasonableness from professional appraisal firms and independent appraisers.	Operating needs	N

Note : The previous transferred amount of \$238,482 only included the payment for purchase of land.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

For the six months ended June 30, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Golden Thinking Ltd.	Land, buildings and equipment in Sydney, Australia	2023/5/25	2000/11/2	\$ 1,463,967	\$ 1,463,967	Outstanding receivables	\$ -	Synnex Ausralia Pty.Ltd	affiliated company	To cooperate with overall operating plan of the Group.	The Board of Directors of the Company took reference to the opinions on price reasonableness from professional appraisal firms and independent appraisers.	N

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

Six months ended June 30, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions		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.	Direct wholly-owned subsidiary	(Sales)	(\$ 2,471,210)	(9%)	60 days	Standard selling price and collection terms	Insignificant difference	\$	114,035	1%		
Synnex Technology International Corporation	Syntech Asia Ltd.	Direct wholly-owned subsidiary	Purchases		6,121,449	23%	60 days	Standard purchasing price and payment terms	Insignificant difference	(	90,054)	(2%)	
Synnex Technology International Corporation	Seper Technology Corporation	Direct wholly-owned subsidiary	Purchases		785,603	3%	30 days	Standard purchasing price and payment terms	Insignificant difference	(	26,570)	(1%)	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Direct wholly-owned subsidiary	Purchases		193,987	1%	30 days	Standard purchasing price and payment terms	Insignificant difference	(	33,726)	(1%)	
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd.	Direct wholly-owned subsidiary	(Sales)	(	101,535)	-	30 days	Standard selling price and collection terms	Insignificant difference		13,171	-	
Seper Technology Corporation	Synnex Technology International Corporation	Parent company	(Sales)	(	785,603)	(31%)	30 days	Standard selling price and collection terms	Insignificant difference		26,570	9%	
Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Parent company	(Sales)	(	193,987)	(47%)	30 days	Standard selling price and collection terms	Insignificant difference		33,726	40%	
Bestcom Infortech Corp.	Jetwell Computer Co., Ltd.	Other related party	(Sales)	(	115,687)	(2%)	60 days	Standard selling price and collection terms	Insignificant difference		23,864	1%	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Technology International Corporation	Parent company	Purchases		101,535	-	30 days	Standard purchasing price and payment terms	Insignificant difference	(	13,171)	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	An affiliate	(Sales)	(	2,292,742)	(10%)	30 days	Standard selling price and collection terms	Insignificant difference		90,787	2%	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	Purchases		256,437	1%	30 days	Standard purchasing price and payment terms	Insignificant difference		-	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	(Sales)	(	4,375,251)	(19%)	90 days after receipt of goods	Standard selling price and collection terms	Insignificant difference		1,090,452	18%	

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	Parent company	(Sales)	(	6,121,449)	(10%)	60 days	Standard selling price and collection terms	Insignificant difference	90,054	1%		
Syntech Asia Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	(	214,578)	-	60 days	Standard selling price and collection terms	Insignificant difference	79,777	1%		
Syntech Asia Ltd.	Synnex Technology International Corporation	Parent company	Purchases		2,471,210	5%	60 days	Standard purchasing price and payment terms	Insignificant difference	(	114,035)	(1%)	
Syntech Asia Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases		2,292,742	4%	30 days	Standard purchasing price and payment terms	Insignificant difference	(	90,787)	(1%)	
Syntech Asia Ltd.	Mitac Computing Technology Corporation	Other related party	(Sales)	(\$	1,580,736)	(3%)	120 days	Standard selling price and collection terms	Insignificant difference	\$	74,481	1%	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	(Sales)	(\$	256,437)	(1%)	30 days	Standard purchasing price and payment terms	Insignificant difference	\$	-	-	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases		4,375,251	13%	90 days after receipt of goods	Standard purchasing price and payment terms	Insignificant difference	(	1,090,452)	(32%)	
PT. Synnex Metrodata Indonesia	PT. Mitra Integrasi Informatika	Other related party	(Sales)	(	714,124)	(5%)	30 days	Standard selling price and collection terms	Insignificant difference		186,505	3%	
PT. Synnex Metrodata Indonesia	PT. Aneka Teknologi Utama	Other related party	(Sales)	(	206,466)	(1%)	30 days	Standard selling price and collection terms	Insignificant difference		167,301	3%	
Synnex(Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	(	151,206)	(93%)	90 days	Standard selling price and collection terms	Insignificant difference		-	-	
LianXiang Technology (Shenzhen) Ltd.	Synnex(Shanghai) Ltd.	An affiliate	Purchases		151,206	7%	90 days	Standard purchasing price and payment terms	Insignificant difference		-	-	
LianXiang Technology (Shenzhen) Ltd.	Syntech Asia Ltd.	An affiliate	Purchases		214,578	11%	60 days	Standard purchasing price and payment terms	Insignificant difference	(	79,777)	(18%)	

