



# 2022 Annual Report

Synnex Technology  
International Corporation

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**Spokesperson**

Tu Shu-Chyuan  
Group Business Development and Strategy VP  
(02) 2506-3320  
evelynchen@synnex.com.tw

**Acting Spokesperson**

Chen Yi-Ju  
Assistant Treasury Manager  
(02) 2506-3320  
evelynchen@synnex.com.tw

**Headquarters**

4F, No.75, Sec. 3, Minsheng E. Rd., Taipei 104, Taiwan,  
R.O.C.  
(02) 2506-3320

**Kaohsiung Branch**

12F-2, No. 290, Ersheng 1st Rd., Kaohsiung City  
(07) 716-1001

**Linkou logistics center**

No. 15, Dinghu 9th St., Guishan Dist., Taoyuan City  
(02) 2508-5948

**Taichung logistics center (Taichung Branch)**

No. 35, Gongyequ 24th Rd., Nantun Dist., Taichung City  
(04) 2350-3456

**China logistics centers**

Shanghai, Beijing, Nanjing, Chengdu, Shenyang,  
Hangzhou, Tianjin, Xi'an, Qingdao, Guangzhou, Suzhou,  
Wuhan, Zhengzhou, Hefei, Xiamen, Nanchang, Changsha,  
Jinan, Harbin

**Australia logistics centers**

Melbourne, Sydney

**Indonesia logistics center**

Jakarta

**Common Stock Transfer Agency**

CTBC Bank Co., Ltd. Transfer Agency Department  
5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City  
(02) 6636-5566  
www.chinatrust.com.tw

**Auditing CPA of the most recent year**

PwC Taiwan  
Jenny Yeh, Yi-Chang Liang  
27F., No. 333, Sec. 1, Keelung Rd., Taipei City  
(02) 2729-6666  
www.pwc.tw

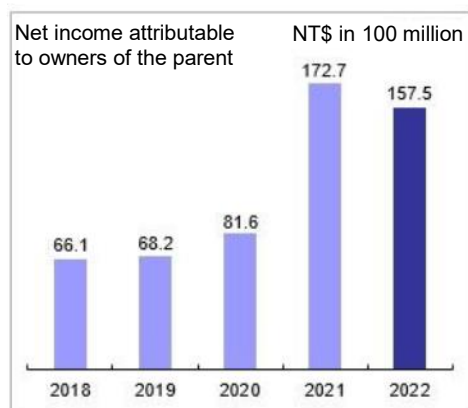
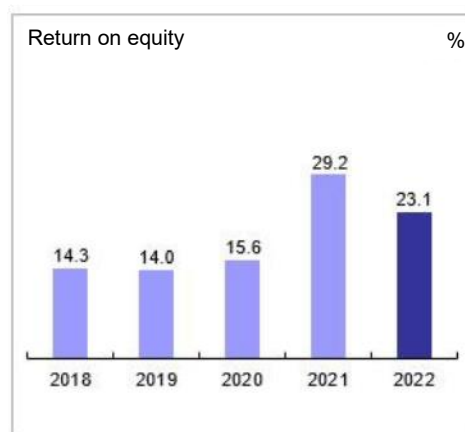
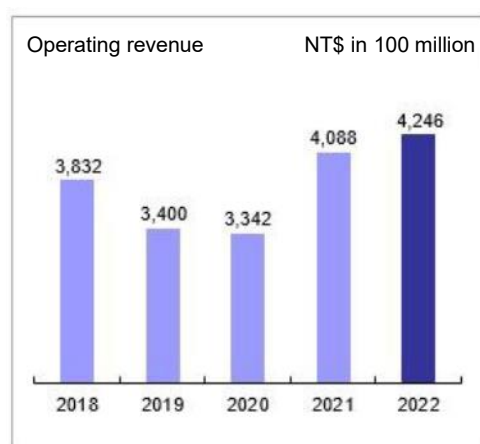
**Global Depositary Receipts (GDR) Stock Exchange**

Luxembourg Stock Exchange  
For GDR trading information, please contact the  
London Stock Exchange. The website is  
www.londonstockexchange.com and the stock code  
is SYXZF.

# 2022 Consolidated Financial Performance

Unit: NTD

Item/Year	2021	2022	Net change (%)
Operating revenue (in 100 million)	4,088	4,246	3.8
Pre-tax profit (in 100 million)	232.3	202.7	(12.7)
Net income attributable to owners of the parent (in 100 million)	172.7	157.5	(8.8)
EPS (after retrospective adjustment) (NT\$)	10.35	9.44	(8.8)
Gross profit margin (%)	4.3	4.2	(0.1)
Operating expense ratio (%)	2.0	2.1	0.1
Operating profit margin (%)	2.3	2.2	(0.1)
Return on equity (ROE) (%)	29.2	23.1	(6.1)
Average collection days	67	71	5.9
Inventory turnover (days)	37	48	29.7
Average payment turnover days	39	37	(5.1)



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# Letter to Shareholders

## Dear Shareholders,

A series of extreme events occurred over the past three years. The spread of COVID-19 across the world caused billions of people to suddenly put their lives on hold. Extreme weather led to frequent wildfires and showed the urgency of sustainability. Geopolitical storms continue to frequently occur, and a war rages on in the real world. Energy and food prices rapidly increased and supply chains were in total chaos. Inflation, interest rates raised violently, and high volatility in financial markets. This series of extreme events occurring within the span of three years is once in a lifetime event! Despite the turmoil in the international situation and industry environment, SYNNEX's revenue grew 4% to NT\$426.6 billion in 2022, reaching a record high in the fifth consecutive year. For this we would like to thank our shareholders for their support!

SYNNEX gained a steady foothold despite the head winds and achieved stable growth, thanks to the preparations that started five years ago. We implemented the "Agility and Leap Forward Project" to drive transformation and development of business models and mechanisms, and formally implemented the Management Service Platform (MSP) strategic transformation in 2021.

MSP is SYNNEX's next big thing. Over the past two years since it was implemented, we have become paperless, wireless, mobile, cloud-based, use apps for communication, achieved agile office management, significantly reduced the resources put into inefficient operations, and significantly improved the performance of functions. We significantly increased the percentage of employees' knowledge-based work through the application of digital system tools. Externally, we comprehensively carried out digital integration with our supply chain partners and developed a customized VIP app, provided a variety of business analysis data, and developed innovative business models and customer service models. Besides improving customer satisfaction and trust, we further reduced resource consumption and carbon emissions from supply chain operations, achieving co-existence, mutual prosperity, and mutual benefit of the industry ecosystem!

Digitalization has swept the world, and even though it is still in the initial stage, we believe that digital technology will change the face of the world over the next decade. Digital transformation implies changes in work patterns, changes in management methods, and also changes in business models – countless business opportunities have appeared and many business have disappeared. As the wheels of digitalization rapidly roll towards the future, how will companies stand out? Or will the bubble pop? All it takes is the blink of an eye. In the trend of digitalization, SYNNEX set the theme for 2023 as "Rolling, Transforming, Leaping," and required all members of SYNNEX to make active preparations, implement with discipline, think outside the box, and establish new concepts and new habits to maintain business mechanisms and organizational vitality, showing the value of supply chain services.

Below are the key operational highlights of 2022:

### 1. Revenue and profit

Synnex's 2022 consolidated revenue was NT\$424.6 billion, representing 4% growth from the NT\$408.8 billion in 2021. The net profit after tax was NT\$15.75 billion, which is a decrease of 9% from the NT\$17.27 billion in 2021. The EPS after tax was NT\$9.44, which is a decrease of 9% from NT\$10.35 in 2021.

### 2. Concrete business results

- (1) After major business units generated record high revenues in 2021, and despite the global economic recession in 2022, the Semiconductor Business Unit, Taiwan IT Business Unit, Indonesia Business Unit, and Synnex FPT (Vietnam) all reached new record highs with double digit growth. Synnex (Thailand) also grew by 5% and the group's overall revenue continued to reach a record high for the fifth consecutive year.
- (2) We expanded services of the Logistic Service Provider (LSP) business, and subsidiary Synergy Intelligent Logistics Corp. provides services to nearly 1.3 million households, gaining recognition in the market for its excellent services.
- (3) We actively promoted the MSP and saw preliminary results. We established digital platforms for different business models, and provided over 200 vendors and customers with customized business analysis information through the SYNNEX VIP app, receiving good reviews from customers for value-added services.
- (4) As customer services become digital and mobile, we provide product information, purchase order progress information, incentives information, and account information through the dealer app, which is routinely used by 2,000 customers.
- (5) We established the environmental sustainability policy of "Sustainable SYNNEX, Cherish the Earth," setting clear implementation guidelines, actively promoting various low-carbon operating measures, and achieving internal paperless operation. In addition, through digital information linkage mechanisms, daily business operations such as contract signing, phone number application, reconciliation, invoice issuance, and delivery confirmation are comprehensively digitized and paperless, fulfilling corporate social responsibility in mitigating climate change.



The important business strategy for 2023 are respectively described as follows:

1. We will dedicate our full effort to developing the MSP, develop digital platforms for different business models, including the semiconductor business, commercial business, retail business, and cloud services business, expanding the participation of vendors, customers, third party partner, and cross-field partners to win the trust of customers through our services.
2. We will expand the use of AI tools to assist in making business decisions, adjust resource allocation, optimize the business structure, and improve overall business performance.
3. As we enter the post-pandemic era, we will expand the introduction of software and hardware products in certain application fields, including those for video conferencing, smart mobile offices, remote learning, and smart homes.
4. Our logistics service unit will expand and promote warehouse service deployed in cloud platform, home electronics installation and maintenance service, and technical services business, and continue to popularize the smartification of services and operations.

#### **Future development strategies**

In response to changes in the industry environment, SYNnex began undergoing strategic transformation in 2021, and the strategy was positioned as a Management Service Platform (MSP). We began making changes to our business concepts, operating mechanisms, to operational habits. Over the past two years, we have not only seen preliminary results in our business performance figures, but also triggered further evolution of our business. The Company will continue to implement the MSP strategy in the future, and use new strategic thinking and perspective to create greater value and a greater space for development through service.

#### **Environmental, Social, and Governance (ESG)**

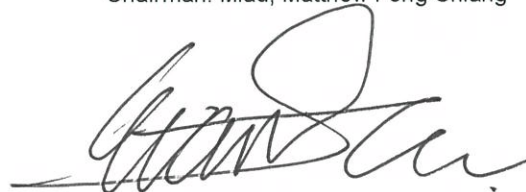
Synnex has established a Corporate Sustainability Committee that actively promotes actions that facilitate the related matters of Environmental, Social, and Governance (ESG) and fully discloses relevant information to fulfill its corporate social and civic responsibilities and play a more positive role in the sustainable development of both the global environment and society. The Company joined Taiwan Climate Partnership in 2022, and also obtained ISO 14001 Environmental Management Systems and ISO 14064 GHG Inventory certifications, showing that we attach importance to mitigating the impact of climate change. The Company took action to support global sustainable development by jointly issuing sustainability-linked loans with banks.

The international situation is unpredictable and challenges will only become more severe in the future. After 35 years of operations, SYNnex will continue to uphold "stable, continuous, and growth," and constantly enhance our capabilities, stay up-to-date, and steadily move forward. We hope that our shareholders will continue to push us and support us!

Warm regards,



Chairman: Miao, Matthew Feng Chiang



President: Tu Shu-Wu

# Company Overview

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# Company Overview

## I. Company profile

Date of establishment: September 12, 1988

Year	Milestones
1988	■ Synnex established
1989	■ Established LEMEL brand
1990	■ Development of IT and telecom channel business; first to initiate 3-in-1 operation model of sales, distribution, and maintenance
1991	■ The computer material management system won the "The 1st outstanding information application awards" that conferred by the Institute for Information Industry (III)
1993	■ Linkou logistics center officially opened
1994	■ Provided resellers with industry-leading "four half-day" (two days) rapid maintenance services
1995	■ Shares officially listed on Taiwan Stock Exchange and became the first listed distributor in Taiwan
1997	■ Acquired and merged Laser Computer Ltd. to expand its reach to Hong Kong and China
1998	<ul style="list-style-type: none"> <li>■ Established Australian subsidiary to expand reach to Australian market</li> <li>■ Chairman Miao, Matthew Feng Chiang and President Tu Shu-Wu have been voted for inclusion on the list of the "10 most important people in the development history of information industry in Taiwan"</li> </ul>
1999	■ Acquired Thailand's Compex and began operating in the Thailand market
2000	<ul style="list-style-type: none"> <li>■ The 3rd warehouse in Linkou logistics center completed and started operation; it is an automated warehouse</li> <li>■ Considering Synnex's valuable management experience, Shang-Xun Culture Co., Ltd. decided to publish Unstoppable Stagecoach</li> </ul>
2001	<ul style="list-style-type: none"> <li>■ Taichung logistics center completed and began operations</li> <li>■ Australia logistics center officially began operations</li> </ul>
2002	■ Thailand logistics center completed and began operations
2003	<ul style="list-style-type: none"> <li>■ Ranked by Interbrand as "Best Taiwan Global Brand"</li> <li>■ Selected by CommonWealth Magazine and Accenture for the "Outstanding Service Award"</li> </ul>
2004	■ Acquired shares in India's Redington Group to expand its reach to India, the Middle-East, and Africa
2005	<ul style="list-style-type: none"> <li>■ Shanghai logistics center began operations</li> <li>■ Established New Zealand subsidiary</li> </ul>
2006	<ul style="list-style-type: none"> <li>■ Established consumer electronics business department, which is another core business after components, IT, and Telecom.</li> <li>■ Published the book "3% Transcendence", which is an in-depth analysis of Synnex business studies</li> </ul>
2007	■ Awarded "Best Taiwan Global Brand" for the 5th years
2008	■ President Tu Shu-Wu was awarded by National Chiao Tung University as Top 50 Most Influential Alumni
2009	■ President Tu Shu-Wu collected Synnex's internal training courses into a volume, which is published as the book The Secret of My Career
2010	<ul style="list-style-type: none"> <li>■ India's Redington Group acquired stakes in Turkey's second largest information distributor Arena, officially entering the Turkish and eastern European markets</li> <li>■ Set up a joint venture with Indonesia's largest computer group ME to establish PT Synnex Metrodata Indonesia, which officially established Synnex's presence in the Indonesian market</li> </ul>
2012	<ul style="list-style-type: none"> <li>■ Awarded "Best Taiwan Global Brand" for the 10th consecutive year</li> <li>■ President Tu Shu-Wu published the book The Secret of My Career 2</li> </ul>
2014	■ Sydney (Australia) logistics center officially began operations
2016	<ul style="list-style-type: none"> <li>■ Completed the acquisition of Bestcom Infotech Corporation, a move which expanded Synnex's commercial business and technical service business layout</li> <li>■ Synlogics Service Corp. was established to expand the logistics services business</li> <li>■ President Tu Shu-Wu ranked 10th among the "Taiwan Top 50 Best-Performing CEOs" by the Harvard Business Review</li> <li>■ President Tu Shu-Wu published the book The Secret of My Career - On Certain Ideas</li> </ul>
2017	<ul style="list-style-type: none"> <li>■ Established Synnex FPT and officially entered the Vietnam market through a strategic partnership with the biggest ICT integrator FPT Corporation</li> <li>■ Invested in the construction of Indonesia logistics center</li> <li>■ Awarded "Best Taiwan Global Brand" for the 15th consecutive year</li> </ul>

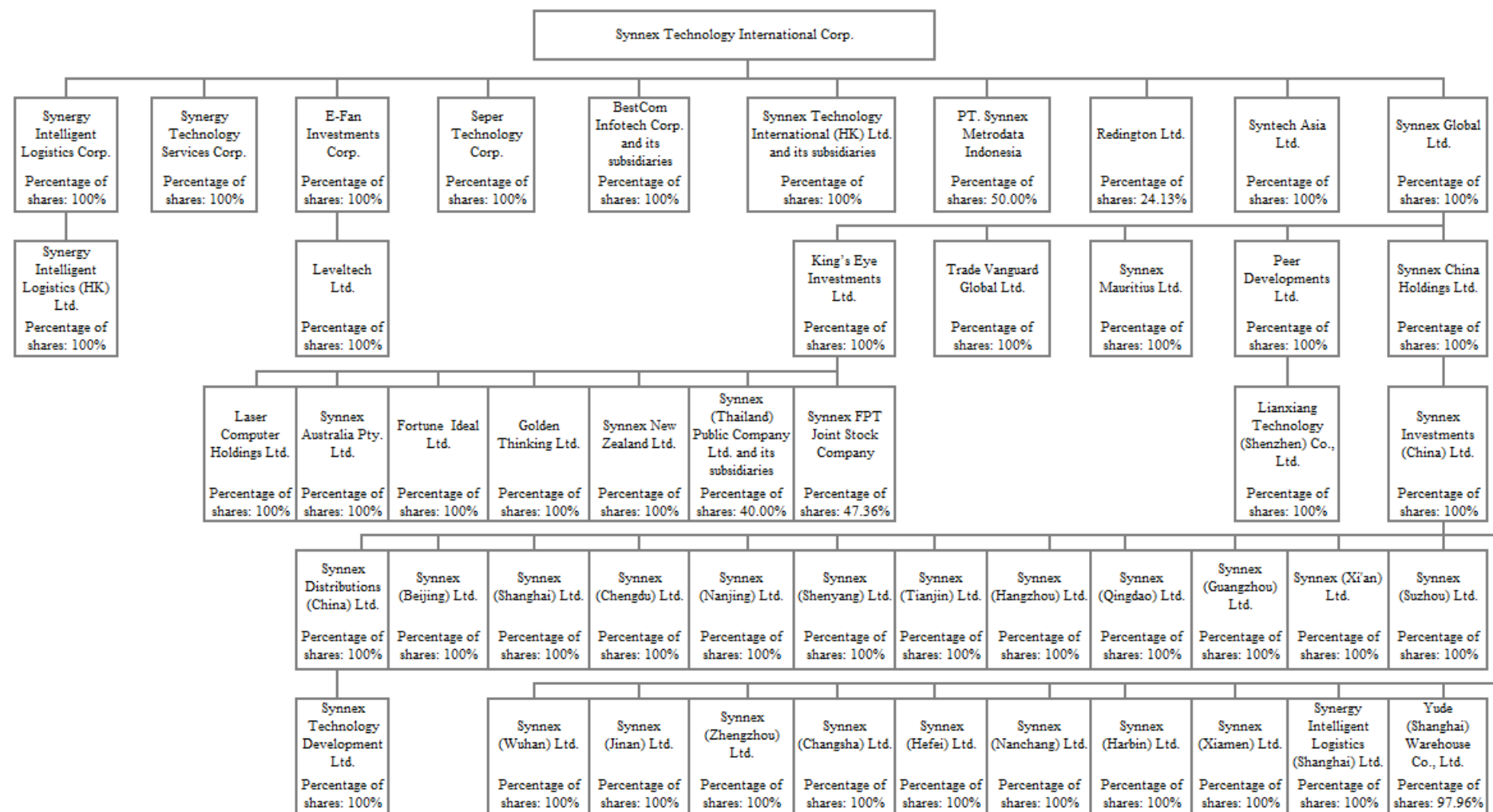


Year	Milestones
2018	<ul style="list-style-type: none"> <li>■ President Tu Shu-Wu was chosen as a "Taiwan Top 10 Best-Performing CEOs" by the Harvard Business Review for the 2nd consecutive year</li> </ul>
2019	<ul style="list-style-type: none"> <li>■ Synnex Metrodata Indonesia Jakarta logistics center officially began operations</li> </ul>
2020	<ul style="list-style-type: none"> <li>■ President Tu Shu-Wu was chosen as a "Taiwan Top 10 Best-Performing CEOs" by the Harvard Business Review for the 3rd consecutive year</li> <li>■ President Tu Shu-Wu was named an ITRI Laureate</li> <li>■ President Tu Shu-Wu received the "Technology Management Award" from Chinese Society for Management of Technology</li> </ul>
2021	<ul style="list-style-type: none"> <li>■ National Chiao Tung University Confers Honorary Doctorate to President Tu Shu-Wu</li> <li>■ Synergy Intelligent Logistics Corp., a subsidiary of Synnex, was selected as a TOP10 Enterprise in the Top 5000 Largest Corporations in Taiwan by CRIF China Credit Information Service</li> </ul>
2022	<ul style="list-style-type: none"> <li>■ Awarded "Best Taiwan Global Brand" for the 20th consecutive year</li> <li>■ President Tu Shu-Wu was chosen as a "Taiwan Top 10 Best-Performing CEOs" by the Harvard Business Review for the 4th consecutive year</li> <li>■ President Tu Shu-Wu receives Lifetime Achievement Award at Global Views Leaders Forum</li> <li>■ President Tu Shu-Wu receives Pan Wen Yuan Prize from the Pan Wen Yuan Foundation</li> <li>■ President Tu Shu-Wu published the book The Secret of My Career – Training of Deep Thought</li> </ul>

## II. Corporate Governance Report

### (I) Organization

#### • Group structure 2022.12.31



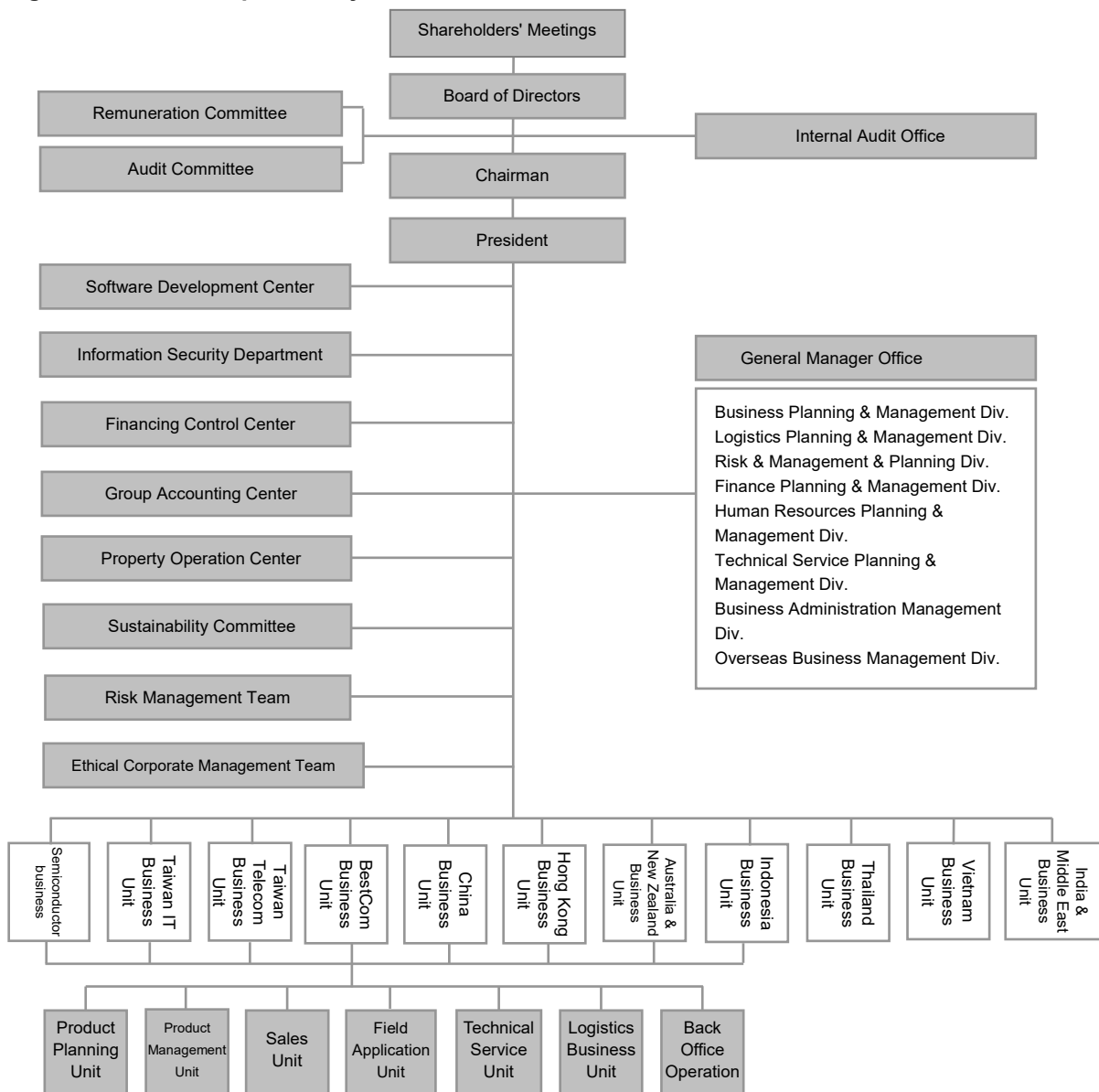
## Basic information of group companies

2022.12.31 Unit: thousand

Company name	Date of establishment	Location		Paid-in capital	Main businesses or production items
Synergy Intelligent Logistics Corp.	2016.10.17	Taipei City	NTD	50,000	Warehousing and logistics services
Synergy Intelligent Logistics (HK) Ltd.	2017.07.05	Hong Kong	HKD	1,500	Warehousing and logistics services
Synergy Technology Services Corp.	2020.04.24	Taipei City	NTD	1,000	Repair and technical services
E-Fan Investments Corp.	2001.06.28	Taipei City	NTD	225,000	Investment holding
Leveltech Ltd.	2020.11.19	Hong Kong	USD	300	Sale of semiconductor products
Seper Technology Corp.	1990.02.23	Taipei City	NTD	1,000	Sale of 3C products
BestCom Infotech Corp. and its subsidiaries	1987.01.13	Taipei City	NTD	1,032,033	Sale of 3C products
Synnex Technology International (HK) Ltd. and its subsidiaries	1982.07.27	Hong Kong	HKD	60,000	Sale of 3C products
PT. Synnex Metrodata Indonesia	2000.05.23	Indonesia	IDR	300,000,000	Sale of 3C products
Redington Ltd. (Note)	1961	India	INR	778,175	Sale of 3C products
Syntech Asia Ltd.	2011.03.11	Hong Kong	USD	300	Sale of semiconductor products
Synnex Global Ltd.	1996.12.27	British Virgin Islands	USD	548,250	Investment holding
King's Eye Investments Ltd.	1997.01.23	British Virgin Islands	USD	62,477	Investment holding
Laser Computer Holding Ltd.	2001.09.06	British Virgin Islands	USD	36,850	Investment holding
Synnex Australia Pty. Ltd.	1991.06.06	Australia	AUS	233,250	Sale of 3C products
Fortune Ideal Ltd.	2000.09.04	Hong Kong	HKD	14,500	Real estate related businesses
Golden Thinking Ltd.	2010.02.19	Hong Kong	HKD	28,000	Real estate related businesses
Synnex New Zealand Ltd.	2005.07.18	New Zealand	NZD	8,075	Sale of 3C products
Synnex (Thailand) Public Company Ltd. And Subsidiary (Note)	1988	Thailand	THB	847,361	Sale of 3C products
Synnex FPT Joint Stock Company (Note)	2009	Vietnam	VND	1,188,400,000	Sale of 3C products
Trade Vanguard Global Ltd.	2014.04.15	British Virgin Islands	USD	520,000	Investment holding
Synnex Mauritius Ltd.	2004.12.02	Mauritius	USD	24,000	Investment holding
Peer Developments Ltd.	1996.12.27	British Virgin Islands	USD	30,200	Investment holding
Lianxiang Technology (Shenzhen) Co., Ltd.	2011.05.26	Shenzhen, China	USD	4,900	Sale of semiconductor products
Synnex China Holdings Ltd.	2002.07.19	British Virgin Islands	USD	100,200	Investment holding
Synnex Investments (China) Ltd.	2007.11.05	Shanghai, China	USD	200,000	Investment holding
Synnex Distributions (China) Ltd.	2005.11.25	Shanghai, China	USD	463,000	Sale of 3C products
Synnex Technology Development Ltd.	2007.12.06	Beijing, China	RMB	50,000	Sale of 3C products
Synnex (Beijing) Ltd.	2002.10.11	Beijing, China	USD	9,000	Warehousing and logistics services
Synnex (Shanghai) Ltd.	2002.10.15	Shanghai, China	USD	22,000	Sale of semiconductor products and warehousing and logistics services
Synnex (Chengdu) Ltd.	2006.11.06	Chengdu, China	USD	5,000	Warehousing and logistics services
Synnex (Nanjing) Ltd.	2006.12.20	Nanjing, China	USD	5,000	Warehousing and logistics services
Synnex (Shenyang) Ltd.	2008.08.19	Shenyang, China	USD	3,000	Warehousing and logistics services
Synnex (Tianjin) Ltd.	2009.04.21	Tianjin, China	USD	4,500	Warehousing and logistics services
Synnex (Hangzhou) Ltd.	2009.11.25	Hangzhou, China	USD	5,000	Warehousing and logistics services
Synnex (Qingdao) Ltd.	2010.03.04	Qingdao, China	USD	5,000	Warehousing and logistics services
Synnex (Guangzhou) Ltd.	2010.03.18	Guangzhou, China	USD	12,000	Warehousing and logistics services
Synnex (Xi'an) Ltd.	2010.03.24	Xi'an, China	USD	4,000	Warehousing and logistics services
Synnex (Suzhou) Ltd.	2010.06.17	Suzhou, China	USD	6,000	Warehousing and logistics services
Synnex (Wuhan) Ltd.	2010.12.08	Wuhan, China	USD	5,000	Warehousing and logistics services
Synnex (Jinan) Ltd.	2010.12.06	Jinan, China	USD	5,000	Warehousing and logistics services
Synnex (Zhengzhou) Ltd.	2011.01.07	Zhengzhou, China	USD	5,000	Warehousing and logistics services
Synnex (Changsha) Ltd.	2011.03.23	Changsha, China	USD	4,000	Warehousing and logistics services
Synnex (Hefei) Ltd.	2011.07.15	Hefei, China	USD	6,100	Warehousing and logistics services
Synnex (Nanchang) Ltd.	2011.08.24	Nanchang, China	USD	4,000	Warehousing and logistics services
Synnex (Harbin) Ltd.	2012.03.26	Harbin, China	USD	5,000	Warehousing and logistics services
Synnex (Xiamen) Ltd.	2012.05.07	Xiamen China	USD	6,000	Warehousing and logistics services
Synergy Intelligent Logistics (Shanghai) Ltd.	2018.06.08	Shanghai, China	RMB	50,000	Warehousing and logistics services
Yude (Shanghai) Warehouse Co., Ltd.	2012.06.18	Shanghai, China	RMB	2,400	Warehousing and logistics services

Note: Adopt equity-accounted investments.

## • Organization and responsibility



### Description of responsibilities

#### Board of Directors

**Internal Audit Office:** Evaluate and improve the effectiveness of risk management, control, governance, and achieve the performance and quality of the designated mission.

**Audit Committee:** Responsible for overseeing the effective implementation of the company's financial statements, compliance with related laws and regulations, internal control, and risk control.

**Remuneration Committee:** Responsible for the overall remuneration system and total bonuses review.

**Software Development Center:** Responsible for planning, integration, and maintenance of overall ERP system.

**Information Security Department:** Responsible for establishing, developing, and overseeing information security risks to ensure the stability and security of company operations.

**Financing Control Center:** Responsible for managing the Group's finances.

**Group Accounting Center:** Responsible for the financial, tax, and accounting affairs of the Group.

**Property Operation Center:** Responsible for planning and setup of the Group's logistics centers as well as property management.

**Sustainability Committee:** Responsible for the coordination and promotion of various sustainability matters.

**Risk Management Team:** Establishes the risk management system, management organization, and management categories and mechanisms of each risk management unit, and also carries out risk management.

**Ethical Corporate Management Team:** Responsible for the group's corporate governance, including ethical corporate management, anti-corruption, anti-bribery, and compliance.

#### General Manager Office

**Business Planning & Management Div.:** Responsible for overall business operation planning, management analysis, and process planning.

**Logistics Planning & Management Div.:** Responsible for overall logistics operation planning, management analysis, and process planning.

**Risk & Management & Planning Div.:** Responsible for the overall accounting and legal system development, planning, and management.

**Finance Planning & Management Div.:** Responsible for overall financial analysis, planning, and management.

**Human Resources Planning & Management Div.:** Responsible for development, planning, and training of overall human resources.

**Technical Service Planning & Management Div.:** Responsible for planning of overall technical service and operation.

**Business Administration Management Div.:** Responsible for the overall product purchase, sales, and inventory operating procedure planning and strategy formulation.

**Overseas Business Management Div.:** Responsible for planning, support, and management of overseas affairs.

**Product Planning Unit:** Responsible for formulation and implementation of products' operational strategies.

**Product Management Unit:** Responsible for planning and implementation of products' purchase, sales, and inventory strategies.

**Sales Unit:** Responsible for product sales.

**Field Application Unit:** Responsible for pre-sale services for product R&D and technology application support.

**Technical Service Unit:** Responsible for technical support service before and after the sale.

**Logistics Business Unit:** Responsible for operational implementation of warehousing, distribution, and post-sales maintenance services.

#### Back Office Operation

**Account management:** Responsible for accounts receivable management and credit collection processing.

## (II) Information on Directors, General Managers, Vice-General Managers, Assistant Vice-Presidents, and Department and Branch Directors

### • Information on Directors

2023.04.01

Title Name	Gender Age	Nationality or place of registration	Date elected	Term (Year)	First elected date	Shares held during election		Current shareholding		Current shares held by spouse and underage children		Shareholding by nominee arrangement		Remarks
						Shares	%	Shares	%	Shares	%	Shares	%	
Chairman/Miau, Matthew Feng Chiang	Male 70-79 years	USA	2021.7.20	3	1988.9.1	2,848,000 (Note)	0.17	3,283,000 (Note)	0.20	-	-	-	-	Representative of Mei-Feng Investment Corporation
Director/Tu Shu-Wu	Male 70-79 years	ROC	2021.7.20	3	1988.9.1	36,156,381	2.17	36,156,381	2.17	1,587,245	0.10	-	-	
Director/Yang Hsiang-Yun	Female 60-69 years	ROC	2021.7.20	3	2015.6.12	255,321,054 (Note)	15.31	260,521,054 (Note)	15.62	-	-	-	-	Representative of MiTAC Inc.
Director/Chou The-Chien	Male 60-69 years	ROC	2021.7.20	3	2015.6.12	255,321,054 (Note)	15.31	260,521,054 (Note)	15.62	-	-	-	-	Representative of MiTAC Inc.
Director/Tu Shu-Chyuan	Male 60-69 years	ROC	2022.5.30	3	2022.5.30	17,190,053 (Note)	1.03	17,690,053 (Note)	1.06	-	-	-	-	Representative of Hong Ding Investment Co., Ltd.
Director/Miau Scott Matthew	Male 50-59 years	ROC	2022.5.30	3	2022.5.30	59,526,125 (Note)	3.57	59,526,125 (Note)	3.57	-	-	-	-	Representative of Lien Hwa Industrial Holdings Corp.
Independent Director/Yeh Kuang-Shih	Male 60-69 years	ROC	2021.7.20	3	2021.7.20	-	-	-	-	7,000	0.00	-	-	
Independent Director/Hsuan Chien-Shen	Male 70-79 years	ROC	2021.7.20	3	2021.7.20	-	-	-	-	677	0.00	-	-	
Independent Director/Shen Ling-Long	Male 70-79 years	ROC	2021.7.20	3	2021.7.20	-	-	-	-	-	-	-	-	

Note: It is the shareholding of a corporate shareholder.

Title Name	Main experience (education)	Other current positions within the company	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads		
			Title	Name	Relationship
Chairman Miau, Matthew Feng Chiang	General Manger, UPC Technology Corp. General Manger, Lien Hwa Industrial Co., Ltd. Chairman, Synnex Corp. US Independent Director, Galileo Independent Director, BOC Independent Director, The Linde Group Delegate, APEC Business Advisory Council (ABAC) Convener, NICI civil advisory committee	Honorary Doctorate, National Chiao Tung University MBA, Santa Clara University (USA) B.S., Electrical Engineering, the University of California at Berkeley (USA) ITRI Laureate	Chairman, Lien Hwa Industrial Holdings Corp. Chairman, UPC Technology Corp. Chairman, MiTAC Holdings Corp. Chairman, MiTAC Inc. Director, Getac Holdings Corporation Independent Director, Cathay Financial Holdings Director, TD SYNnex Corporation Director, CTCI Foundation President, Chinese National Federation of Industries.	Director Miau Scott Matthew	Father and son
Director Tu Shu-Wu	General Manager, Micro Electronics Corp. Vice- General Manager, MiTAC Inc. Adjunct Professor, National Chiao Tung University	B.S., Department of Electrical and Control Engineering, National Chiao Tung University ITRI Laureate Honorary Doctoral Degree, National Chiao Tung University	General Manager, Synnex Technology International Corp. Chairman, Seper Technology Corp. Director, Bestcom Infotech Corp. Chairman, E-Fan Investments Corp. Director, Synergy Intelligent Logistics Corp. Supervisor, MiTAC Information Technology Corp. Supervisor, MiTAC Inc. Director, Tunghai University Director, Synnex (Thailand) Public Company Ltd.	Director Tu Shu-Chyuan	Brother
Director Yang Hsiang-Yun	Financial Special Assistant to Chairman, MiTAC International Corp. Chief Financial Officer, MiTAC International Corp. Corporate Governance Supervisor, MiTAC Holdings Corp. Vice-General Manager, Investment Department, MiTAC Inc.	MBA, National Taiwan University	Chairman, Health Food Co., Ltd. Chairman, Lian-Yuan Investment Co., Ltd. Director, Ares International Corp. Director, Y.S. Education Foundation	None	None
Director Chou The-Chien	Investment Special Assistant to Chairman, MiTAC International Corp.	PhD of engineering, Rutgers, The State University of New Jersey	Director, National Aerospace Fasteners Corporation Director, MiTAC Information Technology Corp. Director, Concentrix Corporation Director, Getac Holdings Corporation Director, Waffer Technology Corp. Supervisor, MiTAC Inc.	None	None



Title Name	Main experience (education)	Other current positions within the company	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads		
			Title	Name	Relationship
Director Tu Shu-Chyuan	President, Planning Department of Synnex Technology International Corp.	Master of Computer Engineering from California State University B.S., Department of Computer Engineering, National Chiao Tung University	Vice General Manager, Synnex Technology International Corp. Chairman, Bestcom Infotech Corp. Chairman, Bizwave Tech Co., Ltd. Director, Inforcom Technology Inc. Director, Asgard System, Inc. Director, Jetwell Computer Co., Ltd. Independent Director, Nuvoton Technology Corp. Director, Digitimes Inc. Director, Seper Technology Corp. Director, Synnex (Thailand) Public Company Ltd. Director, Redington Ltd.	Director Tu Shu-Wu	Brother
Director Miao Scott Matthew	Vice General Manager, MiTAC Inc. Special Assistant to Chairman, MiTAC-SYNnex Group	Ph.D., Department of Management Information Systems, College of Commerce, National Chengchi University	Vice President, IoT Business Group, MiTAC Information Technology Corp. Chairman, MiTAC Hikari Corporation Chairman, Sino Information technology Corporation Vice Chairman, Linde Lienhwa Industrial Gases Co., Ltd. Issuer, GLOBALinks MiTAC-SYNnex Group	Chairman Miao, Matthew Feng Chiang	Father and son
Independent Director Yeh Kuang-Shih	Vice Chairman, Shihlien Fine Chemical Co., Ltd. Graduate Institute of Technology, Innovation & Intellectual Property Management, National Chengchi University/Professor Department of Business Management, National Sun Yat-sen University/Chair Department of Business Management, National Sun Yat-sen University/Professor Kaohsiung City Government/Deputy Mayor Ministry of Transportation and Communications/Minister Ministry of Transportation and Communications/Political Deputy Minister Research and Development Committee, Executive Yuan, Deputy Chairman Independent Director, Bank of Taiwan (Representative of Taiwan Financial Holding Company) Inaugural Chairman, Taoyuan International Airport Corporation Independent Director, Tsann Kuen Enterprise Co., Ltd.	Ph.D., Carnegie Mellon University Master, U. of Delaware Bachelor of Law, National Taiwan University	Vice Chairman, Shihlien Fine Chemical Co., Ltd. Independent Director, Clientron Corp. Director, Xue Xue Institute Co., Ltd. Independent Director, Shanghai Orient Champion Healthcare Products Co., Ltd.	None	None
Independent Director Hsuan Chien-Shen	Project Manager, General Electric Vice President, Pepsi Taiwan Vice President, Sesoda Corporation Vice President, Pen Holdings Taiwan President of Overseas Operations, Admiral Oversea Corporation President, TPV Technology Group	Ph.D. in Systems Engineering, New York Institute of Technology, USA Master's degree in System Engineering, Boston University, USA Bachelor's degree in Electrical Engineering, National Cheng Kung University	Chairman and CEO, TPV Technology Co., Ltd. Director, Standard Foods Co., Ltd. Chairman, Shanghai Standard Foods Co., Ltd. Chairman, Standard Investment (China) Co., Ltd. Chairman, Standard Foods (China) Co., Ltd. Chairman, Standard Foods (Xiamen) Co., Ltd. Chairman, Shanghai Le Bonta Wellness Co., Ltd.	None	None
Independent Director Shen Ling-Long	Director of the Department of Insurance, Ministry of Finance Chairman of Mega Asset Management Corp. Chairman of Chung Kuo Insurance Co., Ltd. Chairman of the Taiwan Asset Management Corporation Chairman of Taiwan Cooperative Financial Holding Co., Ltd. and Taiwan Cooperative Bank	Ph.D. in Economics, University of Paris, France	None	None	None

• **Major shareholders of the institutional directors**

2023.04.01

Name of institutional director	Major shareholders of the institutional directors (Note 1)
Mei-Feng Investment Corporation	Miau, Matthew Feng Chiang 99.58%
MiTAC Inc. (Note 2)	Lien Hwa Industrial Holdings Corp. 35.29% Synnex Technology International Corp. 18.39% Mei-An Investment Corp. 10.56% MiTAC International Corp. 8.71% Tsu Fung Investment Co., Ltd. 5.37% Hsu Ai-Chen 1.98% Hua Cheng Investment Corp. 1.92% Miau, Matthew Feng Chiang 1.08% Yi Feng Investment Corp. 0.75% Hong Ding Investment Co., Ltd. 0.74%
Hong Ding Investment Co., Ltd.	Tu Shu-Wu 8.55% Tu Hai-Zhen 7.69% Tu Ying-Rong 41.88% Tu Ying-Hsuan 41.88%
Lien Hwa Industrial Holdings Corp.	UPC Technology Corp. 9.68% Yih Yuan Investment Corp. 9.14% Yi Feng Investment Corp. 4.86% Miau, Matthew Feng Chiang 3.19% Miau Feng-Chuan 3.02% Y.S. Education Foundation 3.00% Lien Hwa Industrial Holdings Corp. Employee Welfare Committee 2.82% MiTAC International Corp. 2.79% Miao Feng-Cheng 2.57% Chou Tsu-An 2.51%

Note 1: If the major shareholder is a legal person, then fill in the top ten shareholders, as detailed in the table below.