Table 6, Page 2

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
June 30, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Synnex Technology International Corporation	Syntech Asia Ltd.	Direct wholly-owned subsidiary	\$ 201,534	6.62	\$ -	-	\$ 114,035	\$ -
Synnex Technology International Corporation	Mitac Incorporated	Other related party	187,766	6.62	-	-	-	-
Synnex Global Ltd.	Synnex Australia Pty. Ltd	Indirect wholly-owned subsidiary	106,454	-	-	-	-	-
Golden Thinking Ltd.	Synnex Australia Pty. Ltd	An affiliate	1,375,991	-	-	-	151,737	-
Fortune Ideal Ltd.	Synnex Australia Pty. Ltd	An affiliate	180,926	-	-	-	19,815	-
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Direct wholly-owned subsidiary	292,589	-	-	-	-	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	1,393,029	5.55	-	-	861,012	-
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	1,691,873	-	-	-	-	-
PT. Synnex Metrodata Indonesia	PT. Mitra Integrasi Informatika	Other related party	186,505	6.18	-	-	22,801	-
PT. Synnex Metrodata Indonesia	PT. Aneka Teknologi Utama	Other related party	167,301	6.18	-	-	50,152	-

Note : Refer to table 1 for the details of the accounts receivable arising from loans to others.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Six months ended June 30, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Transaction		Percentage of consolidated total operating revenues or total assets (Note 2)
					Amount	Transaction terms	
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to directly wholly-owned subsidiary	Sales	\$ 2,471,210	The same with third parties	1%
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to directly wholly-owned subsidiary	Accounts receivable	114,035	The same with third parties	-
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to directly wholly-owned subsidiary	Other receivables	87,499	Note 4	-
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to directly wholly-owned subsidiary	Other revenue	115,345	Note 7	-
0	Synnex Technology International Corporation	Synnex Australia Pty. Ltd	Parent company to indirectly wholly-owned subsidiary	Other revenue	104,447	Note 7	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Sales	101,535	The same with third parties	-
1	Seper Technology Corporation	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	785,603	The same with third parties	-
2	Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	193,987	The same with third parties	-
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	106,454	Note 4	-
4	Syntech Asia Ltd.	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	6,121,449	The same with third parties	3%
4	Syntech Asia Ltd.	LianXiang Technology (Shenzhen) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	214,578	The same with third parties	-
5	Golden Thinking Ltd.	Synnex Australia Pty. Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Property, plant, and equipment	1,463,967	-	1%
5	Golden Thinking Ltd.	Synnex Australia Pty. Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	1,375,991	-	1%
6	Fortune Ideal Ltd.	Synnex Australia Pty. Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Property, plant, and equipment	171,847	-	-
6	Fortune Ideal Ltd.	Synnex Australia Pty. Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	180,926	-	-
7	Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to directly wholly-owned subsidiary	Other receivables	292,589	-	-
8	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	4,375,251	The same with third parties	2%

Number (Note 1)	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 2)
8	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	1,090,452	The same with third parties	1%
8	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	302,577	-	-
8	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Directly wholly-owned subsidiary to directly wholly-owned subsidiary	Sales	2,292,742	The same with third parties	1%
9	Synnex(Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	151,206	The same with third parties	-
10	Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to directly wholly-owned subsidiary	Sales	256,437	The same with third parties	-
10	Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to directly wholly-owned subsidiary	Other receivables	1,691,873	-	1%

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: 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 3: It is not disclosed for individual transaction below \$100 million.