Note 2: Information on the ex-dividend date of the 2022 shareholders' meeting.

• **Major shareholders who are institutional directors and their major shareholders**

2023.04.01

Name of major shareholders of the institutional directors	Their major shareholders
Lien Hwa Industrial Holdings Corp.	UPC Technology Corp. 9.68% Yih Yuan Investment Corp. 9.14% Yi Feng Investment Corp. 4.86% Miau, Matthew Feng Chiang 3.19% Miau Feng-Chuan 3.02% Y.S. Education Foundation 3.00% Lien Hwa Industrial Holdings Corp. Employee Welfare Committee 2.82% MiTAC International Corp. 2.79% Miao Feng-Cheng 2.57% Chou Tsu-An 2.51%
Synnex Technology International Corp.	MiTAC Inc. 15.62% Cathay Sustainability High Dividend ETF Securities Investment Trust Fund Account of the Cathay High Dividend Taiwan Equity Fund with Taishin International Bank Co., Ltd. acting as custodian 7.00% Yuanta Taiwan Dividend Plus ETF account 4.69% Lien Hwa Industrial Holdings Corp. 3.57% Morgan Stanley Capital International managed account with HSBC (Taiwan) acting as custodian bank 3.24% Tu Shu-Wu 2.17% Rong Syuan Investments Co., Ltd. 2.16% Miau, Matthew Feng Chiang 1.71% Mei-An Investment Corp. 1.27% Farglory Life Insurance Inc. 1.24%
Mei-An Investment Corp.	Vision Quest Overseas Ltd. 82.25% JumpStart Investments Ltd. 16.67% Other 1.08%
MiTAC International Corp.	MiTAC Holdings Corp. 100%
Tsu Fung Investment Co., Ltd.	MiTAC International Corp. 100%
Hua Cheng Investment Corp.	Lien Hwa Industrial Holdings Corp. 100%
Yi Feng Investment Corp.	Rich Cycle Ltd. (British Virgin Islands) 100%
Hong Ding Investment Co., Ltd.	Tu Shu-Wu 8.55% Tu Hai-Zhen 7.69% Tu Ying-Rong 41.88% Tu Ying-Hsuan 41.88%
UPC Technology Corp.	Lien Hwa Industrial Holdings Corp. 31.32% Synnex Technology International Corp. 5.09% Yih Yuan Investment Corp. 1.59% Liberty Stationery Corp. 1.52% Mei-An Investment Corp. 1.46% Tsu Fung Investment Co., Ltd. 1.29% MiTAC International Corp. 1.19% Pornchai Engineering and Trading Co., Ltd. 1.10% Tong Da Investment Corporation 1.07% Citibank Taiwan custody for Investment account of Norges Bank 0.99%
Yih Yuan Investment Corp.	Overcome Holdings Limited (British Virgin Islands) 100%
Y.S. Education Foundation	MiTAC International Corp. 10% Getac Holdings Corporation 10% Synnex Technology International Corp. 20% Lien Hwa Industrial Holdings Corp. 20% UPC Technology Corp. 20% Mix System Holdings Ltd. 20%
Lien Hwa Industrial Holdings Corp. Employee Welfare Committee	N/A

● **Disclosure of the Professional Qualifications and Independence of Directors and Independent Director**

Qualifications Name	Professional qualifications and experience	Independence (Note 1)	Number of other public companies concurrently in which the Director also serves as an independent Director
Miau, Matthew Feng Chiang	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company. Well-versed in IT channel layout, global production, corporate operations, joint ventures and strategic alliances, venture capital and other management capabilities.	Compliance of independence: (6)(8)(9)(10)(11) Non-compliance of independence: (1) Manager of the Company. (2) Chairman of the Company. (3) A natural-person shareholder who holds an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) A manager referred to in paragraph 1 above; no spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons listed in Paragraph 2 above. (5) A chairman or employee who directly holds 5% or more of the Company's shares, is one of the top five shareholders (MiTAC Inc., Lien Hwa Industrial Holdings Corp.) and is also, in accordance with Article 27, Paragraph 1 or 2 of the Company Act, an institutional shareholder (MiTAC Inc., Lien Hwa Industrial Holdings Corp.) who designates a representative to serve as a director or supervisor of the Company. (7) A chairman, general manager or equivalent position of the Company and that of another company (UPC Technology Corp., Lien Hwa Industrial Holdings Corp., MiTAC Holdings Corp., MiTAC Inc., Getac Holdings Corporation) are the same person or spouse thereof, or a director or employee of another company. (12) A governmental, juridical person, or its representative as defined under Article 27 of the Company Act.	1
Tu Shu-Wu	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company. Well-versed in IT channel layout, global production, corporate operations, joint ventures and strategic alliances, venture capital and other management capabilities.	Compliance of independence: (6)(8)(9)(10)(11)(12) Non-compliance of independence: (1) Manager of the Company. (2) A director of the Company or affiliates (Seper Technology Corp., Bestcom Infotech Corporation, E-Fan Investments Corp., Synlogics Service Corp.). (3) A natural-person shareholder who holds an aggregate amount of 1% or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders. (4) A manager referred to in paragraph 1 above; a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons listed in Paragraphs 2 or 3 above. (5) A supervisor who directly holds 5% or more of the Company's shares, is one of the top five shareholders or, in accordance with Article 27, Paragraph 1 or 2 of the Company Act, an institutional shareholder (MiTAC Inc.) who designates a representative to serve as a director or supervisor of the Company. (7) A chairman, general manager or equivalent position of the Company and that of another company (Seper Marketing Corp., E-Fan Investments Corp.) are the same person or spouse thereof, or a director or employee of another company (BestCom Infotech Corp., Synergy Intelligent Logistics Corp.).	0
Yang Hsiang-Yun	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company.	Compliance of independence: (1)(2)(3)(4)(6)(7)(8)(9)(10)(11) Non-compliance of independence: (5) A supervisor who directly holds 5% or more of the company's shares, is one of the top five shareholders or, in accordance with Article 27, Paragraph 1 or 2 of the Company Act, an institutional shareholder (MiTAC Inc.) who designates a representative to serve as a director or supervisor of the Company. (12) A governmental, juridical person, or its representative as defined under Article 27 of the Company Act.	0
Chou The-Chien	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company.	Compliance of independence: (1)~(11) Non-compliance of independence: (12) A governmental, juridical person, or its representative as defined under Article 27 of the Company Act.	0
Tu Shu-Chyuan	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company. Well-versed in IT channel layout, global production, corporate operations, joint ventures and strategic alliances, venture capital and other management capabilities.	Compliance of independence: (3)(4)(5)(6)(8)(9)(11) Non-compliance of independence: (1) Manager of the Company. (2) A director of the Company or affiliates (Bestcom Infotech Corp.). (4) A manager referred to in paragraph 1 above (7) The chairman, president or equivalent position of a company other than the Company and other company are the same person or spouse thereof, or a director or employee of the other company (BestCom Infotech Corp.). (10) Brothers with Director Tu Shu-Wu. (12) A governmental, juridical person, or its representative as defined under Article 27 of the Company Act.	1
Miau Scott Matthew	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company.	Compliance of independence: (1)(2)(3)(5)(6)(8)(9)(11) Non-compliance of independence: (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons listed in Paragraph 3 above. (10) Father and son with Chairman Miau, Matthew Feng Chiang. (12) A governmental, juridical person, or its representative as defined under Article 27 of the Company Act.	0

Qualifications	Professional qualifications and experience	Independence (Note 1)	Number of other public companies concurrently in which the Director also serves as an independent Director
Name			
Yeh Kuang-Shih	Possesses professional qualifications as a lecturer or higher position in a Department of Commerce, Law, Finance, Accounting, or other academic department related to the business needs of the company in a public or private junior college, college or university. Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company.	Compliance of independence: (1)~(12) In accordance with the requirements of the Listing Rules, the company has obtained written statements from each of the independent directors to confirm the independence from the company of each independent director and the relatives within the second degree of kinship (or in the name of others) thereof. The spouse of the independent director holds 7,000 shares (less than 1%) of the company's issued shares. The company believes that it will not affect the independence of its independent director.	1
Hsuan Chien-Shen	Possesses professional qualifications as a lecturer or higher position in a Department of Commerce, Law, Finance, Accounting, or other academic department related to the business needs of the company in a public or private junior college, college or university. Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company.	Compliance of independence: (1)~(12) In accordance with the requirements of the Listing Rules, the company has obtained written statements from each of the independent directors to confirm the independence from the company of each independent director and the spouse and relatives within the second degree of kinship (or in the name of others) thereof. The spouse of the independent director holds 677 shares (less than 1%) of the company's issued shares. The company believes that it will not affect the independence of its independent director/remuneration committee member.	0
Shen Ling-Long	Has more than 5 years of work experience and work experience in the areas of commerce, law, finance, or accounting, and areas otherwise necessary for the business of the Company.	Compliance of independence: (1)~(12) In accordance with the requirements of the Listing Rules, the company has obtained written statements from each of the independent directors to confirm the independence from the company of each independent director and the spouse and relatives within the second degree of kinship (or in the name of others) thereof.	0

Note 1: Compliance of independence is as follows:

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates (except where the person is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Act or local regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship or closer to anyone listed in (2) or (3).
- (5) Not a director, supervisor, or employee of an institutional shareholder who holds directly 5% or more of the company's shares, is one of the top five shareholders, or is a representative appointed as director or supervisor of the company pursuant to Paragraph 1 or 2, Article 27 of the Company Act (except where the person is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Act or local regulations).
- (6) Not a director, supervisor, or employee of another company that has the same directors as the company or is controlled by the same person that has more than half of the voting power in the company (except where the person is concurrently an independent director of the company or its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Act or local regulations).
- (7) Not a director, supervisor, or employee of another company or institution that has the same chairman, president, or person with the equivalent rank as the company, or a spouse in one of these roles (except where the person is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Act or local regulations).
- (8) Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the company (except where that specific company or institution holds 20% or more but no more than 50% of the company's shares and is concurrently an independent director of the company and its parent company, a subsidiary, or another subsidiary of the same parent company appointed pursuant to the Act or local regulations).
- (9) Not a professional who provides audit or received no more than NT\$500,000 in cumulative compensation in the last two years for commercial, legal, financial, or accounting services to the company or its affiliates, nor an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or organization that provides such services to the company or its affiliates; or the spouse of any of the above. However, exception applies to members of a remuneration committee, a take-over bid review committee, or a special committee for merger and acquisition exercising their authority pursuant to provisions of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company.
- (11) Not been a person of any conditions defined in Article 30 of the Company Act.
- (12) Not a governmental, juridical person, or its representative as defined under Article 27 of the Company Act.

## ● Diversity and of the Board

### Diversity Policy for Members of the Board:

The diversity policy for members of the Board of Directors is established in Article 20 of the company's Corporate Governance Best Practice Principles:

The company's Board of Directors shall direct company strategies, supervise the management, and be responsible to the company and the shareholders' meeting. The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the Board of Directors complies with laws, regulations, the Articles of Incorporation, and the resolutions adopted by shareholders' meetings.

The organization of the company's Board of Directors shall be commensurate with the company's size and shareholding structure and be based on business needs. The appropriate number of directors has been determined to be seven or more.

The composition of the Board of Directors shall be determined by taking diversity into consideration, except for the number of directors who are also managers of the company shall not exceed one-third of the Board of Directors, and formulating an appropriate policy on diversity based on business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and expertise: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The members of the Board of Directors shall be balanced between the genders and they shall possess the knowledge, skills, and experience necessary for performing their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

1. Operational judgment.
2. Ability to perform accounting and financial analysis
3. Management ability.
4. Crisis management.
5. Industrial knowledge.
6. An international market perspective
7. Leadership ability
8. Decision-making ability

A diverse Board of Directors with various opinions and insights will improve the quality of decisions and benefit the company's shareholders and other stakeholders.

The Board of Directors and management attach importance to inclusiveness and diversity to support the company's values.

### Diversity management goals and achievement status:

1. The company focuses on operational judgment, operational management, and crisis management capabilities. More than half of the directors should have the relevant core capabilities: Operational judgment: 9/9(100%), Management ability: 8/9(88.89%) and crisis management 9/9(100%).
2. More than half of the independent directors cannot be re-elected more than 3 terms in order to maintain independence: Proportion of independent directors: 3/9(33.33%); three members whose term of office is less than one term, none of which has served more than three terms.
3. More than half of the directors are not concurrently employees or managers for the purpose of supervision: Proportion of directors of the company with employee status: 3/9(33.33%).
4. Members of the board of directors have rich experience and expertise in the fields of finance, business, and management. Implementation is as follows:

Title	Core Item Name	Gender	Age	Nationality	Professional background	Concurrently an employee	Length of the terms of service of independent directors			Operational judgment	Ability to perform accounting and financial analysis	Management ability	Crisis management	Industrial knowledge				An international market perspective	Leadership ability	Decision-making ability	Number of other public companies concurrently in which the Director also serves as an independent Director
							Fewer than three years	Three to nine years	More than nine years					Technology	Finance	Telecommunications	Venture capital				
Chairman	Miao, Matthew Feng Chiang	Male	70-79	USA	Industry	V				V		V	V	V		V	V	V	V	V	1
Director	Tu Shu-Wu	Male	70-79	ROC	Industry	V				V		V	V	V		V	V	V	V	V	0
Director	Yang Hsiang-Yun	Female	60-69	ROC	Industry					V	V	V	V	V			V	V			0
Director	Chou The-Chien	Male	60-69	ROC	Industry					V		V	V	V		V	V	V			0
Director	Tu Shu-Chyuan	Male	60-69	ROC	Industry	V				V		V	V	V		V	V	V	V	V	1
Director	Miao Scott Matthew	Male	50-59	ROC	Industry					V		V	V	V		V	V	V	V	V	0
Independent Director	Yeh Kuang-Shih	Male	60-69	ROC	Industry		V			V	V		V			V		V	V	V	1
Independent Director	Hsuan Chien-Shen	Male	70-79	ROC	Industry		V			V	V	V	V	V				V	V	V	0
Independent Director	Shen Ling-Long	Male	70-79	ROC	Finance and accounting		V			V	V	V	V		V		V	V	V	V	0



• **Information on the General Managers, Vice-General Managers, Assistant General Managers, and Department and Branch Directors**

2023.04.01  
Unit: Shares/%

Title Name	Gender	Nationality	Date of appointment (Note 1)	Shareholding (Note 2)		Shares held by spouse and underage children (Note 2)		Main experience (education)	Current positions in other companies	Managerial officer who is a spouse or a relative within second degree		
				Shares	%	Shares	%			Title	Name	Relationship
President Tu Shu-Wu	Male	ROC	1988.9.12	36,156,381	2.17	1,587,245	0.10	Honorary Doctoral Degree, National Chiao Tung University ITRI Laureate B.S., Department of Electrical and Control Engineering, National Chiao Tung University General Manager, Micro Electronics Corp. Vice- General Manager, MiTAC Inc. Adjunct Professor, National Chiao Tung University	Chairman, Seper Technology Corp. Director, Bestcom Infotech Corp. Chairman, E-Fan Investments Corp. Director, Synergy Intelligent Logistics Corp. Supervisor, MiTAC Information Technology Corp. Supervisor, MiTAC Inc. Director, Tunghai University Director, Synnex (Thailand) Public Company Ltd.	Vice-President	Tu Shu-Chyuan	Brother
Vice-President Tu Shu-Chyuan	Male	ROC	2022.3.10	-	-	-	-	Master of Computer Engineering from California State University B.S., Department of Computer Engineering, National Chiao Tung University President, Planning Department of Synnex Technology International Corp.	Chairman, Bestcom Infotech Corp. Chairman, Bizwave Tech Co., Ltd. Director, Inforcom Technology Inc. Director, Asgard System, Inc. Director, Jetwell Computer Co., Ltd. Independent Director, Nuvoton Technology Corp. Director, Digitimes Inc. Director, Seper Technology Corp. Director, Synnex (Thailand) Public Company Ltd. Director, Redington Ltd.	President	Tu Shu-Wu	Brother
Vice-President Li Chien-Tsung	Male	ROC	2011.12.26	259,474	0.02	-	-	Bachelor of Electrical Engineering, National United University	-	None	None	None
Vice-President Hsueh Lien-Jen	Male	ROC	2011.12.26	383,787	0.02	-	-	Manager, Micro Electronics Corp. National Taiwan University of Science and Technology, Industrial Management Department Bachelor's degree	-	None	None	None
Vice-President Su Chih-Ching	Male	ROC	2019.5.10	3,150	0.00	-	-	Bachelor of Law, National Chengchi University	Director, Seper Technology Corp. Director, E-Fan Investments Corp. Director, Synergy Intelligent Logistics Corp. Supervisor, BestCom Infotech Corp. Director, Synnex (Thailand) Public Company Ltd.	None	None	None

Title Name	Gender	Nationality	Date of appointment (Note 1)	Shareholding (Note 2)		Shares held by spouse and underage children (Note 2)		Main experience (education)	Current positions in other companies	Managerial officer who is a spouse or a relative within second degree		
				Shares	%	Shares	%			Title	Name	Relationship
Overseas Operation CEO Miao, Matthew Feng Chiang	Male	USA	2005.4.1	28,452,004	1.71	-	-	Honorary Doctorate, National Chiao Tung University MBA, Santa Clara University (USA) B.S., Electrical Engineering, the University of California at Berkeley (USA) ITRI Laureate General Manager, UPC Technology Corp. General Manager, Lien Hwa Industrial Co., Ltd. Chairman, Synnex Corp. US Independent Director, Galileo Independent Director, BOC Independent Director, The Linde Group Delegate, APEC Business Advisory Council (ABAC) Convener, NICI civil advisory committee	Chairman, Lien Hwa Industrial Holdings Corp. Chairman, UPC Technology Corp. Chairman, MiTAC Holdings Corp. Chairman, MiTAC Inc. Director, Getac Holdings Corporation Independent Director, Cathay Financial Holdings Director, TD SYNEX Corporation Director, CTCI Foundation President, Chinese National Federation of Industries.	None	None	None
Senior Director of Finance Lin Tai-Yang	Male	ROC	2020.7.1	-	-	-	-	B.S., Department of Accounting and Statistics, National Chengchi University Manager of PwC Taiwan	Director, E-Fan Investments Corp. Supervisor, Seper Technology Corp. Supervisor, Synergy Intelligent Logistics Corp. Director, Synnex (Thailand) Public Company Ltd.	None	None	None

Note 1: Start date indicates the date on board; no indication will be made if the title changed during the period.

Note 2: All shares are registered under stockholder's own name.

## ● Remuneration of directors and managers and employees' bonuses

### Remuneration policy

The remuneration of directors of the company shall be deemed to be the remuneration of the directors of the current year in accordance with Article 38 of the company policy and may not exceed 1% of the current year's profit. The company has established the Remuneration Committee to determine and review the performance evaluation and remuneration policy, system, standard, and structure for directors and the management. Performance appraisal and remuneration of directors and managers shall be based on the levels of industry peers, as well as their individual achievements, the company's overall performance, and the level of risks involved.

### Remuneration of directors

2022  
Unit: %/in NT\$1,000

Title		Name	Director's remuneration (Note 1)				Total remuneration (A+B+C+D) and its ratio to net income in individual financial reports	Pay received as an employee (Note 1)				Total remuneration (A+B+C+D+E+F+G) and its ratio to net income in individual financial reports	Remuneration from investments other than subsidiaries or the parent company (Note 1)
			Remuneration (A)	Severance payment and pension (C)	Director's remuneration (B)	Fees for conducting business		Salary, bonuses and allowances (E)	Severance payment and pension (F) (Note 6)	Remuneration for employees (G) (Note 5)			
										Cash dividends	Share dividends		
Director	Chairman	Miau, Matthew Feng Chiang	-	-	4,268	501	4,769 0.03%	95,190	3,515	-	-	103,474 0.66%	None
	Director	Tu Shu-Wu											
	Director	Chou The-Chien (Note 2)											
	Director	Yang Hsiang-Yun (Note 2)											
	Director	Tu Shu-Chyuan (Note 3)											
	Director	Miau Scott Matthew (Note 4)											
Independent Director	Independent Director	Hsuan Chien-Shen	-	-	3,900	1,460	5,360 0.03%	-	-	-	-	5,360 0.03%	None
	Independent Director	Yeh Kuang-Shih											
	Independent Director	Shen Ling-Long											

Note 1: The company's remuneration paid to directors and relevant remuneration received by directors who are also employees is consistent with the companies in the financial report.

Note 2: Is the representative of MiTAC Inc.

Note 3: Representative of Hong Ding Investments Corp., newly appointed on 2022/5/30.

Note 4: Representative of Lien Hwa Industrial Holdings Corp., newly appointed on 2022/5/30.

Note 5: On March 8, 2023, the Board of Directors approved the director remuneration of NT\$8,168 thousand and employee remuneration of NT\$2,000 thousand for 2022. The amount to be distributed this year is estimated based on the actual distributed amount last year.

Note 6: Proposed appropriation, not actually paid.

Remuneration scale applicable to the company's directors	Name of Director			
	Total amount for the 4 preceding remunerations (A+B+C+D)		Total amount for the 7 preceding remunerations (A+B+C+D+E+F+G)	
	The company	All companies included in the financial report	The company	All companies included in the financial report
Below NT\$1,000,000	Tu Shu-Chyuan (Note 2), Miau Scott Matthew (Note 3)	Tu Shu-Chyuan (Note 2), Miau Scott Matthew (Note 3)	Miau Scott Matthew (Note 3)	Miau Scott Matthew (Note 3)
NT\$1,000,000 (inclusive) to NT\$2,000,000	Miau, Matthew Feng Chiang, Tu Shu-Wu, Hsuan Chien-Shen, Yeh Kuang-Shih, Shen Ling-Long, Chou The-Chien (Note 1), Yang Hsiang-Yun (Note 1)	Miau, Matthew Feng Chiang, Tu Shu-Wu, Hsuan Chien-Shen, Yeh Kuang-Shih, Shen Ling-Long, Chou The-Chien (Note 1), Yang Hsiang-Yun (Note 1)	Hsuan Chien-Shen, Yeh Kuang-Shih, Shen Ling-Long, Chou The-Chien (Note 1), Yang Hsiang-Yun (Note 1)	Hsuan Chien-Shen, Yeh Kuang-Shih, Shen Ling-Long, Chou The-Chien (Note 1), Yang Hsiang-Yun (Note 1)
NT\$2,000,000 (inclusive) to NT\$3,500,000	-	-	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000	-	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000	-	-	Tu Shu-Chyuan (Note 2)	Tu Shu-Chyuan (Note 2)
NT\$10,000,000 (inclusive) to NT\$15,000,000	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000	-	-	Miau, Matthew Feng Chiang, Tu Shu-Wu	Miau, Matthew Feng Chiang, Tu Shu-Wu
NT\$50,000,000 (inclusive) to NT\$100,000,000	-	-	-	-
Greater than NT\$100,000,000	-	-	-	-
Total	9	9	9	9

Note 1: Representative of MiTAC Inc.

Note 2: Representative of Hong Ding Investments Corp., newly appointed on 2022/5/30.

Note 3: Representative of Lien Hwa Industrial Holdings Corp., newly appointed on 2022/5/30.

## Remunerations to president and vice-president

2022  
Unit: %/in NT\$1,000

Title	Name	Salary (A) (Note 2)	Severance payment and pension (B) (Note 2, 4)	Bonuses and allowances (C) (Note 2)	Employee remuneration (D) (Note 2, 3)		Total remuneration (A+B+C+D) and its ratio to net income in individual financial reports	Remuneration from investments other than subsidiaries or the parent company (Note 2)
					Cash dividends	Share dividends		
President	Tu Shu-Wu (Note 1)	127,720	4,716	-	-	-	132,436 0.84%	-
Vice-President	Tu Shu-Chyuan							
Vice-President	Li Chien-Tsung							
Vice-President	Hsuse Lien-Jen							
Vice-President	Su Chih-Ching							
Overseas Operation CEO	Miau, Matthew Feng Chiang (Note 1)							
Senior Director of Finance	Lin Tai-Yang							

Note 1: The cost of transportation vehicles is NT\$9,160 thousand with a book value of NT\$563 thousand.

Note 2: The company's remuneration paid to general managers and vice-presidents and relevant remuneration received by general manager and vice-presidents is consistent with the companies in the financial report.

Note 3: On March 8, 2023, the Board of Directors approved the employee remuneration of NT\$2,000 thousand for 2022. The proposed amount to be distributed this year is estimated based on the actual distributed amount last year.

Note 4: Proposed appropriation, not actually paid.

Range of remuneration paid to the Presidents and Vice-Presidents	Name of Presidents and Vice-Presidents	
	The company	All companies included in the financial report
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000	Tu Shu-Chyuan, Li Chien-Tsung, Lin Tai-Yang, Su Chih-Ching	Tu Shu-Chyuan, Li Chien-Tsung, Lin Tai-Yang, Su Chih-Ching
NT\$10,000,000 (inclusive) to NT\$15,000,000	Hsuse Lien-Jen	Hsuse Lien-Jen
NT\$15,000,000 (inclusive) to NT\$30,000,000	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000	Miau, Matthew Feng Chiang, Tu Shu-Wu	Miau, Matthew Feng Chiang, Tu Shu-Wu
NT\$50,000,000 (inclusive) to NT\$100,000,000	-	-
Greater than NT\$100,000,000	-	-
Total	7	7

## Manager's name and the distribution of employee bonus

2022  
Unit: %/in NT\$1,000

	Title	Name	Share dividends	Cash dividends (Note 1)	Total	Ratio of total to net income (%)
Manager	President	Tu Shu-Wu	-	-	-	-
	Vice-President	Tu Shu-Chyuan				
	Vice-President	Li Chien-Tsung				
	Vice-President	Hsuse Lien-Jen				
	Vice-President	Su Chih-Ching				
	Overseas Operation CEO	Miau, Matthew Feng Chiang				
	Senior Director of Finance	Lin Tai-Yang				

Note 1: On March 8, 2023, the Board of Directors approved the employee remuneration of NT\$2,000 thousand for 2022. The proposed amount to be distributed this year is estimated based on the actual distributed amount last year.

## Ratio of total remuneration to net income of the company's directors, general managers, and vice-presidents in recent two years

Unit: NT\$1,000

Item/Year	Total remuneration amount				Ratio to net income in individual financial reports			
	2021		2022		2021		2022	
	The company	All companies included in the financial report	The company	All companies included in the financial report	The company	All companies included in the financial report	The company	All companies included in the financial report
Director's remuneration	9,416	9,416	10,129	10,129	0.05%	0.05%	0.06%	0.06%
Remunerations to general managers and vice-presidents	125,502	125,502	132,436	132,436	0.73%	0.73%	0.84%	0.84%

### (III) Implementation of corporate governance

#### • Board of Directors operating status

In the most recent year (2022), the Board of Directors met 4 times (A). The attendance of Directors was as follows:

Title	Name	Attendance (voting and non-voting) in person (B)	Attendance by proxy	Actual attendance (voting and non-voting) rate (%) [B/A]	Remarks
Chairman	Representative of Mei-Feng Investment Corporation.: Miao, Matthew Feng Chiang	4	0	100.00%	
Director	Tu Shu-Wu	4	0	100.00%	
Director	Representative of MiTAC Inc.: Yang Hsiang-Yun	4	0	100.00%	
Director	Representative of MiTAC Inc.: Chou The-Chien	4	0	100.00%	
Director	Representative of Hong Ding Investments Corp.: Tu Shu-Chyuan	2	0	100.00%	Newly appointed on 2022/5/30 Required attendance: 2 times
Director	Representative of Lien Hwa Industrial Holdings Corp.: Miao Scott Matthew	2	0	100.00%	Newly appointed on 2022/5/30 Required attendance: 2 times
Independent Director	Yeh Kuang-Shih	4	0	100.00%	
Independent Director	Hsuan Chien-Shen	3	1	75.00%	
Independent Director	Shen Ling-Long	4	0	100.00%	

Attendance of the independent directors for the 4 meetings in 2022:

Name	1st	2nd	3rd	4th
Yeh Kuang-Shih	Attendance in person	Attendance in person	Attendance in person	Attendance in person
Hsuan Chien-Shen	Attendance in person	Attendance in person	Attendance in person	Attendance by proxy
Shen Ling-Long	Attendance in person	Attendance in person	Attendance in person	Attendance in person

Other matters that require reporting:

I. Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, independent director's opinions and the company's response to such opinions should be recorded:

(I) Items specified in Article 14-3 of the Securities and Exchange Act

Board of Directors Date/Term	Details of the meeting and subsequent developments	
2022.03.08 First meeting in 2022	<ol style="list-style-type: none"> <li>2022 business plan</li> <li>Declaration on Internal Control</li> <li>Partial revision of the Company's Articles of Incorporation</li> <li>Partial revision of the "Procedures for Acquisition or Disposal of Assets"</li> <li>Partial revision of the "Procedures for Derivatives Transactions"</li> <li>Partial revision of the "Corporate Governance Code of Conduct"</li> <li>Partial revision of the "Corporate Social Responsibility Code of Practice"</li> <li>The Company's payment of the 2021 remuneration to the employees and Directors.</li> <li>The Company's 2021 financial statements</li> <li>Determination of the 2021 earnings distribution. Shareholder's dividend: NT\$5 cash dividend per share</li> <li>Authorization of the Chairman to determine the Company's 2021 cash dividend distribution base date</li> <li>Proposal to hold by-election of directors</li> <li>List of candidates for directors and independent directors passed by the Board of Directors</li> <li>Discussion on releasing directors of the Company from non-competition restrictions</li> <li>Convention of the 2022 annual shareholders' meeting</li> <li>Proposal to evaluate the independence and competence of CPAs</li> </ol>	Independent directors' opinion: None Actions taken by the company in response to independent directors' opinion: None Resolution: Approved by all the present directors
2022.05.04 Second meeting in 2022	<ol style="list-style-type: none"> <li>Proposal to capitalize RMB870 million (equivalent of US\$135 million) in profits of indirectly wholly-owned subsidiary Synnex Distributions (China) Ltd.</li> <li>For increased investment of US\$270 million of the Company's 100% owned subsidiary Synnex Global Ltd. in its 100% owned subsidiary Trade Vanguard Global Ltd.</li> </ol>	Independent directors' opinion: None Actions taken by the company in response to independent directors' opinion: None Resolution: Approved by all the present directors
2022.08.04 Third meeting in 2022	<ol style="list-style-type: none"> <li>Proposal to transfer shares of indirect subsidiary PT. Synnex Metrodata Indonesia</li> <li>Proposal to transfer shares of investee company Redington (India) Limited</li> <li>Proposal to open a trading account at the Hongkong &amp; Shanghai Banking Corporation Limited, India (HSBC India)</li> <li>Established the Risk Management Policy and Procedures</li> </ol>	Independent directors' opinion: None Actions taken by the company in response to independent directors' opinion: None Resolution: Approved by all the present directors



Board of Directors Date/Term	Details of the meeting and subsequent developments	
2022.11.03 Fourth meeting in 2022	<ol style="list-style-type: none"> <li>2023 audit plan of the Company</li> <li>Partial revision of the "Procedures for Handling Major Inside Information"</li> <li>Proposed amendment to the Rules of Procedure for Board of Directors Meeting</li> <li>The loan to Seper Technology Corp.</li> <li>The loan to Synnex Global Ltd.</li> <li>Opened a securities trading account at HSBC Securities and Capital Markets (India) Private Limited</li> <li>The company's 2023 remuneration plan for managers</li> </ol>	Independent directors' opinion: None Actions taken by the company in response to independent directors' opinion: None Resolution: Approved by all the present directors

(II) Aside from the above matters, other resolutions adopted by the Board of Directors to which an independent director has a dissenting or qualified opinion that is on record or stated in a written statement: None

II. The independent directors' avoidance of interest motion should indicate the names of the directors, content of the motion, and reasons of avoidance of interest as well as the involvement in voting

Board of Directors Date/Term	Name of director avoiding a conflict of interest	Content of agenda item	Reasons of avoidance of interest	Voting situation
2022.03.08 First meeting in 2022	Miau, Matthew Feng Chiang Tu Shu-Wu	Payment of the 2021 remuneration to the employees and directors.	Serve concurrently as managers	Approved as proposed by all directors in attendance with voting rights.
2022.11.03 Fourth meeting in 2022	Miau, Matthew Feng Chiang Tu Shu-Wu Tu Shu-Chyuan	2023 remuneration plan for managers	Serve concurrently as managers	Approved as proposed by all directors in attendance with voting rights.

III. The company's implementation status of the Board of Directors self-evaluation:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
Implemented once a year	January 1, 2022 to December 31, 2022 (Note)	<ol style="list-style-type: none"> <li>The Board of Directors</li> <li>Individual members of the Board</li> <li>Remuneration Committee</li> <li>Audit Committee</li> </ol>	<ol style="list-style-type: none"> <li>Self-evaluation of the Board of Directors</li> <li>Self-evaluation of the Board members</li> <li>Self-evaluation of functional committee members</li> </ol>	<ol style="list-style-type: none"> <li>Performance evaluation of the Board of Directors: <ol style="list-style-type: none"> <li>Degree of participation in company operations</li> <li>Improvement of the quality of Board decisions</li> <li>Composition and structure of the Board of Directors</li> <li>Selection and continuous training of directors</li> <li>Internal control</li> </ol> </li> <li>Performance evaluation of individual Board members: <ol style="list-style-type: none"> <li>Control of the company's goals and tasks</li> <li>Understanding of director's responsibilities</li> <li>Degree of participation in company operations</li> <li>Internal relationship management and communication</li> <li>Professional and continuing education of directors</li> <li>Internal control</li> </ol> </li> <li>Functional committees (Remuneration Committee, Audit Committee): <ol style="list-style-type: none"> <li>Degree of participation in company operations</li> <li>Understanding of the roles and responsibilities of the functional committee</li> <li>Improvement of the quality of committee decisions</li> <li>Composition of the functional committee and the selection of its members</li> <li>Internal control</li> </ol> </li> </ol>

Note: The Company held by-election for 2 directors on May 30, 2022.

IV. Programs this year and in the most recent year for strengthening the functionality of the Board (for example, set up an auditing committee, improve transparency, etc.) and assessment of execution.

- The Board of Directors authorizes the establishment of the Audit Committee and the remuneration committee to assist the Board of Directors in performing their supervisory duties. The two committees consist entirely of three independent directors.
- The chairmen of the committees shall report their activities and resolutions to the Board of Directors on a regular basis.
- The company has established the Rules of Procedures for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and would post information on the attendance by directors on the Market Observation Post System after each Board meeting, and disclose important resolutions adopted by Board meetings on the company's website.
- The Company attaches great importance to corporate governance. Since 2015, the election of supervisors has been changed to candidate nomination. In June of the same year, the Audit Committee was set up to replace the supervisors. Relevant important proposals are first reported to the Audit Committee for review.
- Liability insurance for directors and key persons:  
Since 1999, the company has purchased liability insurance for our directors, supervisors and key persons, and reviews the contents of the policy annually to confirm that the insurance compensation amount and coverage meet the requirements.
- To implement corporate governance and enhance the functions of the Board of Directors in order to establish performance targets and strengthen their operational efficiency, the company established the Board of Directors' performance evaluation method on November 8, 2019. Internal performance evaluations will be implemented once a year and reported to the Board of Directors before the end of the first quarter of the following year.
- In the coming years, we will actively cooperate with the requirements of various laws and regulations and corporate governance, and strengthen the required functions of the Board of Directors as necessary.

## ● State of Operations of the Audit Committee

The Audit Committee convened a total of 4 meetings (A) in the most recent year (2022). The attendance of independent directors was as follows:

Title	Name	Attendance (voting and non-voting) in person (B)	Attendance by proxy	Actual attendance (voting and non-voting) rate (%) [B/A]	Remarks
Independent Director	Yeh Kuang-Shih	4	0	100.00%	
Independent Director	Hsuan Chien-Shen	3	1	75.00%	
Independent Director	Shen Ling-Long	4	0	100.00%	

Professional qualifications and experience of Audit Committee members:

Convener Yeh Kuang-Shih, has served as independent director of the Bank of Taiwan, Deputy Chairman of the Research and Development Committee, Executive Yuan, and the Department Chair of Business Management, National Sun Yat-sen University. Yeh has expertise in law, finance and corporate governance; Independent Director Hsuan Chien-Shen has an abundance of industry qualifications and expertise in multinational corporate management; Independent Director Shen Ling-Long has served as the Director of the Department of Insurance, Ministry of Finance, Chairman of Mega Asset Management Corp., and Chairman of Taiwan Cooperative Financial Holding Co., Ltd. and Taiwan Cooperative Bank. Shen has expertise in insurance, finance, and corporate governance. All three members possess the professional competence required for the Committee.

Title	Name	Main experience (education)
Convener	Yeh Kuang-Shih	<ul style="list-style-type: none"> <li>Vice Chairman of Shihlien Fine Chemical Co., Ltd.</li> <li>Professor, Graduate Institute of Technology, Innovation &amp; Intellectual Property Management, National Chengchi University</li> <li>Department Chair of Business Management, National Sun Yat-sen University</li> <li>Professor, Department of Business Management, National Sun Yat-sen University</li> <li>Deputy Mayor, Kaohsiung City Government</li> <li>Minister, Ministry of Transportation and Communications</li> <li>Political Deputy Minister, Ministry of Transportation and Communications</li> <li>Deputy Chairman, Research and Development Committee, Executive Yuan</li> <li>Independent Director, Bank of Taiwan (Representative of Taiwan Financial Holding Company)</li> <li>Inaugural Chairman, Taoyuan International Airport Corporation</li> <li>Independent Director, Tsann Kuen Enterprise Co., Ltd.</li> <li>Ph.D., Carnegie Mellon University</li> <li>Master, U. of Delaware</li> <li>Bachelor of Law, National Taiwan University</li> </ul>
Committee member	Hsuan Chien-Shen	<ul style="list-style-type: none"> <li>Project Manager, General Electric</li> <li>Vice President, Pepsi Taiwan</li> <li>Vice President, Sesoda Corporation</li> <li>Vice President, Pen Holdings Taiwan</li> <li>President of Overseas Operations, Admiral Oversea Corporation</li> <li>President, TPV Technology Group</li> <li>Ph.D. in Systems Engineering, New York Institute of Technology, USA</li> <li>Master's degree in System Engineering, Boston University, USA</li> <li>Bachelor's degree in Electrical Engineering, National Cheng Kung University</li> </ul>
Committee member	Shen Ling-Long	<ul style="list-style-type: none"> <li>Director of the Department of Insurance, Ministry of Finance</li> <li>Chairman of Mega Asset Management Corp.</li> <li>Chairman of Chung Kuo Insurance Co., Ltd.</li> <li>Chairman of the Taiwan Asset Management Corporation</li> <li>Chairman of Taiwan Cooperative Financial Holding Co., Ltd. and Taiwan Cooperative Bank</li> <li>Ph.D. in Economics, University of Paris, France</li> </ul>

Annual work focus and state of operations of the Audit Committee:

I. The annual work focus of the Audit Committee is on assisting the Board of Directors in fulfilling their supervisory responsibilities in the company's implementation of the quality and integrity of accounting, auditing, financial reporting processes, and financial controls. The matters considered by the Audit Committee mainly include: financial statements; audit and accounting policies and procedures; internal control systems and relevant policies and procedures; major assets or derivatives transactions; major fund loans and endorsements or guarantees; raising or issuing securities; derivative financial products and cash investments status; regulatory compliance; information security; corporate risk management; auditor qualifications, independence, and performance evaluation; auditor appointment, dismissal, or remuneration; appointment and dismissal of finance, accounting, or internal auditing managers, and status of performance of Audit Committee duties. Review financial report: The Board of Directors has prepared and submitted the 2021 business report, financial reports, and earnings distribution proposal. The Board of Directors have appointed PwC Taiwan to audit the financial statements and submit an audit report. The Audit Committee has reviewed the business report, the financial reports, and the earnings distribution proposal and did not find any instances of noncompliance. Evaluating the effectiveness of the internal control system: The Audit Committee believes that the company's risk management and internal control systems are effective, and the company has adopted the necessary control mechanisms to monitor and correct violations.

II. Should any of the following occur during the Audit Committee's operations, the date and number of the meeting, the content of proposal, independent director's opinions and the company's response to such opinions should be recorded:

(I) Items specified in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date/Term	Details of the meeting and subsequent developments
2022.03.08 3rd session of 3rd term	<ol style="list-style-type: none"> <li>Partial revision of the "Procedures for Acquisition or Disposal of Assets"</li> <li>2021 earnings distribution</li> <li>Evaluation of the independence and competence of CPAs</li> </ol> <p>Audit Committee's opinions: None Actions taken by the company in response to Audit Committee's opinions: None Resolution: Approved by all committee members in attendance, and reported to the Board of Directors for discussion</p>
2022.05.04 4th session of 3rd term	<ol style="list-style-type: none"> <li>The Company's consolidated financial report for Q1 2022</li> <li>Proposal to capitalize RMB870 million (equivalent of US\$135 million) in profits of indirectly wholly-owned subsidiary Synnex Distributions (China) Ltd.</li> <li>For increased investment of US\$270 million of the Company's 100% owned subsidiary Synnex Global Ltd. in its 100% owned subsidiary Trade Vanguard Global Ltd.</li> </ol> <p>Audit Committee's opinions: None Actions taken by the company in response to Audit Committee's opinions: None Resolution: Approved by all committee members in attendance, and reported to the Board of Directors for discussion</p>

Audit Committee Date/Term	Details of the meeting and subsequent developments	
2022.08.04 5th session of 3rd term	<ol style="list-style-type: none"> <li>The Company's consolidated financial report for Q2 2022</li> <li>Proposal to transfer shares of indirect subsidiary PT. Synnex Metrodata Indonesia</li> <li>Proposal to transfer shares of investee company Redington (India) Limited</li> </ol>	<p>Audit Committee's opinions: None</p> <p>Actions taken by the company in response to Audit Committee's opinions: None</p> <p>Resolution: Approved by all committee members in attendance, and reported to the Board of Directors for discussion</p>
2022.11.03 6th session of 3rd term	<ol style="list-style-type: none"> <li>The Company's consolidated financial report for Q3 2022</li> <li>The loan to Seper Technology Corp.</li> <li>The loan to Synnex Global Ltd.</li> </ol>	<p>Audit Committee's opinions: None</p> <p>Actions taken by the company in response to Audit Committee's opinions: None</p> <p>Resolution: Approved by all committee members in attendance, and reported to the Board of Directors for discussion</p>

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: None.