Note 4: It was the Company’s technical service receivable from related parties.

Note 5: For information relating to receivables from related parties arising on financing, please refer to table 1 Loans to others.

Note 6: 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 7: Represents technical service revenue from the Company’s provision of technical service to related parties.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees
Six months ended June 30, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2023			Net profit (loss) of the investee for the six months ended June 30, 2023	Investment income(loss) recognised by the Company for the six months ended June 30, 2023	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	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	\$ 115,628,470	\$ 1,656,176	\$ 1,656,176	
Synnex Technology International Corporation	Bestcom Infotech Corp.	Taiwan	Sales of 3C products	1,677,762	1,677,762	103,203,296	100.00	2,057,655	71,241	71,241	
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Taiwan	Investment holding	1,145,384	1,145,384	22,500,000	100.00	294,816	11,948	11,948	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Taiwan	Warehouse and logistics services	50,000	50,000	5,000,000	100.00	132,628	26,864	26,864	
Synnex Technology International Corporation	Seper Technology Corporation	Taiwan	Sales of 3C products	1,426	1,426	100,000	100.00	35,612	32,180	32,180	
Synnex Technology International Corporation	Synergy Technology Services Corporation	Taiwan	Maintenance and technical services	100,000	1,000	10,000,000	100.00	100,007	21	21	
Synnex Technology International Corporation	Syntech Asia Ltd.	Hong Kong	Sales of semiconductor products	43,474	43,474	300,000	100.00	865,549	575,840	575,840	
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Hong Kong	Sales of 3C products	290,107	290,107	60,000,000	100.00	818,158	347,879	347,879	
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia	Indonesia	Sales of 3C products	3,038,867	3,038,867	150,000	50.00	2,698,284	429,643	214,822	
Synnex Technology International Corporation	Redington (India) Ltd.	India	Sales of 3C products	11,995,229	11,995,229	188,591,880	24.13	6,602,359	2,326,072	532,401	
E-Fan Investments CO., LTD.	Leveltech Ltd.	Hong Kong	Sales of semiconductor products	15,407	15,407	300,000	100.00	37,745	13,882	-	Note 1
Synergy Intelligent Logistics Corporation	Synergy Intellingent Logistics (HK) Corporation	Hong Kong	Warehouse and logistics services	7,338	7,338	1,500,000	100.00	7,676	208	-	Note 1
Synnex Global Ltd.	King's Eye Investments Ltd.	British Virgin Islands	Investment holding	1,948,658	1,948,658	62,477,000	100.00	10,487,722	520,467	-	Note 1