III. The independent directors' avoidance of interest motion should indicate the names of the directors, content of the motion and reasons of avoidance of interest as well as the involvement in voting: None.

IV. Communication between independent directors and internal auditors and accountants (including substantial matters regarding the financial and business conditions of the company and the methods as well as results of the communication).

Description:

- The company selected three independent directors and established the Audit Committee at the shareholders meeting on June 12, 2015.
- The internal audit department sends the audit report to the independent directors every month. The audit manager also reports major audit findings to the members and directors at the Audit Committee and Board of Directors meetings. The internal audit manager regularly conducts internal auditor's report and discussion with the Audit Committee on a quarterly basis, and the relevant managers will also attend and report.
- Usually, the audit manager, accountants, and independent directors can communicate directly by email, telephone, or meeting as needed.
- Communication between independent directors and internal audit manager:

Audit Committee Date/Term	Main points of communication	Handling and implementation result
2022.03.08 3rd session of 3rd term	The internal auditor's report and communication for 2021 Q4.	The internal audit manager reported at the meeting, and discussed and communicated the questions raised by the Audit Committee. Independent Directors' recommendations: None. Handling result: N/A.
2022.05.04 4th session of 3rd term	The internal auditor's report and communication for 2022 Q1.	The internal audit manager reported at the meeting, and discussed and communicated the questions raised by the Audit Committee. Independent Directors' recommendations: None. Handling result: N/A.
2022.08.04 5th session of 3rd term	The internal auditor's report and communication for 2022 Q2.	The internal audit manager reported at the meeting, and discussed and communicated the questions raised by the Audit Committee. Independent Directors' recommendations: None. Handling result: N/A.
2022.11.03 6th session of 3rd term	The internal auditor's report and communication for 2022 Q3.	The internal audit manager reported at the meeting, and discussed and communicated the questions raised by the Audit Committee. Independent Directors' recommendations: None. Handling result: N/A.
2022.12.22 2022 Symposium for independent directors and audit supervisors	Overview of 2022 routine audit and project-based audit. Report on auditors and overview of operations. Report on audits planned in 2023.	The internal audit manager reported at the meeting, and discussed and communicated the questions raised by the Audit Committee. Independent Directors' recommendations: None. Handling result: N/A.

- According to the SASs No. 62, Communication with the Auditee's Governance Unit, and the letter Tai-Cai-Zheng-(6)-Zi No. 0930105373 released by the Securities and Futures Bureau on March 11, 2004, the information of governance matters concerning the review or approval of the company's consolidated financial report (annual and includes the individual financial report) during the planning and completion stages each quarter shall be communicated to the Audit Committee in writing or in person.

Regularly - The accountant shall communicate with the Audit Committee on the audit plan, implementation status, and results before and after the Q2 financial report and the annual report.

Periodically - If there are individual cases related to other operational aspects or internal control that need to be discussed immediately, the meeting shall be arranged as appropriate.

- Communication between independent directors and accountants:

Audit Committee Date/Term	Main points of communication	Handling and implementation result
2022.03.08 3rd session of 3rd term	The CPA described the auditing implementation status of the 2021 consolidated financial statements and individual financial statements and communicated these to the independent directors.	The CPA personally attended the Audit Committee meeting and discussed and communicated the questions raised by the members. Independent Directors' recommendations: None. Handling result: N/A.
2022.08.04 5th session of 3rd term	The CPA described the auditing status of the 2022 Q2 consolidated financial statements and the annual auditing plan and communicated these to the independent directors.	The CPA personally attended the Audit Committee meeting and discussed and communicated the questions raised by the members. Independent Directors' recommendations: None. Handling result: N/A.
2022.12.22 2022 Symposium for independent directors and accountants	Brief description of SYNnex's business situation and audit strategy in 2022. Description of audit quality according to indicators required by the FSC. A new matter for discussion will be added in 2023 in response to the amendment to the "International Code of Ethics for Professional Accountants."	The CPA attended the meeting, and discussed and communicated the questions raised by the Audit Committee. Independent Directors' recommendations: None. Handling result: N/A.

## • Remuneration Committee

The company has established the Remuneration Committee, which is comprised of three external persons who meet the professional qualifications and independence. The members shall convene at least twice a year in professional and objective positions and faithfully perform the following duties, and submit the recommendations to the Board for discussion:

- Establish and conduct regular review of the policies, systems, standards, and structures for performance appraisal and remuneration of the company's directors and managers.
- Regularly review and establish remuneration of directors and managers.

## ● Information on Remuneration Committee members

Identity	Name	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director (Convener)	Hsuan Chien-Shen	<ul style="list-style-type: none"> <li>Project Manager, General Electric</li> <li>Vice President, Pepsi Taiwan</li> <li>Vice President, Sesoda Corporation</li> <li>Vice President, Pen Holdings Taiwan</li> <li>President of Overseas Operations, Admiral Oversea Corporation</li> <li>President, TPV Technology Group</li> <li>Ph.D. in Systems Engineering, New York Institute of Technology, USA</li> <li>Master's degree in System Engineering, Boston University, USA</li> <li>Bachelor's degree in Electrical Engineering, National Cheng Kung University</li> </ul>	In accordance with the requirements of the Listing Rules, the company has obtained written statements from each of the independent directors to confirm the independence from the company of each independent director and the spouse and relatives within the second degree of kinship (or in the name of others) thereof.	0
Independent Director (Committee member)	Yeh Kuang-Shih	<ul style="list-style-type: none"> <li>Vice Chairman of Shihlien Fine Chemical Co., Ltd.</li> <li>Professor, Graduate Institute of Technology, Innovation &amp; Intellectual Property Management, National Chengchi University</li> <li>Department Chair of Business Management, National Sun Yat-sen University</li> <li>Professor, Department of Business Management, National Sun Yat-sen University</li> <li>Deputy Mayor, Kaohsiung City Government</li> <li>Minister, Ministry of Transportation and Communications</li> <li>Political Deputy Minister, Ministry of Transportation and Communications</li> <li>Deputy Chairman, Research and Development Committee, Executive Yuan</li> <li>Independent Director, Bank of Taiwan (Representative of Taiwan Financial Holding Company)</li> <li>Inaugural Chairman, Taoyuan International Airport Corporation</li> <li>Independent Director, Tsann Kuen Enterprise Co., Ltd.</li> <li>Ph.D., Carnegie Mellon University</li> <li>Master, U. of Delaware</li> <li>Bachelor of Law, National Taiwan University</li> </ul>	<p>In accordance with the requirements of the Listing Rules, the company has obtained written statements from each of the independent directors to confirm the independence from the company of each independent director and the relatives within the second degree of kinship (or in the name of others) thereof.</p> <p>The spouse of the independent director holds 7,000 shares (less than 1%) of the company's issued shares. The company believes that it will not affect the independence of its independent director/remuneration committee member.</p>	0
Independent Director (Committee member)	Shen Ling-Long	<ul style="list-style-type: none"> <li>Director of the Department of Insurance, Ministry of Finance</li> <li>Chairman of Mega Asset Management Corp.</li> <li>Chairman of Chung Kuo Insurance Co., Ltd.</li> <li>Chairman of the Taiwan Asset Management Corporation</li> <li>Chairman of Taiwan Cooperative Financial Holding Co., Ltd. and Taiwan Cooperative Bank</li> <li>Ph.D. in Economics, University of Paris, France</li> </ul>	In accordance with the requirements of the Listing Rules, the company has obtained written statements from each of the independent directors to confirm the independence from the company of each independent director and the spouse and relatives within the second degree of kinship (or in the name of others) thereof.	0

## ● Operation of Remuneration Committee

I. Company's Remuneration Committee is comprised of three persons.

II. The Remuneration Committee has convened 2 meetings (A) in the most recent year (2022). The attendance of committee members was as follows:

Title	Name	Actual attendance (voting and non-voting) in person (B)	Attendance by proxy	Actual attendance (voting and non-voting) rate (%) [B/A]	Remarks
Convener	Hsuan Chien-Shen	1	1	50.00%	
Committee member	Yeh Kuang-Shih	2	0	100.00%	
Committee member	Shen Ling-Long	2	0	100.00%	

Other matters that require reporting:

I. If the Board of Directors did not adopt or revise the recommendations of the compensation committee, it should describe the date of the Board meeting, term of the Board, agenda item, resolutions adopted by the Board, and actions taken by the company in response to the opinion of the compensation committee: None.

II. If a member opposes a resolution the Committee has adopted or has reservations with a written record or a statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions shall be indicated: None.

III. The discussion of the Remuneration Committee and the resolutions, and the company's processing of the member's opinions:

Remuneration Committee Date/Term	Agenda item and resolutions	
2022.03.08 First meeting in 2022	1. The implementation of the company's 2021 remuneration plan for managers.	Committee member opinions: No objections or qualified opinions. Resolution: The chair put the matter before all and the proposal was approved as proposed by all members in attendance.
	2. Proposal of discussion on the company's 2020 payment of the remuneration to the employees and directors.	The company's response to Remuneration Committee opinions: The proposal to the Board of Directors was approved by all the present directors.
2022.11.03 Second meeting in 2022	1. Proposal of discussion on the company's 2023 remuneration plan for managers.	Committee member opinions: No objections or qualified opinions. Resolution: The chair put the matter before all and the proposal was approved as proposed by all members in attendance. The company's response to Remuneration Committee opinions: The proposal to the Board of Directors was approved by all the present directors.

● **Corporate governance implementation status and departure from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons**

Assessed areas	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons	
	Yes	No		
I. Has the company set and disclosed principles for practicing corporate governance according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The company has set the principles for practicing corporate governance according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and disclosed the principles on the company's website.	In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
II. The company's shareholding structure and shareholders' rights and interests				
(I) Has the company set internal operations procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures through the proper procedures?	V		(I) The company has set and implemented the procedures for handling major inside information in 2015. In addition, the company has a spokesperson system established to properly handle the shareholders' proposals, doubts, disputes, and litigation matters.	In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
(II) Does the company have a list of major shareholders of companies over which the company has actual control and the list of ultimate owners of those major shareholders?	V		(II) The company has a list of major shareholders of companies over which the company has actual control and the list of ultimate owners of those major shareholders; the shares held by the directors and major shareholders are filed on a monthly basis in accordance with Securities and Exchange Act.	
(III) Has the company established and implemented risk control/management and firewall mechanisms between it and affiliated corporations?	V		(III) The company has established related regulations on internal control mechanisms in accordance with relevant regulations. In addition to actually handling the self-inspection process, the Board of Directors and management also regularly and occasionally review the self-inspection results of each department and the audit reports of the audit unit, substantiate the company's internal control system, establish profound financial, business, and accounting management system and strengthen the management of the affiliated companies in accordance with the relevant provisions for the public companies, and implement the necessary control mechanism in order to reduce operational risk. Rules of financial and business operation with the related companies are based on fair and reasonable principle with documented rules established.	
(IV) Does the company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	V		(IV) The company has established a "Code of Conduct", "Procedures for Handling Major Inside Information", and "Ethical Corporate Management Best Practice Principles" to regulate internal personnel's obligation to keep important information confidential, and shall not use it to obtain undue benefits for itself or anyone, and promote the implementation of these systems to directors, managers, and others who have learned about the company's major inside information because of their identity, position, or control.	
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated diversity policies and specific management objectives and does it implement them?	V		(I) 1. The diversity policy for members of the Board of Directors is established in Article 20 of the company's Corporate Governance Best Practice Principles:  The company's Board of Directors shall direct company strategies, supervise the management, and be responsible to the company and the shareholders' meeting. The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the Board of Directors complies with laws, regulations, the Articles of Incorporation, and the resolutions adopted by shareholders' meetings.  The organization of the company's Board of Directors shall be commensurate with the company's size and shareholding structure and be based on business needs. The appropriate number of directors has been determined to be seven to ten.  The composition of the Board of Directors shall be determined by taking diversity into consideration, except for the number of directors who are also managers of the company shall not exceed one-third of the Board of Directors, and formulating an appropriate policy on diversity based on business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:  I. Basic requirements and values: Gender, age, nationality, and culture.  II. Professional knowledge and expertise: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.  The members of the Board of Directors shall be balanced between the genders and they shall possess the knowledge, skills, and experience necessary for performing their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:  I. Operational judgment. II. Ability to perform accounting and financial analysis III. Management ability. IV. Crisis management. V. Industrial knowledge. VI. An international market perspective VII. Leadership ability VIII. Decision-making ability  A diverse Board of Directors with various opinions and insights will improve the quality of decisions and benefit the company's shareholders and other	(I) In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."  (II) For the consideration of the law and regulations or the actual operations, if any, it is to be handled in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the related law and regulations.



Assessed areas	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) In addition to establishing a Remuneration Committee and an Audit Committee, which are required by law, is the company willing to also voluntarily establish other types of functional committees?	V		<p>stakeholders. The Board of Directors and management attach importance to inclusiveness and diversity to support the company's values.</p> <p>2. The current members of the Board of Directors comprises 6 directors and 3 independent directors. The specific management objectives of member diversity and their achievement are as follows:</p> <p>(1) The company focuses on operational judgment, operational management, and crisis management capabilities. More than half of the directors should have the relevant core capabilities: Operational judgment: 9/9(100%), Management ability: 8/9(88.89%) and crisis management 9/9(100%).</p> <p>(2) More than half of the independent directors cannot be re-elected more than 3 terms in order to maintain independence: Proportion of independent directors: 3/9(33.33%); three members whose term of office is less than one term, none of which has served more than three terms.</p> <p>(3) More than half of the directors are not concurrently employees or managers for the purpose of supervision: Proportion of directors of the company with employee status: 3/9(33.33%).</p> <p>3. Members of the board of directors have rich experience and expertise in the fields of finance, business, and management. Implementation is described on page 15 of the annual report.</p> <p>(II) The company is committed to pursue corporate governance and to strengthen the mechanism of organization and operation continuously. The Remuneration Committee was formed in 2012, and the Audit Committee was established in 2015; more functional committees will be set up as needed.</p>	
(III) Has the company established and implemented methods for evaluating the performance of the Board of Directors, conducted performance evaluation annually, and reported the results to the Board, and used the results as a reference for the remuneration, nomination, and reelection of individual directors?	V		<p>(III) The Board of Directors passed the "Board of Directors Performance Evaluation Regulations" on November 8, 2019. The scope of the evaluation includes the performance of the overall Board of Directors, individual members of the Board, and functional committees. The evaluation methods include internal self-evaluation of the Board of Directors, self-evaluation of members of the Board, peer evaluation, and appointment of external professional institutions, experts, or other appropriate methods for performance evaluation.</p> <p>The Board of Directors performance evaluation measures include the following five aspects:</p> <p>I. Degree of participation in company operations.</p> <p>II. Improvement of the quality of Board decisions.</p> <p>III. Composition and structure of the Board of Directors.</p> <p>IV. Selection and continuous training of directors.</p> <p>V. Internal control.</p> <p>The measures for the performance evaluation of Board members include the following six aspects:</p> <p>I. Control of the company's goals and tasks.</p> <p>II. Understanding of director's responsibilities.</p> <p>III. Degree of participation in company operations.</p> <p>IV. Internal relationship management and communication.</p> <p>V. Professional and continuing education of directors.</p> <p>VI. Internal control.</p> <p>The functional committee performance evaluation measures include the following five aspects:</p> <p>I. Degree of participation in company operations.</p> <p>II. Understanding of the roles and responsibilities of the functional committee.</p> <p>III. Improvement of the quality of committee decisions.</p> <p>IV. Composition of the functional committee and the selection of its members.</p> <p>V. Internal control.</p> <p>The company's Business Planning &amp; Management Div. is responsible for the implementation. After the end of the year, the division will evaluate the overall performance of the Board of Directors and will use the results as a basis for the remuneration, nomination, and reelection of individual directors. The performance evaluation results of the company's 2022 Board of Directors and functional committees have been submitted to the Board on March 8, 2023, and the evaluation results have been placed on the corporate governance section of the company website for review.</p>	
(IV) Does the company periodically evaluate the level of independence of the CPA?	V		<p>(IV) The Company selects professional, responsible and independent CPAs to conduct audits on the Company's financial status and internal control, and regularly evaluates the independence and competence of the appointed CPAs once per year, which is reviewed and approved by the Audit Committee and submitted to the Board of Directors for discussion.</p> <p>On March 8, 2022, the Audit Committee and the Board of Directors conducted an independence assessment of the accountants, and assessed the independence of the accountants in terms of financial interests, business relationships, and employment relationships. It also required the accountants to issue statements of independence and audit, which were confirmed by the Company. The same accountants have not performed their services continuously for more than seven years, and the accountants and the Company have no other financial interests or business relations except for the appointment of certification, financial, and tax cases. CPAs are only appointed if their family members do not violate the independence requirements. Refer to</p>	

Assessed areas	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Note 1 for details regarding the evaluation status of the independence and suitability of the CPAs.</p> <p>Starting in 2023, the Company evaluates the independence and competence of the accountants based on the AQLs, and submits results to the Audit Committee and Board of Directors for approval on March 8, 2023. In addition to requiring accountants to provide a Declaration of Total Independence and Audit Quality Indicators (AQLs), the Company added five aspects to the AQLs – professionalism, quality control, independence, supervision, and innovation ability, as well as 13 indicators for evaluation.</p>	
IV. For TWSE/TPEX listed companies, are there suitable persons in an appropriate number and designated supervisors for corporate governance to take charge of related matters (including but not limited to providing directors and supervisors with materials required for them to carry out their tasks, helping directors and supervisors comply with the law, taking care of Board of Directors' meetings and shareholders' meetings as required by law, preparing minutes of Board of Directors' meetings and shareholders' meetings)?	V		<p>(I) To implement corporate governance and promote the Board of Directors to perform its due functions to protect the rights and interests of investors, the company's Board has approved the appointment of Su Chih-Ching, the Assistant General Manager of the Risk &amp; Management &amp; Planning Div., as the supervisor of corporate governance on May 10, 2019. He is the chief executive responsible for corporate governance related matters, and the Risk &amp; Management &amp; Planning Div. is responsible for reporting directly to him. Su Chih-Ching, the Assistant General Manager of the Risk &amp; Management &amp; Planning Div. of the Group headquarters, is a manager of the company and has more than five years of experience in legal affairs, stock affairs, or procedures management in public companies. The main responsibilities of the corporate governance supervisor are to handle matters related to the Board of Directors and shareholders' meetings in accordance with the law, to produce the minutes of the Board of Directors and shareholders' meetings, to assist the directors to take office, to continue to study and comply with laws and regulations, and to provide information required by directors and insiders to perform business.</p> <p>(II) 2022 business implementation focus:</p> <ol style="list-style-type: none"> <li>1. The procedural matters unit of the Board of Directors and committees, including consolidating the agenda of the meeting, stating the reason for convening, sending the convening notice to the directors or members seven days before the meeting, and providing sufficient meeting materials so that the participants can truly understand the relevant information of the proposal. When the meeting agenda is of interest to the directors or their legal representatives, the unit also reminds them to avoid conflicts of interests. Finally, the unit sends the minutes of the meeting to the directors or members for retention within 20 days after the meeting.</li> <li>2. The unit is responsible for issuing important information or announcements of important resolutions after the Board of Directors and the shareholders' meetings on the day of to ensure the legality and accuracy of the disclosed information, so as to protect the investors by giving them equal information related to the transaction.</li> <li>3. The unit shall handle the advance registration of the date of the shareholders' meeting according to law, and prepare and file the meeting notice, the procedures manual, and the meeting minutes by the deadline.</li> <li>4. Change registration of various operations of the company.</li> <li>5. Evaluate and purchase of liability insurance for directors and key persons of the appropriate amount, and report the content of the insurance coverage at the Board of Directors meeting.</li> <li>6. Periodically provide relevant continuing education information for directors and remind them to complete and file the required number of hours of continuing education in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.</li> <li>7. Periodically provide Board members with information on new ordinances or amendments related to directors' business implementations, corporate governance, or business operations.</li> <li>8. Each year, review the compliance status of the corporate governance evaluation indicators one by one, and propose improvement plans and corresponding measures for the un-scored items.</li> <li>9. According to the needs of directors, provide company business or financial and other operational information to maintain smooth communication and communication between directors and business supervisors.</li> </ol> <p>(III) For continuing education of corporate governance supervisors in 2022, see Note 2.</p>	In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
V. Has the company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a dedicated stakeholder section on the company website, as well as appropriately responded to important corporate and social responsibility issues of concern to stakeholders?	V		The company has set a stakeholder section on the company's website and has designated personnel to process and answer questions. The sustainability report is also placed on the company's website for stakeholders to download.	In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
VI. Has the company hired a professional agency to handle tasks and issues related to holding the shareholder's meeting?	V		The company commissions CTBC Bank Co., Ltd. Transfer Agency Department to handle matters related to holding the shareholders' meeting.	In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Assessed areas	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
VII. Information disclosure				
(I) Has the company established a corporate website to disclose information regarding the company's financial, business, and corporate governance status?	V		(I) The company has set up a website ( <a href="http://www.synnex-grp.com/">http://www.synnex-grp.com/</a> ) and discloses relevant information on financial status, business, and corporate governance in the investors and corporate governance sections.	(I) In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
(II) Has the company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the company's website)?	V		(II) As required by law, relevant information of the company are disclosed in a timely manner in the "Market Observation Post System" for the understanding and inquiry of the investors. The company has a spokesman and a deputy spokesman appointed. The company has the Chinese and English corporate governance information disclosed in the investors section on the company's website with the information updated in a timely manner.	(II) For the consideration of the law and regulations or the actual operations, if any, it is to be handled in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the related law and regulations.
(III) Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and operating status of each month within the prescribed deadline?	V		(III) The company announces and declares our annual financial report and the first, second, and third quarter financial reports and operating status of each month within the prescribed period.	
VIII. Does the company have other information that is helpful for understanding its status of corporate governance (including but not limited to employee rights and interests, employee well being, investor relations, supplier relations, rights of interested parties, further education sought by directors and supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer policies, the taking out of liability insurance for directors)?	V		<p>(I) Employee benefits:</p> <p>The company firmly believes that employees is the driving force of business growth; thus, the company appreciates the importance of employee benefits and is committed to fulfill all the statutory rights and interests of employees according to law.</p> <p>1. System:</p> <p>(1) Labor and health insurance, pension appropriation, employee education and training, employee health seminars from time to time.</p> <p>(2) Continuing to provide employees with a variety of benefits, such as: life insurance with a coverage of at least NT\$3 million (far better than general companies), free health checkup, weddings, funeral, and maternity subsidies, interest-free loans, and external training subsidies.</p> <p>2. Implementation status:</p> <p>(1) Statutory rights and interests of employees are handled according to law.</p> <p>(2) Various employee benefits are handled by the designated personnel.</p> <p>(3) The company's group insurance has provided sufficient coverage to the employees who had suffered severe injuries or sickness in the recent years, providing 3-5 years of economic security to the employees' families. Considering the needs of the employee's families for insurance coverage, the company provides the employees and their spouses with preferential life insurance and accident insurance policy.</p> <p>(II) Investor relations: The company insists on the principle of integrity and information disclosure fairness and exercises corporate governance transparency, regularly publishes company operational and financial information to the shareholders, and sets the spokesman and deputy spokesman system to fulfill the company's information disclosure responsibility and obligations. The company website has an "Investor Section" and dedicated personnel and e-mail are designated to handle recommendations and issues of investors.</p> <p>(III) Supplier relationships and stakeholder interests: The company and its suppliers have maintained long-term and close cooperation relations. The company has set a stakeholder section on the company's website and has designated personnel to process to protect stakeholders' rights.</p> <p>(IV) Continuing education of directors: The directors of the company have a background in industry and have their continuing education disclosed in the "Market Observation Post System" for the reference of the shareholders and investors. Refer to Note 3 for details related to advanced studies.</p> <p>(V) Implementation of risk management policies and risk assessment: The Company established various internal regulations in accordance with the law. The Risk Management Team was formed in 2022 and the president serves as the convener of the Risk Management Team, which identifies and manages risk factors and facilitates command and dispatch, assessment, and implementation of the risk management policy by the risk management organization.</p> <p>(VI) Recusals of directors due to conflicts of interests: The directors of the company must be recused from voting on any motions they are in conflict with.</p> <p>(VII) The implementation of customer relations policies: The company and its customers maintain a stable and good relationship to create profits for the company.</p> <p>(VIII) The purchase of liability insurance for the directors: The company has acquired liability insurance for the directors and managers in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and it has been disclosed in the "Market Observation Post System".</p>	In compliance with the concept and implementation of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"