				Initial investment amount		Shares held as at June 30, 2023			Net profit (loss)	Investment		
				Balance	Balance				of the investee for the	income(loss)		
				as at June	as at December				six months ended	recognised by the		
Investor	Investee	Location	Main business activities	30, 2023	31, 2022	Number of shares	Ownership (%)	Book value	June	June	Company for the	Footnote
									30, 2023	30, 2023	six months ended	
Synnex Global Ltd.	Synnex China Holdings Ltd.	British Virgin Islands	Investment holding	\$ 3,125,238	\$ 3,125,238	100,200,000	100.00	\$ 10,818,703	\$ 1,015,109	\$ -		Note 1
Synnex Global Ltd.	Synnex Mauritius Ltd.	Mauritius	Investment holding	31	748,560	1,000	100.00	27,332	(44,759)	-		Note 1
Synnex Global Ltd.	Peer Developments Ltd.	British Virgin Islands	Investment holding	976,247	976,247	30,200,001	100.00	20,708,821	153,524	-		Note 1
Synnex Global Ltd.	Trade Vanguard Global Ltd.	British Virgin Islands	Investment holding	23,392,500	20,273,500	750,000,000	100.00	22,557,720	1,602	-		Note 1
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	British Virgin Islands	Investment holding	1,149,258	1,149,258	36,850,001	100.00	602,108	-	-		Note 1
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	925,875	925,875	233,250,000	100.00	6,240,401	313,093	-		Note 1
Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	5,161,945	5,298,401	-	-	5,161,945	-	-		Note 2
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	31,876	31,876	1,500,000	100.00	165,318	(1,967)	-		Note 1
Synnex Global Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	189,635	197,589	-	-	189,635	-	-		Note 2
King's Eye Investments Ltd.	Synnex (Thailand) Public Company Ltd.	Thailand	Sales of 3C products	268,189	268,189	338,939,513	40.00	1,328,904	190,605	-		Note 1
King's Eye Investments Ltd.	Synnex FPT Joint Stock Company	Vietnam	Sales of 3C products	919,794	919,794	55,854,748	47.27	1,498,726	263,096	-		Note 1
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Hong Kong	Real estate	57,695	57,695	14,500,000	100.00	224,218	8,351	-		Note 1
King's Eye Investments Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	111,410	111,410	28,000,000	100.00	170,892	15,176	-		Note 1
Synnex Global Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	1,048,907	1,076,635	-	-	1,048,907	-	-		Note 2
Synnex Global Ltd.	Synnex Investments (China) Ltd.	China	Investment holding	10,046,299	10,046,299	-	-	10,046,299	-	-		Note 2
Synnex Global Ltd.	Synnex Distributions (China) Ltd.	China	Sales of 3C products	4,787,665	4,787,665	-	-	4,787,665	-	-		Note 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2023			Net profit (loss) of the investee for the six months ended June 30, 2023	Investment income(loss) recognised by the Company for the six months ended June 30, 2023	Footnote
				Balance as at June 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Synnex Global Ltd.	Synnex (Shanghai) Ltd.	China	Sales of semiconductor products and Warehouse and logistics services	\$ 1,029,270	\$ 1,029,270	-	-	\$ 1,029,270	\$ -	\$ -	Note 2
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	27,898	2,750	-	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	25,085 (	13,594)	-	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) is not disclosed as the profit or loss of the investees of the Company's directly wholly-owned subsidiaries was recognised by each investor company.

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Six months ended June 30, 2023