Assessed areas	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons												
	Yes	No	Summary													
			<table><tr><td>Insured subject</td><td>Insurance company</td><td>Insured amount (NT\$: thousand)</td><td>Insurance period</td></tr><tr><td>All directors</td><td>Fubon Insurance Co., Ltd.</td><td>558,000</td><td>Since September 1, 2021 to September 1, 2022</td></tr><tr><td>All directors</td><td>Fubon Insurance Co., Ltd.</td><td>633,000</td><td>Since September 1, 2022 to September 1, 2023</td></tr></table> <p>(IX) The directors of the company have fulfilled responsibilities truthfully and exercised the due care of a good administrator.</p> <p>(X) The company has the "Rules of Procedure for Board of Directors Meeting" stipulated and implemented.</p> <p>(XI) The company's board meeting has been convened at least once a quarter to strengthen corporate governance.</p>	Insured subject	Insurance company	Insured amount (NT\$: thousand)	Insurance period	All directors	Fubon Insurance Co., Ltd.	558,000	Since September 1, 2021 to September 1, 2022	All directors	Fubon Insurance Co., Ltd.	633,000	Since September 1, 2022 to September 1, 2023	
Insured subject	Insurance company	Insured amount (NT\$: thousand)	Insurance period													
All directors	Fubon Insurance Co., Ltd.	558,000	Since September 1, 2021 to September 1, 2022													
All directors	Fubon Insurance Co., Ltd.	633,000	Since September 1, 2022 to September 1, 2023													
IX. Please described improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas and measures to be given priority where improvement will be needed.																
(I) Improvements that have been made according to the results of the Corporate Governance Evaluation System in the most recent year:																
9th term evaluation indicators		Improvements already made														
1.6	Does the company hold the regular shareholders' meeting before the end of May?		The Company set the date for the Annual General Meeting on May 30, 2022, and disclosed relevant information on the company website and annual report according to regulations.													
2.9	Has the company formulated a succession plan for board members and important management positions, and disclosed it on the company website or annual report?		The Company has formulated a succession plan for board members and important management positions, and disclosed it on the company website according to regulations.													
2.10	Does the company disclose professional qualifications and experience, annual work focus and state of operations of the Audit Committee?		The company disclosed relevant information on the company website and annual report according to regulations.													
2.22	Has the Company established risk management policies and procedures that were approved by the Board of Directors, disclosed the scope of risk management, organizational structure, and implementation status, and reported results to the Board of Directors at least once a year?		The Company's Board of Directors established the risk management policy and procedures on August 4, 2022. The operating status was reported to the Board of Directors and announced on the company website according to regulations.													
3.6	Does the company disclose the English version of its interim financial report within two months after the deadline for filing the Chinese version interim financial report?		The Company has disclosed the English version interim financial reports on the MOPS and the company website according to regulations.													
3.11	Does the Company's annual report disclose future R&D projects and expected expenses?		The Company has disclosed it on the company website and annual report according to regulations.													
4.7	Does the company upload its English version of the sustainability report on MOPS and the company's website?		The Company has disclosed it on the MOPS and the company website.													
(II) Priority matters that require improvement and measures according to the results of the Corporate Governance Evaluation System of the most recent year: The company conducts self-evaluation of corporate governance in accordance with the regulations established by the competent authority, and has proposed priority improvement measures based on the company's current situation for various indicators that were not achieved, and gradually improves corporate governance to enhance the corporate governance image.																

Note 1: Evaluation of the independence and suitability of the CPAs.

Assessed areas	Important assessment content	Evaluation result	Whether it is compliant with independence
Review of independence requirements	1. Does the CPA or the spouse or minor children of the CPA have any relationship with the Company of investing or sharing of financial interest or borrowing of funds?	No	Yes
	2. Is the CPA or member of the audit service team currently or has it in the last two years been a director or manager of the Company or has served in a position that has a significant impact on the audit case?	No	Yes
	3. Does the CPA or member of the audit service team have a spouse, direct blood relative, direct relative by marriage, or collateral blood relative within the second degree of kinship with relation to a director, manager, or person in the Company who has a significant impact on the audit case?	No	Yes
Review of independent operations	1. Does the CPA perform professional services with an attitude of honesty and rigor and maintain a position of fairness and objectivity?	Yes	Yes
	2. Have the CPAs recused themselves and not undertaken matters for which they have been entrusted in which they have a direct or significant indirect interest that affects their impartiality and independence?	Yes	Yes
	3. Do members of the audit service team, other co-practicing CPAs, or shareholders of corporate accounting firms, accounting firms, firms affiliated with those firms, and allied firms also maintain independence with respect to the Company?	Yes	Yes
Competency review	1. Does the accounting firm have a sufficient scale, resources, and regional coverage to handle corporate audit services?	Good	Yes
	2. Does the accountant have a disciplinary record from the Disciplinary Committee in the last two years, or has the accounting firm been involved in a major lawsuit in the last two years or now?	Good	Yes
	3. Does the accounting firm timely inform the Board of Directors on risk management, corporate governance, financial accounting, and related risk control?	Good	Yes

Note 2: Status of Directors' continuing education

Director		Educational institutions	Course title	Training period	Hours
Representative of Institutional Director	Miau, Matthew Feng Chiang	Taiwan Stock Exchange Corporation	Sustainable development roadmap industry promotion	2022.07.07	2.0
Representative of Institutional Director	Miau, Matthew Feng Chiang	Securities and Futures Institute	2022 Insider Equity Transaction Legal Compliance Awareness Briefing	2022.10.05	3.0
Representative of Institutional Director	Miau, Matthew Feng Chiang	Taiwan Stock Exchange Corporation	Announcement of guidelines for independent directors and the Audit Committee to perform duties and meeting for directors and supervisors	2022.10.11	3.0
Representative of Institutional Director	Miau, Matthew Feng Chiang	Securities and Futures Institute	2022 Annual Promotional Conference on Prevention of Insider Trading	2022.10.14	3.0
Director	Tu Shu-Wu	ROC Accounting Research and Development Foundation	Business ethics and sustainable development	2022.12.16	3.0
Director	Tu Shu-Wu	ROC Accounting Research and Development Foundation	Related Legal Liability and Case Analysis of the Company's Management Rights Competition	2022.12.09	3.0
Representative of Institutional Director	Chou The-Chien	Securities and Futures Institute	2022 Insider Equity Transaction Legal Compliance Awareness Briefing	2022.10.05	3.0
Representative of Institutional Director	Chou The-Chien	Securities and Futures Institute	2022 Annual Promotional Conference on Prevention of Insider Trading	2022.10.14	3.0
Representative of Institutional Director	Yang Hsiang-Yun	Taiwan Stock Exchange	International Twin Summit	2022.05.12	2.0
Representative of Institutional Director	Yang Hsiang-Yun	Securities and Futures Institute	2022 Insider Equity Transaction Legal Compliance Awareness Briefing	2022.10.19	3.0
Representative of Institutional Director	Yang Hsiang-Yun	Taiwan Stock Exchange Corporation	2022 Cathay Sustainable Finance and Climate Change Summit	2022.11.14	3.0
Representative of Institutional Director	Tu Shu-Chyuan	Taiwan Corporate Governance Association	Research and outlooks on important economic and trade issues in 2022	2022.10.25	3.0
Representative of Institutional Director	Tu Shu-Chyuan	Taiwan Corporate Governance Association	Introduction to the biology of carbon footprint	2022.10.27	1.5
Representative of Institutional Director	Tu Shu-Chyuan	Taiwan Corporate Governance Association	AI development opportunities from the perspective of software and hardware integration; Digital marketing trends Web3+ESG	2022.10.27	3.0
Representative of Institutional Director	Miau Scott Matthew	Independent Director Association Taiwan	Information security, strategies, and crisis management from the perspective of the metaverse	2022.03.23	3.0
Representative of Institutional Director	Miau Scott Matthew	Independent Director Association Taiwan	How to analyze the operating ability, performance, and risks of a company from its financial statements?	2022.04.07	3.0
Independent Director	Yeh Kuang-Shih	QIC, Georgeson, Taiwan Stock Exchange	Webinar on "Supervision by Independent Directors and the Board of Directors from an International Perspective"	2022.03.10	1.0
Independent Director	Yeh Kuang-Shih	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainability and Net Zero Summit – Transform to Net Zero	2022.04.22	3.0
Independent Director	Yeh Kuang-Shih	Taiwan Stock Exchange	Sustainable development roadmap industry promotion	2022.07.20	2.0
Independent Director	Hsuan Chien-Shen	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainability and Net Zero Summit – Transform to Net Zero	2022.04.22	3.0
Independent Director	Hsuan Chien-Shen	Taiwan Stock Exchange	Sustainable development roadmap industry promotion	2022.07.20	2.0
Independent Director	Hsuan Chien-Shen	Taiwan for Sustainable Energy	29th TCCS Board Meeting and CEO Seminar	2022.07.28	2.0
Independent Director	Shen Ling-Long	Securities and Futures Institute	2022 Insider Equity Transaction Legal Compliance Awareness Briefing	2022.10.05	3.0
Independent Director	Shen Ling-Long	Securities and Futures Institute	2022 Annual Promotional Conference on Prevention of Insider Trading	2022.10.14	3.0

Continuing education of corporate governance supervisor:

Corporate Governance Supervisor		Educational institutions	Course title	Training period	Hours
Corporate Governance Supervisor	Su Chih-Ching	Taiwan Corporate Governance Association	ESG-related legal issues that must be considered by the Board of Directors	2022.02.22	3.0
Corporate Governance Supervisor	Su Chih-Ching	Taiwan Corporate Governance Association	Legal liabilities of corruption and understanding of criminal proceedings	2022.03.15	3.0
Corporate Governance Supervisor	Su Chih-Ching	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainability and Net Zero Summit	2022.04.22	3.0
Corporate Governance Supervisor	Su Chih-Ching	Taiwan Corporate Governance Association	The era of intense supervision of personal data has arrived – Latest trends in personal data supervision in Taiwan, the European Union, and China	2022.08.05	3.0

● **Implementation status of sustainable development promotion and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons**

Promotion item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
I. Has the company established a governance structure to promote sustainable development, and has it set up a unit which specializes (or is involved) in promoting sustainable development and run by senior managerial officers authorized by the Board of Directors, and does the Board of Directors supervise its implementation status?	V		<p>In order to implement sustainable management concepts, the company established its CSR Committee in 2015 for the management of sustainable issues; it has since been renamed the Sustainability Committee. With the President as the convener. We also set up four ESG-oriented work teams according to the issues under the jurisdiction of each department, which selected the appropriate functional supervisor and employees to form the teams. The various working groups are responsible for the following projects:</p> <p>(1) Corporate governance and economics team: Responsible for corporate governance, integrity management, risk management, and regulatory compliance related matters related to the company's operational governance and financial aspects.</p> <p>(2) Employee and social team: Responsible for Synnex employees' rights and interests, community care, and public welfare matters.</p> <p>(3) Environment team: Review and plan Synnex's environmental management policy guidelines and events team.</p> <p>(4) Product team: Responsible for product quality links, product liability control, and consumer rights.</p> <p>Synnex's sustainability policies and activities are coordinated, managed, and implemented by the sustainability working group; implementation results are tracked to ensure that the sustainable development strategies are fully implemented in the company's daily operations. On May 4, 2022, the Sustainability Committee has reported to the Board about the operations, and the Board has given suggestions to adjust properly. On November 3, 2022, the Sustainability Committee has reported to the Board about the communications between the Company and stakeholders. The Board has given advice on the content on occasion.</p>
II. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly?	V		<p>To establish robust risk management operations and raise risk awareness, the Company established identification, assessment, control, and supervision processes for potential risks, thereby ensuring the Company's healthy operations and strengthening corporate governance. The Company established the Risk Management Policy and Procedures, which was passed by the Board of Directors, in 2022 as the highest guiding principles of the Company's risk management. The Company identifies risk factors through the Risk Management Team every year, and identifies risks that may impact the Company's sustainable development, selecting the scope of risk management on this basis. The boundary of the Company's risk assessment is Taiwan Synnex Technology International Corporation, including wholly-owned subsidiary Synergy Intelligent Logistics Corp. Risk-related units in the organization were integrated into the Risk Management Team, and the president serves as the convener of the Risk Management Team, which identifies and manages risk factors and facilitates command and dispatch, assessment, and implementation of the risk management policy by the risk management organization, as described below:</p> <p>I. Environment</p> <p>(1) Climate Change and Environment: In response to local environmental control regulations, SYNEX continuously conducts comprehensive procurement/repair/replacement for deficiencies or areas that can be improved. We also regularly review the impact of the climate on the Company in order to review and improve the rights and benefits of investors and consumers.</p> <p>II. Society</p> <p>(1) Labor-management and employment relations: In the implementation of employee care, based on the employee-oriented concept, Synnex has constructed a diversified, equal, warm, and sound workplace in which employee safety and training and development is important. It has also established clear channels for communication.</p> <p>(2) Salary levels and employment status: Synnex provides competitive salary levels and provides a differentiated total compensation according to difference in contribution, so that people who work hard can obtain relatively higher compensation, and so that salary and ability performance are well matched.</p> <p>(3) Human rights of employees: The company protects employees' legitimate rights and eradicates discrimination based on the management policies stipulated in accordance with the "Universal Declaration of Human Rights", "International Bill of Human Rights", "Global Compact", and "Labor Standards Act".</p> <p>(4) Occupational safety: SYNEX raises safety awareness and prevents unsafe conduct through education and training, so as to create a health and safe workplace. Physicians are scheduled to provide on-site services and provide health consultation and care. The environment is regularly inspected to ensure that facility and equipment functions are normal and safe.</p> <p>III. Corporate Governance</p> <p>(1) Legal and regulatory compliance: The company has formulated its "Corporate Governance Code of Conduct", "Code of Conduct", "Integrity Management Code", "Sustainable Development Code" and other internal company norms, which each logistics management unit continuously reviews and amends according to its responsibilities and professional scope to comply with current company policies and operating procedures.</p> <p>(2) Ethical corporate management: The company has established its internal Integrity Management Code and Code of Conduct and promotes its corporate culture and values of integrity management. It requires its employees to abide by this code of ethics and behavior in all matters of business ethics, labor relations, internal control, corporate governance, and community participation.</p> <p>(3) Information security: The company has obtained ISO27001 2013 information security management systems and follows the framework for management; Both the company's internal operating system and its system that is open to external parties are managed and controlled by a strict permissions management mechanism which limits the scope of information access and viewing by internal personnel and external customers.</p>



Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
III. Environmental topics				
(I) Has the Company established a proper environmental management system based on the characteristics of the industry?	V		<p>(I) The company is a high-tech industry channel integration service provider. Although we are not in a high pollution industry, as a citizen of the earth, it is our duty to mitigate and adapt to the threat of climate change.</p> <ul style="list-style-type: none"> <li>The Environment Team of SYNnex's Sustainability Committee (the "ESG Environment Team") implemented environmental sustainability projects in 2022; the Sustainability Committee is a task force and the management unit of the ESG Environment Team is the Logistics Quality Management Division of the group's head office.</li> <li>The ESG Environment Team led efforts of SYNnex to obtain the ISO 14001 Environmental Management Systems certification and BSI certification in 2022. The Company formulated six environmental policies and announced them to upstream and downstream suppliers and distributors, in hopes that the supply chain will jointly engage in low carbon operations and achieve mutual prosperity. Six environmental policies: (1) Energy conservation and carbon reduction (2) Sustainable operation (3) Commitment to operations (4) Awareness of all employees (5) Risk management (6) Compliance</li> <li>Synnex Group follows the framework of the TCFD. Our operation and monitoring unit is the ESG Environment team. Each operation and operation base must regularly review the on-site operation standards and, under the decision-making of local management, implement various improvement and control operations; they also make reports to the headquarters unit on a regular basis. Headquarters also conducts inspections, audits from time to time to ensure overall operation process and cost-effectiveness.</li> </ul>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
(II) Is the company committed to improving the efficiency of the various resources and using recycled materials which have a low impact on the environment?	V		<p>(II) The company is committed to improving the efficiency of resource utilization, and implements the ESG concept of "low-carbon operations" in its operating characteristics. Specific actions and results are described below:</p> <ol style="list-style-type: none"> <li>Carton re-use and recycling: 77,485 in total in 2022, accounting for 16% Synnex Group's economic scale and shipment volume continue to grow; energy efficiency is improved through the re-use and recycling of packaging materials. (82,000 in 2021, accounting for 15%) For details, please refer to page 98 of the 2020 sustainability report and the content of the latest report.</li> <li>The digitalization of business operations: Over 743,000 sheets of paper saved in 2022 Digitalization can effectively replace paper consumption, so the Company is actively developing software to fully digitalize business processes:               <ol style="list-style-type: none"> <li>Digital signature: 257,025 sheets of paper saved in 2022 In 2018, we comprehensively promoted paperless administrative operations, expanded the introduction of the electronic sign-off system, greatly reduced paper consumption, and accelerated the immediacy of sign-off. In 2020, digital optimization was introduced into the sign-off app, and mobilization was made more agile. The number of approvals slightly decreased in 2022 and was mainly due to lean operations.</li> <li>Digital operations: 60,739 sheets of paper saved in 2022 Consumption from warehousing inventory and maintenance quotations were fully digitized and ported to mobile devices in 2020, and the effects with respect to environmental protection and energy saving continues to show.</li> <li>Electronic invoices: 425,668 sheets of paper saved in 2022 In response to the Ministry of Finance's promotion of electronic invoices, the company introduced electronic invoices in 2017. In 2020, the after-sales service of Synnex's subsidiary Synergy will take the lead by introducing cloud invoices, and it will continue to promote mobile barcodes. In the third quarter of 2021, the invoice carrier mechanism for members will be fully introduced; electronic invoices will be issued after payment is completed, which will be stored in the cloud immediately. Users will be notified through SMS and email URLs, which greatly reduces paper consumption that would have been used for printing and sending invoices.</li> </ol> </li> </ol>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		<p>(III) The Company has incorporated climate change issues into its overall sustainable governance and risk management affairs to demonstrate its determination to promote sustainable development. The Sustainability Committee is directly responsible for supervising and managing the company's overall sustainability issues and climate-related risks and opportunities; it regularly reports its implementation results to the General Manager (Chairman of the Sustainability Committee). The environment team will promote and provide guidance on specific actions to deal with climate change.</p> <p>To effectively respond to the possible impact of climate change, The company has disclosed its sustainability report its annual work progress and achievements in accordance with the framework recommended by the Task Force on Climate-Related Financial Disclosures since 2019. Identified risks are: Regulatory requirements on carbon reduction, suppliers transferring cost, supply chain jointly pursuing green sustainability (GHG reduction management), and increase in electricity or water consumption due to global warming.</p> <p>In order to reduce the risk factors mentioned above, the company also simultaneously identifies feasible opportunities and develops countermeasures: It will continue to pay attention to market demand and low-carbon risks, implement energy management, replace and update energy-consuming equipment, purchase products that fit low-carbon trends, and enhance digital services.</p> <p>A detailed description of the Company's climate change risk and opportunity analysis has been disclosed in the sustainability report (<a href="http://www.synnex-grp.com/tw/esg-report">http://www.synnex-grp.com/tw/esg-report</a>).</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement	V		<p>(IV) The company is a high-tech product distribution and service industry, and is not a highly polluting industry. Direct emissions of greenhouse gases are mainly from vehicles used by the logistics centers; indirect emissions are from electricity purchased for the headquarters office and the logistics center factory area.</p>	In compliance with the "Sustainable Development Best Practice Principles



Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																																																														
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policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?			<p>Logistics vehicles have been gradually replaced with newer vehicles. In 2021, the fifth-phase vehicles that comply with Taiwan's current environmental protection regulations have been fully adopted. According to the official data of car factories, pollutant emissions (nitrogen oxides) of fifth-phase vehicles can be reduced by 43% per vehicle. That means that operating volume can grow while still effectively reducing the impact on the environment.</p> <p>1. Greenhouse gas (GHG) emissions (fuel consumption and electricity)</p> <p style="text-align: right;">Unit: Tons CO2e</p> <table><tr><th>GHG emissions</th><th>Scope 1: Fuel consumption</th><th>Scope 2: Electricity</th><th>Total</th></tr><tr><td>2020</td><td>1,654</td><td>2,435</td><td>4,090</td></tr><tr><td>2021</td><td>1,697</td><td>2,379</td><td>4,076</td></tr><tr><td>2022</td><td>1,833</td><td>2,307</td><td>4,140</td></tr></table> <p>Note: Covering Synnex Group and its subsidiary Synergy Intelligent Logistics Corp. and all Taiwan factory information.</p> <p>In 2022, the GHG emissions from vehicle oil was 1,833 metric tons CO2e, a slight increase of 136 metric tons compared to the 1,697 metric tons CO2e of emissions in 2021, which was due to the full capacity of home service. The annual service volume increased by 9.5%, and a total of more than 195,000 households were served.</p> <p>The total electricity consumption in 2022 was 4.532 million kWh, a decrease of 206,000 kWh from 4.73 million kWh in 2021, and a reduction of 70 metric tons of GHG emissions.</p> <p>The Company implemented ISO 14001 Environmental Management Systems in 2022 and used the PDCA cycle to carry out inspection and improvement measures, which were verified any recommended by the BSI for certification. ISO14064-1 GHG Inventory verification was also implemented the same year (the scope of inventory was 2021). An inventory of all locations of SYNnex's parent company is expected to be completed in 2023, and third party verification will be obtained in the third quarter.</p> <p>2. Water usage</p> <p style="text-align: right;">Unit: Tons</p> <table><tr><th>Water consumption</th><th>Taipei Headquarters</th><th>Taipei logistics centers</th><th>Taichung logistics centers</th><th>Kaohsiung logistics centers</th><th>Total</th></tr><tr><td>2020</td><td>11,954</td><td>5,725</td><td>3,712</td><td>539</td><td>21,930</td></tr><tr><td>2021</td><td>10,834</td><td>6,724</td><td>3,547</td><td>441</td><td>21,546</td></tr><tr><td>2022</td><td>11,670</td><td>5,679</td><td>4,021</td><td>516</td><td>21,886</td></tr></table> <p>3. Waste management</p> <p>(1) Operational waste</p> <p style="text-align: right;">Unit: Tons</p> <table><tr><th>Waste Total amount</th><th>General waste</th><th>General industrial waste</th><th>Announcement that it should be recycled or reused (class R)</th><th>Total</th></tr><tr><td>2020</td><td>106</td><td>11</td><td>19</td><td>136</td></tr><tr><td>2021</td><td>110</td><td>10</td><td>20</td><td>140</td></tr><tr><td>2022</td><td>128</td><td>10</td><td>62</td><td>200</td></tr></table> <p>In waste management, Synnex not only implements waste classification and resource recycling, it also advocates the use of environmentally friendly tableware and shopping bags, promotes the concept of waste reduction among employees, and promotes policies such as recycling and reuse of packaging materials to reduce waste. The Taipei Operational Headquarters is an office type, which mainly consists of domestic waste of employees, which can be divided into general waste and waste that should be recycled or reused (class R); In addition to the above two types of waste, the logistics centers also have general industrial waste, including that from product maintenance waste and auxiliary sales.</p> <p>Due to the further increase in overall operation volume of logistics centers in 2022, the total amount of packaging materials consumed in operations increased, such as the aforementioned 9% increase in the number of home delivery service cases and 7.7% increase in deliveries, but most of the materials are recyclable.</p> <p>(2) Commissioned recycling - scrapping of four specific machines (refrigerators, televisions, air conditioners washing machines) for environmental protection: 7,989 machines total in 2022</p> <p>Since 2013, Synnex Group has been cooperating with the Environmental Protection Administration's "scrapping of four specific machines" recycling policy, assisting consumers in recycling old TVs, old refrigerators, old washing machines, etc., in consumers' homes while delivering and installing the new home appliances (recycling needs related to the replacement and updating of home appliances).</p> <p>With the number of home services reaching a new high in 2022, the recycling volume of 7,989 scrapped machines (the four machines) also set a record for recycling amount. The company assists consumers in handling recycling of large household appliances, and entrusts professional certified manufacturers to properly process them according to law, effectively reducing the environmental impact caused by the risk of improper disposal by end users.</p> <p>(3) Commissioned recycling - electronics &amp; batteries: All of the company's Taiwan maintenance centers have set up recycling boxes to provide the public with professional channels for recycling, such as: Waste, old mobile phones, scrapped electronic products and batteries, etc.</p> <p>Moreover, the strategies that the company established for energy conservation and carbon and greenhouse gas reduction are as follows:</p>	GHG emissions	Scope 1: Fuel consumption	Scope 2: Electricity	Total	2020	1,654	2,435	4,090	2021	1,697	2,379	4,076	2022	1,833	2,307	4,140	Water consumption	Taipei Headquarters	Taipei logistics centers	Taichung logistics centers	Kaohsiung logistics centers	Total	2020	11,954	5,725	3,712	539	21,930	2021	10,834	6,724	3,547	441	21,546	2022	11,670	5,679	4,021	516	21,886	Waste Total amount	General waste	General industrial waste	Announcement that it should be recycled or reused (class R)	Total	2020	106	11	19	136	2021	110	10	20	140	2022	128	10	62	200			for TWSE/TPEX Listed Companies"
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Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<ol style="list-style-type: none"> <li>1. The main engine of the air conditioner cannot be turned on when the office temperature is below 26°C.</li> <li>2. The air conditioner on and off times are adjusted to avoid operating in empty rooms to save electricity.</li> <li>3. Adopt T5 and LED energy-saving lamps in all lighting fixtures.</li> <li>4. All distribution vehicles must turn off engine when parked in the factory site, and the use of air conditioning is prohibited when idling.</li> <li>5. Employees are encouraged to use the stairs and skip the use of elevators. During peak hours, the floors the elevators will stop at are adjusted to reduce stop and start times and energy consumption.</li> <li>6. Combined with the logistics management information system developed in-house, the distribution routes and trips were adjusted to reduce inefficient routes, so as to reduce fuel consumption.</li> </ol>	
IV. Social topics				
(I) Has the company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		<p>(I) The company treats its employees with integrity and provides a safe and secure working environment. The company has formulated its Sustainable Development Code and other related management policies in accordance with the "Universal Declaration of Human Rights", "International Bill of Human Rights", "Global Compact", and "Labor Standards Act" and other human rights standards and labor conditions norm, and has published them on its official website.</p> <p>In accordance with the Code, the company complies with internationally recognized labor rights, such as freedom of association, right to collective bargaining, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, elimination of discrimination against the employed and job seekers. It also confirms that its human resources policies do not treat people differently based on their race, socioeconomic class, age, marital or family status, etc., for the purpose of implementing equal and fair employment of job seekers, employment conditions, remuneration, benefits, training, evaluation, and promotion opportunities. For situations that endanger labor rights, the company provides an effective and appropriate grievance mechanism to ensure the equality and transparency of the grievance process. Grievance channels should be simple and clear, convenient and unobstructed, and appropriate responses should be given to employees' grievances.</p> <p>In addition, we regularly conduct publicity and training on topics such as eliminating workplace bullying and gender equality for all employees to jointly create an equal working environment.</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits) and ensure business performance or results are reflected adequately in employee remuneration?	V		<p>(II) The company attaches great importance to providing employees with sufficient security and a work environment where they can feel at ease, and encourages employees to commit to creating an intelligent and balanced work lifestyle. As a result, employees will not need to worry about their health, economic situation, and family care outside of work.</p> <ol style="list-style-type: none"> <li>1. Employee Compensation Policy <p>Synnex provides market-competitive salaries. In addition to fixed salaries, there are different performance evaluation benchmarks for professional functions of different job types based on the company's business performance as well as departmental and individual goals. The focus of logistics staff work is on daily operational performance, so they are evaluated on a monthly basis; For business personnel, the management of long-term relationships with customers adopts the quarterly evaluation method; Headquarters logistics administration and R&amp;D functional personnel adopt the annual performance evaluation system.</p> <p>In addition, in order to provide incentive to employees and the management team, employee compensation follows the regulations of the company; the company's net income before tax before deducting remuneration to employees and Directors and after making up for losses should be applied to pay remuneration to employees in an amount not exceeding 10% and not less than 0.01% of the balance, and is issued after approval by the Board of Directors.</p> </li> <li>2. Peace of mind and security <ol style="list-style-type: none"> <li>(1) Emphasizing the creation of an intelligent and balanced work lifestyle to encourage colleagues to take adequate vacations. In addition to the annual leave required by law, new recruits with less than a year seniority are entitled leave that is better than the standards stipulated in the Labor Standards Act.</li> <li>(2) All full-time employees enjoy term life insurance of at least NT\$3 million, providing basic security for their families.</li> <li>(3) Employees are eligible for interest free loans to reduce the financial burden of employees who are dealing with major life events. Types of applications include house purchase, marriage, childbirth, car purchase, emergency aid, arrangements for new employees, etc.</li> <li>(4) The company cares for employees by providing cash gifts or gift certificates for marriage, funeral, hospitalization, childbirth, and birthday.</li> <li>(5) Enrollment in labor insurance for full salary, labor retirement pension contribution, and enrollment in National Health Insurance as required by the law.</li> </ol> </li> <li>3. Workplace diversity and equality <ol style="list-style-type: none"> <li>(1) The appointment and promotion of employees is not affected by gender; women hold approximately 41% of positions above the manager level; and 48% of positions above the assistant manager level, higher than the proportion of female employees.</li> <li>(2) A comfortable and private breastfeeding room is provided so that female employees will not be disturbed or have pressure while breastfeeding.</li> <li>(3) We provide employees with a friendly flexible unpaid parental leave environment. According to the statistics, over 60% of female employees (also a number of male employees) had applied for parental leave right after maternity leave. This has helped</li> </ol> </li> </ol>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"

Promotion item	Implementation status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																			
	Yes	No																				
(III) Does the Company provide a safe and healthy working environment and provide employees with regular safety and health training?	V	<p>reduce the conflict between work and family care for employees, so that employees do not have to cut their careers short due to the need for short-term family care!</p> <p>(III) The company values the safety and mental and physical health of employees and is dedicated to improving the working environment and enhancing employees' safety and health awareness. The company has stipulated relevant management mechanisms and operation methods described as follows:</p> <p>1. Work environment and employee safety protection</p> <p>(1) The company constructs a safe and healthy workplace and regularly performs daily, monthly, semi-annually, and annually inspections, maintenance, and improvement of equipment to strengthen the safety of workplace facilities. Our mechanical and electrical personnel inspect the workplace and engineering rooms daily to ensure the use of facilities and equipment and the safety of electricity use; they regularly arrange professional and qualified manufacturers to carry out regular maintenance (testing) work, such as arranging for mechanical and electrical companies to inspect the condition of high- and low-voltage equipment every month and update equipment in a timely manner, conducting drinking water quality testing quarterly, cleaning water towers and testing water quality every six months, maintaining air conditioners and exhaust annually, etc., and regularly inspecting building structures for safety, inclination, structural reinforcement between pipes, conducting structural inspections of building ceilings, fire fighting equipment, building facility safety, etc., to ensure that employees can work with peace of mind and to strengthen workplace safety.</p> <p>In terms of the logistics center, according to the annual automatic inspection plan, regular inspection and maintenance are carried out for equipment such as fork lifts, fire-fighting facilities, electrical equipment, generators, elevators, automatic warehouse cranes, air compressors and air-conditioning equipment; storage cabinets are installed for flammable materials, reinforced and heightened guardrails are installed to prevent falls, and safety standards for equipment maintenance by employees are enhanced.</p> <p>(2) The company's workplaces are covered with public liability insurance, the public safety equipment inspection of the building and firefighting plan is reported to the competent authorities according to law, and the equipment management personnel have obtained fire management personnel qualification licenses and certificates; the workplace firefighting plan is stipulated, and the safety of firefighting equipment placed in workplaces is maintained.</p> <p>(3) The company has appointed safety and health personnel, and arranges for personnel to participate in external training and internal safety and health education and training; it has improved environmental facilities and work processes to strengthen the prevention of occupational injuries. The logistics centers are more specifically directed at work characteristics, such as: Teaching the correct posture for lifting heavy objects, and performing gymnastics warm-up exercises every morning to prevent musculoskeletal injuries caused by lifting.</p> <table><tr><th>Category</th><th>Course title</th><th>Number of attendees</th></tr><tr><td rowspan="2">Internal training</td><td>Occupational safety and health education and training for new recruits</td><td>74</td></tr><tr><td>Occupational safety and health education and training for in-service personnel</td><td>2,518</td></tr><tr><td rowspan="5">External training</td><td>Occupational safety and health business supervisor safety and health on-the-job education and training</td><td>3</td></tr><tr><td>Occupational safety and health manager and occupational safety and health business supervisor on-the-job education and training</td><td>0</td></tr><tr><td>On-the-job education and training for forklift operators operating with a load of more than one metric ton</td><td>8</td></tr><tr><td>First aid education and training</td><td>12</td></tr><tr><td>Fire prevention manager training and refresher courses</td><td>1</td></tr></table> <p>The Occupational Safety and Health Committee is established to enable employees to have a better working environment; it regularly reviews, coordinates, and recommends matters related to occupational safety and health management on a quarterly basis, and encourages employees to provide safety and health management-related suggestions according to the actual work situation, and participate in the process by which management measures are established. Among the members there is a chairman and an executive secretary, among which the proportion of employee representatives is between 56% and 57%, all of which fully meet the legal requirements that employee representatives account for more than one third of the number of members.</p> <p>2. Occupational accident statistics</p> <p>The company collects statistics on occupational accident cases every month and reports them according to the requirements of the competent authority. In 2022, there was a total of 4 occupational accident cases involving 4 employees, accounting for 0.3% of the total number of employees. All the 4 cases were traffic accidents on the commute to or from work. In 2022, the frequency rate of disabling injuries is 1.57, the rate of lost work days is 135 (calculated in calendar days), and the number of deaths due to work is 0.</p> <p>The occupational accidents were resulted from traffic accidents on the commute to or from work. Therefore, in order to improve employees' safety awareness and reduce the</p>	Category	Course title	Number of attendees	Internal training	Occupational safety and health education and training for new recruits	74	Occupational safety and health education and training for in-service personnel	2,518	External training	Occupational safety and health business supervisor safety and health on-the-job education and training	3	Occupational safety and health manager and occupational safety and health business supervisor on-the-job education and training	0	On-the-job education and training for forklift operators operating with a load of more than one metric ton	8	First aid education and training	12	Fire prevention manager training and refresher courses	1	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
Category	Course title	Number of attendees																				
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	First aid education and training	12																				
	Fire prevention manager training and refresher courses	1																				

Promotion item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Has the company established an effective career development and capability training program for employees?	V		<p>risk of similar incidents, we actively enhance both internal education and training and our safety awareness.</p> <p>3. Employee health enhancement</p> <p>(1) We worked with health service doctors and arranged for them to provide services on site, including health seminars and physician consultation.</p> <p>(2) Arrange free health exams with necessary assistance to follow up on abnormal results, providing comprehensive healthcare to safeguard the health of employees.</p> <p>(3) Neck and shoulder massage services are provided by a professional masseuse, relieving the stiffness from sitting in the office for long hours and improving blood circulation.</p> <p>(4) all office computers adopt screens with low blue light to provide employees with comfortable, healthy, and friendly office equipment.</p> <p>(IV) Synnex firmly believes: "Good employees make good departments, and good departments make a good company." The company has education and training courses arranged for the new recruits on the day they report to work, and has planned professional job training. The company advocates the business operation and philosophy, including the concept of sustainable development in the courses.</p> <p>In addition to face-to-face courses, we have also established Synnex College that allows employees to learn online, independently and free from environmental limitations. Courses can be arranged flexibly so that employees can continuously improve and enhance their professional abilities. Through long-term internal education and training, monthly reports, project sharing, and Synnex EMBA articles, we promote positive values to achieve a subtle effect. Moreover, the company arranges oral reports and integrates reading in each stage of the career development in order to help employees enhance career skills through systematic practice.</p> <p>Each unit has a clear career development path. The software R&amp;D unit ranges from basic programming, system design, system analysis, and project management to cross-platform management. The business unit ranges from internal office work, channel operation, product management, and product planning, to departmental operations. Headquarter logistics unit ranges from basic execution to system design planning and overseas management, as well as logistics system from on-site operation and online supervision to potential operators. A sound career development system and personal ability-oriented promotion system give employees goals and motivation to grow, and drive the company's overall performance and operations to break through to ever higher levels.</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"
(V) Do the company's products and services comply with relevant laws and international standards in relation to issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer or customer protection and grievance procedure policies implemented?	V		<p>(V) The company is a high-tech product distribution and service industry and mainly serves consumers in accordance with the service specifications of the manufacturers and government laws and regulations.</p> <p>Synnex attaches great importance to consumer rights and satisfaction of various after-sales services. The company provides six major service networks to satisfy all types of customers, namely the Synnex service centers around the nation, telephone customer service centers, Synnex e-City, APP/SMS information system, maintenance pick-up and delivery, and home delivery service. We completed the real-time customer evaluation system for home delivery services in 2020, so that customers can directly provide their feedback and service rating. We improve customer service quality and quickly understand customer feedback and deal with their concerns.</p> <p>Synnex takes customer privacy very seriously and performs every step of our operations carefully to guarantee customer privacy. There were no incidents of customer privacy violations in 2022.</p> <p>1. ISO 27001 information security management system</p> <p>The company uses computer information systems heavily to provide high-efficiency and high-quality services. In 2016, to ensure the safety of customer data, the company has introduced the ISO/IEC 27001 Information Security Management System (ISMS) and continuously obtained the certification to ensure that the access and use of information are protected and comply with the regulations.</p> <p>All fields and categories that use customer personal information have imported and followed the specifications of the ISO27001 information security management system.</p> <p>2. Customer service:</p> <p>(1) The employee work code includes the signing of agreements pertaining to customer privacy rights.</p> <p>(2) If there is a need for customers to provide their personal data (such as to third parties or product suppliers), it will surely stem from customer requirements and consent will be obtained from customers.</p> <p>(3) Consumers are reminded to have their personal information deleted from their electronic products before recycling.</p> <p>3. Maintenance stations</p> <p>(1) Article 9 of the Special Instructions of both the mobile phone repair order and the IT product repair order indicate, "Synnex has clearly informed you of Article 8 Paragraph 1 of the Personal Data Protection Act when collecting personal data. You consent that the information will be processed and used within the collection purpose".</p> <p>(2) Synnex also set up "Privacy Notice" reminder boards at the counters of major maintenance stations.</p> <p>4. Service query result privacy code masking</p> <p>The results of the query for at-home installation, at-home maintenance, and other service business progress query pages all cover personal information, protect the privacy of customers' personal information, and abide by information security management standards.</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

Promotion item	Implementation status		Summary	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No		
(VI) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		<p>The company has the marketing and labeling of products and services handled in accordance with the Commodity Labeling Act and the IT and Telecom (3C) labeling standard and other requirements published by the Department of Commerce, MOEA. Moreover, the company has applied for electromagnetic waves and other inspections of the products by the Bureau of Standards, Metrology and Inspection, MOEA so that consumers can understand the products fully.</p> <p>(VI) In terms of selecting partners, the company's focus is in fulfilling sustainable development as an important indicator for long-term cooperation. In the implementation of vendors' sustainable development, the company mainly evaluates the following items:</p> <ol style="list-style-type: none"> <li>1. "Honesty and integrity, clean transaction": Link with the vendors and customers through our role as a distributor to jointly create a harmonious trading environment. In addition to honoring the commitment to integrity, the company shall also comply with the related laws and regulations as a law-biding and practical enterprise.</li> <li>2. "Green and environmental, recycle energy": When selecting vendors and suppliers, the Company pays attention to whether the vendors and suppliers comply with the requirements of EU environmental standards and national environmental laws and regulations; also, aim for sustainable development and expand the overall green supply chain performance. If a supplier violates occupational safety and health or labor and human rights, the company will reevaluate its partnership with the supplier.</li> </ol>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or qualified opinion for the reports above?	V		<p>The company prepares its annual sustainability report in accordance with the GRI Standards issued by GRI.</p> <p>The company commissioned PwC Taiwan to establish limited assurance on our sustainability report in accordance with the Statement of Assurance Principles No. 1, "Audit and Review of Non-financial Information" issued by the Accounting Research and Development Foundation.</p>	In compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"
VI. If the company has established corporate social responsibility principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any difference between the principles and their implementation: no difference.				
VII. Other important information to facilitate a better understanding of the company's implementation of sustainable development: For the operation of the sustainable development of the company, please refer to the sustainability report uploaded to the ESG area of the Synnex Group website ( <a href="http://www.synnex-grp.com/tw/esg-report">http://www.synnex-grp.com/tw/esg-report</a> ).				