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 10)	Investment method (Note 1)	Accumulated	Amount remitted from Taiwan		Accumulated	Net income of investee for the six months ended June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income	Book value of investments in Mainland China as of June 30, 2023	Accumulated	Footnote
				amount of remittance from Taiwan to Mainland China as of January 1, 2023	to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2023 (Note 10)		amount of remittance from Taiwan to Mainland China as of June 30, 2023			(loss) recognised by the Company for the six months ended June 30, 2023 (Note 3)		amount of investment income remitted back to Taiwan as of June 30, 2023	
					Remitted to Mainland China	Remitted back to Taiwan							
Laser International Trading (Shanghai) Company Ltd.	International trade	\$ 31,190	2	\$ 31,190	\$ -	\$ -	\$ 31,190	\$ 71,444	100.00	\$ 71,444	\$ 168,118		(Note 2)
Hi Food (Shanghai) Co., Ltd.	Manufacture and sales of food	623,800	2	56,142	-	-	56,142	-	10.00	-	56,142	-	(Note 4)
Synnex Investments (China) Ltd.	Investment holding	6,238,000	2	6,238,000	-	-	6,238,000	358,197	100.00	358,197	13,894,446	-	(Note 2)
Synnex Distributions (China) Ltd.	Sales of 3C products	10,292,700	2	10,292,700	-	-	10,292,700	568,702	100.00	568,702	15,685,588	-	(Note 6)
Synnex (Shanghai) Ltd.	Sales of semiconductor products and warehouse and logistics services	686,180	2	686,180	-	-	686,180	64,439	100.00	64,439	1,026,987	-	(Note 2)
Synnex (Beijing) Ltd.	Warehouse and logistics services	280,710	2	280,710	-	-	280,710	(12,924)	100.00	(12,924)	212,999	-	(Note 6)
Synnex (Nanjing) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	67	100.00	67	159,058	-	(Note 2)
Synnex (Chengdu) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	1,692	100.00	1,692	171,319	-	(Note 6)
Synnex (Shenyang) Ltd.	Warehouse and logistics services	93,570	2	93,570	-	-	93,570	(712)	100.00	(712)	104,873	-	(Note 2)
Synnex (Tianjin) Ltd.	Warehouse and logistics services	140,355	2	140,355	-	-	140,355	(2,871)	100.00	(2,871)	79,231	-	(Note 6)
Synnex (Hangzhou) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	1,643	100.00	1,643	153,717	-	(Note 2)
Synnex (Qingdao) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	98	100.00	98	132,709	-	(Note 6)
Synnex (Guangzhou) Ltd.	Warehouse and logistics services	374,280	2	374,280	-	-	374,280	304	100.00	304	337,476	-	(Note 2)
Synnex (Xi'an) Ltd.	Warehouse and logistics services	124,760	2	124,760	-	-	124,760	3,080	100.00	3,080	123,854	-	(Note 6)
Synnex (Suzhou) Ltd.	Warehouse and logistics services	187,140	2	187,140	-	-	187,140	1,460	100.00	1,460	163,212	-	(Note 2)
Synnex (Wuhan) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	1,406	100.00	1,406	141,255	-	(Note 6)
Synnex (Jinan) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	3,656	100.00	3,656	184,508	-	(Note 2)
Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	(525)	100.00	(525)	132,245	-	(Note 6)
Synnex (Changsha) Ltd.	Warehouse and logistics services	124,760	2	124,760	-	-	124,760	(2,031)	100.00	(2,031)	59,564	-	(Note 2)
Synnex (Hefei) Ltd.	Warehouse and logistics services	190,259	2	190,259	-	-	190,259	4,962	100.00	4,962	126,357	-	(Note 6)

Investee in Mainland China	Main business activities	Paid-in capital (Note 10)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2023 (Note 10)		Accumulated amount of remittance from Taiwan to Mainland China	Net income of investee for the six months ended June 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2023 (Note 3)	Book value of investments in Mainland China as of June 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2023	Footnote
				as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan	as of June 30, 2023						
Synnex (Nanchang) Ltd.	Warehouse and logistics services	124,760	2	124,760	-	-	124,760	(6,508)	100.00	(6,508)	(2,655)	-	(Note 2) (Note 6)
Synnex (Harbing) Ltd.	Warehouse and logistics services	155,950	2	155,950	-	-	155,950	990	100.00	990	7,317	-	(Note 2) (Note 6)
Synnex (Xiamen) Ltd.	Warehouse and logistics services	187,140	2	187,140	-	-	187,140	3,442	100.00	3,442	137,859	-	(Note 2) (Note 6)
Synnex Technology Development (Beijing) Ltd.	Sales of 3C products	218,708	2	-	-	-	-	28,959	100.00	28,959	306,041	-	(Note 2) (Note 7)
LianXiang Technology (Shenzhen) Ltd.	Sales of semiconductor products	146,593	2	6,238	140,355	-	146,593	4,057	100.00	4,057	315,130	-	(Note 2) (Note 8)
Jifu Intelligent Logistics Corporation	Warehouse and logistics services	214,420	2	214,420	-	-	214,420	8,530	100.00	8,530	25,816	-	(Note 6) (Note 11)
					\$ 20,600,204	\$ 140,355	\$ -	\$ 20,740,559					

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2023	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)	\$ 20,740,559	\$ 25,282,614	\$ 40,131,610

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Major shareholders information

June 30, 2023

Table 11

Name of major shareholders	Shares	
	Number of shares held	Shareholding ratio
Mitac Incorporated	260,521,054	15.61%
Independent accounts securities investment trust fund of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (umbrella fund) entrusted to Taishin International Bank	115,366,000	6.91%

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".