● **Implementation of ethical corporate management and measures and departure from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons**

Assessed areas	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
<p>I. Establishment of ethical corporate management policy and approaches</p> <p>(I) Has the company implemented a board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the board of directors and management towards enforcement of such policy?</p> <p>(II) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?</p> <p>(III) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>	V		<p>(I) The company's Board of Directors has passed and established the "Ethical Corporate Management Best Practice Principles" on March 17, 2011, passed the revisions in response to the regulations on March 16, 2015 and March 13, 2020, which have already been disclosed on the company's website: In addition, since 2013, the company's sustainable development report has been issued annually, conveying the company's efforts and contributions to fulfilling social responsibilities to stakeholders. The Group's senior management and the members of the Board of Directors are responsible for supervising business conduct while the upholding of the concept of integrity in order to create an operational environment that is conducive to sustainable development.</p> <p>(II) In the "Ethical Corporate Management Best Practice Principles", the company clearly establishes the prevention of unethical conduct such as bribery and accepting bribes, offering or accepting improper benefits, offering or promising facilitation fees, offering illegal political donations, engaging in unfair competition, providing improper charitable donations or sponsorships, disclosing confidential information, and damaging the rights and interests of stakeholders. The company has taken preventive measures and conducted education and promotion to implement the ethical corporate management policy.</p> <p>(III) The company set up the "whistleblowing system" on December 12, 2018. The disciplinary actions and complaint systems are established to prevent bribery and taking bribes and prohibit providing illegal political contributions, improper charitable donations or sponsorship, and offering or accepting unreasonable gifts, entertainment, or other improper benefits for the operating activities stated in Article 7 Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" or other business activities subject to higher risk of fraud. In December 2022, a total of 48 supervisors of the senior management conducted an online course on the prevention of insider trading, for a total of 24 hours. The course outline is as follows: Insider trading concepts and regulations, legal liability and civil liability cases. In December 2022, the "Latest Procedures for Handling Major Inside Information and Promotion of Insider Trading Prevention" will be released to all employees in the Synnex operation system. Newly-appointed directors and managers provide relevant information on norms to promote prevention of insider trading when they take office. In order to prevent insiders from violating relevant laws and regulations on securities trading, we inform insiders of the common violations listed in the letters and documents of the Taiwan Stock Exchange from time to time, and remind them that they shall handle them in accordance with the regulations.</p>	In compliance with the concept and implementation of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies".
<p>II. Full Implementation of Ethical Management Principles</p> <p>(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(II) Does the company have a dedicated unit responsible for business integrity under the board of directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors while overseeing such operations?</p> <p>(III) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?</p>	V		<p>(I) The contract signed with important suppliers of the Company already contain a commitment to integrity clause.</p> <p>(II) The Company established an Ethical Corporate Management Team under the president with approval from the president on July 5, 2022. Based on the duties and scope of each unit, the Ethical Corporate Management Team is responsible for assisting the board of directors and management in formulating and supervising the implementation of preventive measures under the ethical corporate management policy. The Ethical Corporate Management Team reported the situation of its operations to the board of directors on November 3, 2022.</p> <p>(III) The company has established the ethical corporate management best practice principles and whistleblowing system, which have clearly defined the policy to prevent conflicts of interest and all units are required to implement it. The company and the company's website provide unobstructed channels for employees to express their opinions. Moreover, situations where a proposal at a given the company's Board of Directors meeting concerns the personal interest of any of the directors have been processed in accordance with the relevant director conflicts of interest regulations of the Rules of Procedure for Board of Directors Meeting.</p>	In compliance with the concept and implementation of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies".



Assessed areas	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise, to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(IV) The company has established and follows effective accounting systems and internal control systems, and conducts reviews regularly so as to ensure that the design and enforcement of the systems continue to be effective. The company's internal audit unit shall regularly and irregularly review the status of the company's internal control systems compliance and prepare audit reports for submission to the Board of Directors.	
(V) Did the company regularly provide internal and external training programs on integrity management?	V		(V) The company pays attention to the implementation of the principles of integrity by all employees during daily operations and includes the code of conduct in our internal training courses for employees.	
III. Operation of whistleblowing system				In compliance with the concept and implementation of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies".
(I) Has the company established concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?	V		(I) The company has established the whistleblowing system, formulated the reporting and reward mechanism, and established and announced an internal independent reporting mailbox for internal and external personnel to use. The Risk & Management & Planning Div. processes and investigates the reported cases.	
(II) Does the company have in place standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(II) The company has established a whistleblowing system and created an independent reporting mailbox for processing the whistleblowing procedures. The company has also established standard operating procedures for investigating reported cases and related confidentiality mechanism to ensure the confidentiality of investigation operations and audit documents of the reported cases.	
(III) Did the company adopt measures for protecting the whistleblower from improper treatment or retaliation?	V		(III) Informers shall be protected. If the informer is an employee of the company, the company promises to protect the informer from improper dispositions for whistleblowing. The relevant personnel who processes the reported case shall strictly keep secret the identity of the informer and the contents of the report. The company shall impose internal penalties according to the seriousness of the circumstances on those in violation of the previous two provisions.	
IV. Enhancing information disclosure Has the company disclosed its integrity principles and progress onto its website and MOPS?	V		The company has established the Ethical Corporate Management Best Practice Principles and disclosed the principles on the company's website and in the "Corporate Governance" section of the Market Observation Post System. The company also discloses the operations of the Ethical Corporate Management Best Practice Principles in the annual reports.	In compliance with the concept and implementation of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies".
V. The company shall establish its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and clearly articulate the differences between its operations and the established code: The company has established our Ethical Corporate Management Best Practice Principles and is in compliance with the concept and implementation of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies".				
VI. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (such as review and amendment of ethical management rules) 1. In response to the amendments to the laws and regulations, the company's "Ethical Corporate Management Best Practice Principles" has been submitted to the Board of Directors on March 13, 2020 for discussion and revision to enhance the effectiveness of the company's integrity management. 2. The company has defined the system for recusal of directors for conflict of interests in the Rules and Procedures for Board of Directors Meetings. If a director, or a corporate entity that the director represents, is considered an interested party in the discussed agenda, a full disclosure is required during the current meeting session. The director shall recuse himself/herself from all discussions and voting if it is in conflict against the company's interests. In which case, the director shall not exercise voting rights on behalf of other directors.				

- Relevant regulations established by the company regarding corporate governance:**

Please refer to Synnex's website: <http://www.synnex-grp.com/tw/major-internal-policies>

The information can also be found in the "Corporate Governance" section of the Market Observation Post System at [mops.twse.com.tw](http://mops.twse.com.tw).

- Other significant information which may improve the understanding of the implementation of corporate governance. None.**



- **Status of implementation of internal control system**

Synnex Technology International Corp.  
Internal Control System Statement

Date: March 8, 2023

This Statement of Internal Control System is issued based on the self-assessment results of the company for the year 2022.

- I. The company is fully aware that the establishment, implementation and maintenance of its internal control system is the responsibility of the Board of Directors and managerial officers. In this regard the company has already established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of reporting, and compliance with applicable laws and regulations.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change and impact the effectiveness of the internal control system. However, self-supervision measures were implemented within the company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Monitoring. Each element further contains several items. For more information on the abovementioned items, please refer to the Regulations.
- IV. The company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
- V. Based on the findings of the evaluation mentioned in the preceding paragraph, the company believes that as of December 31, 2022, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- VI. This Statement will become a major part of the content of the company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the company held on March 8, 2023, where all attending directors affirmed the content of this Statement.

Synnex Technology International Corp.

Chairman: Miao, Matthew Feng Chiang

Signature and Seal

President: Tu Shu-Wu

Signature and Seal

- The penalties and major deficiencies improvement status for penalties that may have a significant impact on shareholders' equity or stock prices that are imposed on the company or internal personnel by law or imposed on internal personnel by the company for violating the provisions of the internal control system: None.

## • Important resolutions of Shareholders' Meeting and Board of Directors

### Shareholders' Meetings

Date of meeting	Summary of important resolutions	Result	Implementation status
2022.05.30	1. Approved 2022 financial statements.	Adopted.	Complied with the resolution.
	2. Approved 2022 earnings distribution. Shareholder's dividend: NT\$5.0 cash dividend per share.	Adopted.	Set June 15, 2022 as the record date for distribution of cash dividends, and distributed cash dividends on July 6, 2022.
	3. Discussion on partial revision of the "Articles of Incorporation".	Adopted.	Registration was approved by the Ministry of Economic Affairs on July 07, 2022 and was disclosed on the company's website.
	4. Discussion on partial revision of the "Procedures for the Acquisition or Disposal of Assets".	Adopted.	Uploaded the procedures to the Market Observation Post System and acquired or disposed of assets according to the amended procedures.
	5. Discussion on partial revision of the "Procedures for Derivatives Transactions".	Adopted.	Uploaded on the company's website and operation in accordance with the amended procedures for derivatives transactions.
	6. By-election of directors.	By-election of 2 directors	Registration was approved by the Ministry of Economic Affairs on July 07, 2022 and was disclosed on the company's website.
	7. Discussion on releasing directors of the Company from non-competition restrictions.	Adopted.	Complied with the resolution.

### Board of Directors

Date of meeting	Summary of important resolutions	Result
2022.03.08	1. 2022 operating plan of the Company	Adopted by all the present directors without objection
	2. Declaration on Internal Control	Adopted by all the present directors without objection
	3. Partial revision of the Company's Articles of Incorporation	Adopted by all the present directors without objection
	4. Partial revision of the "Procedures for Acquisition or Disposal of Assets"	Adopted by all the present directors without objection
	5. Partial revision of the "Procedures for Derivatives Transactions"	Adopted by all the present directors without objection
	6. Partial revision of the "Corporate Governance Code of Conduct"	Adopted by all the present directors without objection
	7. Partial revision of the "Corporate Social Responsibility Code of Practice"	Adopted by all the present directors without objection
	8. The Company's 2021 payment of the remuneration to the employees and Directors	Adopted by all the present directors without objection
	9. The Company's 2021 financial statements	Adopted by all the present directors without objection
	10. Determination of the 2021 earnings distribution. Shareholder's dividend: NT\$5 cash dividend per share	Adopted by all the present directors without objection
	11. Authorization of the Chairman to determine the Company's 2021 cash dividend distribution base date	Adopted by all the present directors without objection
	12. Proposal to hold by-election of directors	Adopted by all the present directors without objection
	13. List of candidates for directors and independent directors passed by the Board of Directors	Adopted by all the present directors without objection
	14. Discussion on releasing directors of the Company from non-competition restrictions	Adopted by all the present directors without objection
	15. Convention of the 2022 annual shareholders' meeting	Adopted by all the present directors without objection
	16. Evaluation of the independence and competence of CPAs	Adopted by all the present directors without objection
2022.05.04	1. Proposal to capitalize RMB870 million (equivalent of US\$135 million) in profits of indirectly wholly-owned subsidiary Synnex Distributions (China) Ltd.	Adopted by all the present directors without objection
	2. For increased investment of US\$270 million of the Company's 100% owned subsidiary Synnex Global Ltd. in its 100% owned subsidiary Trade Vanguard Global Ltd.	Adopted by all the present directors without objection
2022.08.04	1. Proposal to transfer shares of indirect subsidiary PT. Synnex Metrodata Indonesia	Adopted by all the present directors without objection
	2. Proposal to transfer shares of investee company Redington (India) Limited	Adopted by all the present directors without objection
	3. Proposal to open a trading account at the Hongkong & Shanghai Banking Corporation Limited, India	Adopted by all the present directors without objection
	4. Established the Risk Management Policy and Procedures	Adopted by all the present directors without objection
2022.11.13	1. 2023 audit plan of the Company	Adopted by all the present directors without objection
	2. Partial revision of the "Procedures for Handling Major Inside Information"	Adopted by all the present directors without objection
	3. Proposed amendment to the Rules of Procedure for Board of Directors Meeting	Adopted by all the present directors without objection
	4. The loan to Seper Technology Corp.	Adopted by all the present directors without objection
	5. The loan to Synnex Global Ltd.	Adopted by all the present directors without objection
	6. Opened a securities trading account at HSBC Securities and Capital Markets (India) Private Limited	Adopted by all the present directors without objection
	7. The company's 2023 remuneration plan for managers	Adopted by all the present directors without objection
2023.03.08	1. 2023 operating plan of the Company	Adopted by all the present directors without objection
	2. Declaration on Internal Control	Adopted by all the present directors without objection
	3. Discussion on partial revision of the "Rules of Procedure for Shareholders' Meetings"	Adopted by all the present directors without objection
	4. The Company's 2022 payment of the remuneration to the employees and Directors	Adopted by all the present directors without objection
	5. The Company's 2022 financial statements	Adopted by all the present directors without objection
	6. Determination of the 2022 earnings distribution. Shareholder's dividend: NT\$3.5 cash dividend per share	Adopted by all the present directors without objection
	7. Authorization of the Chairman to determine the Company's 2022 cash dividend distribution base date	Adopted by all the present directors without objection
	8. Convention of the 2023 annual shareholders' meeting	Adopted by all the present directors without objection
	9. Change of the Company's accountant in coordination with the accounting firm's internal rotation, and evaluation of the independence and competence of the newly appointed accountant	Adopted by all the present directors without objection

Note: The above specified only partial information of the meetings of the Board of Directors and Shareholders; the information disclosed here only includes the information that the company believes may have significant impact on investors.

## • Director objections

In 2022 and in 2023 up to the date of this year's annual report, no Directors had different opinions.

- **Resignation or dismissal of the chairman, general manager, accounting manager, financial manager, internal audit manager, corporate governance supervisor, and R&D manager: None.**

#### (IV) Information on CPAs

##### 1. Information on Fees to CPAs:

Unit: Thousand NT\$

Name of accounting firm	Name of Accountants	Accountant's duration of audit	Audit fee	Non-audit fee (Note 2)	Total	Remarks
PwC Taiwan	Jenny Yeh	2022.01.01~2022.12.31	19,365	22,224	41,589	None
	Yi-Chang Liang					

Note 1: It includes service fees for domestic and overseas subsidiaries.

Note 2: Non-audit fee service content:

- (1) GCD project
- (2) Corporate main file, and country report project services.
- (3) Social responsibility report assurance services
- (4) US GAAP Conversion Consulting services
- (5) Tax compliance services
- (6) Tax declaration services for concurrent business operators
- (7) English translation services for financial reports
- (8) Organizational restructuring consulting services, etc.

Note 3: If the company changes accounting firm and the amount of audit fee paid is less than that in the year before, the amount and reason of audit fees before and after the change: None.

Note 4: If the audit fees were reduced more than 10% from that of the prior year, the reduction amount, percentage and reasons for the reduction of audit fees shall be disclosed: None.

##### 2. Information on Fees to CPAs: None.

##### 3. The chairperson, president, financial or accounting manager of the company who had worked for the certifying accounting firm or its affiliated enterprise in the past year: None.

#### (V) Changes in shareholdings of Directors, Supervisors, managers, and principal shareholders

Title	Name	2022		2023.01.01 ~ 2023.04.01		Remarks
		Increase (decrease) in shares held	Increase (decrease) in pledged shares	Increase (decrease) in shares held	Increase (decrease) in pledged shares	
Chairman	Miau, Matthew Feng Chiang	-	2,055,000 (2,055,000)	-	-	- Representative of Mei-Feng Investment Corporation (Note 1)
Director and President	Tu Shu-Wu	-	-	-	-	
Director	Yang Hsiang-Yun, Chou The-Chien	-	-	-	-	- Representative of MiTAC Inc. (Note 1)
Director	Tu Shu-Chyuan	500,000	-	-	-	- Representative of Hong Ding Investments Corp. Appointed on May 30, 2022
Director	Miau Scott Matthew	-	-	-	-	- Representative of Lien Hwa Industrial Holdings Corp. Appointed on May 30, 2022
Independent Director	Hsuan Chien-Shen	-	-	-	-	
Independent Director	Yeh Kuang-Shih	-	-	-	-	
Independent Director	Shen Ling-Long	-	-	-	-	
Vice-President	Tu Shu-Chyuan	-	-	-	-	- Appointed on March 10, 2022
Vice-President	Li Chien-Tsung	(83,000)	-	-	-	
Vice-President	Hsueh Lien-Jen	-	-	-	-	
Vice-President	Su Chih-Ching	-	-	-	-	
Overseas Operation CEO	Miau, Matthew Feng Chiang	-	-	-	-	
Senior Director of Finance	Lin Tai-Yang	-	-	-	-	
Major shareholder	MiTAC Inc.	-	-	-	-	

Note 1: Information includes only changes in shareholding and pledges of corporate shareholders.

Note 2: The counterparty of the equity transfer and pledge a related party: None.

#### Share pledge information

2023.04.01

Name	Reason for pledge change	Change date	Transaction counterparty	Relationship between the transaction counterparty and the directors, supervisors, managers of the Company and shareholders of the Company holding more than 10% of the Company's shares	Shares	Percentage of shares	Pledge ratio	Pledged loan (redemption) amount
Mei-Feng Investment Corporation	Redemption	2022.10.27	Ta Ching Bills Finance Corporation	None	2,055,000	0.20%	100.00%	-
Mei-Feng Investment Corporation	Pledge	2022.11.15	Taipei Fubon Commercial Bank Co., Ltd. Anho Branch	None	2,055,000	0.20%	100.00%	-

## (VI) The relationships between the top ten shareholders:

2023.04.01

Name	Shares held in this person's name		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree according to SFAS No. 6).		Remarks
	Shares	Percent -age of shares	Shares	Percent -age of shares	Shares	Percent -age of shares	Name	Relationship	
MITAC Inc. Representative: Miao, Matthew Feng Chiang	260,521,054	15.62	-	-	-	-	Miao, Matthew Feng Chiang Lien Hwa Industrial Holdings Corp. Mei-An Investment Corp. Representative: Hsu Ai-Chen	Chairman The Chairman himself Spouse	
Cathay Sustainability High Dividend ETF Securities Investment Trust Fund Account of the Cathay High Dividend Taiwan Equity Fund with Taishin International Bank Co., Ltd. acting as custodian	116,740,000	7.00	-	-	-	-		-	
Yuanta Taiwan Dividend Plus ETF account	78,289,376	4.69	-	-	-	-		-	
Lien Hwa Industrial Holdings Corp. Representative: Miao, Matthew Feng Chiang	59,526,125	3.57	-	-	-	-	Miao, Matthew Feng Chiang MITAC Inc. Mei-An Investment Corp. Representative: Hsu Ai-Chen	Chairman The Chairman himself Spouse	
Morgan Stanley Capital International managed account with HSBC (Taiwan) acting as custodian bank	54,109,000	3.24	-	-	-	-		-	
Tu Shu-Wu	36,156,381	2.17	1,587,245	0.10	-	-	Rong Syuan Investments Co., Ltd. Representative Tu Ying-Hsuan	First-degree relative	
Rong Syuan Investments Co., Ltd. Representative: Tu Ying-Hsuan	35,970,086	2.16	-	-	-	-	Tu Shu-Wu	First-degree relative	
Miao, Matthew Feng Chiang	28,452,004	1.71	-	-	-	-	MITAC Inc. Lien Hwa Industrial Holdings Corp. Mei-An Investment Corp. Representative: Hsu Ai-Chen	Chairman Chairman Spouse	
Mei-An Investment Corp. Representative: Hsu Ai-Chen	21,118,971	1.27	-	-	-	-	MITAC Inc. Representative: Miao, Matthew Feng Chiang Lien Hwa Industrial Holdings Corp. Representative: Miao, Matthew Feng Chiang Miao, Matthew Feng Chiang	Spouse Spouse Spouse	
Farglory Life Insurance Co., Ltd.	20,647,000	1.24	-	-	-	-		-	

## (VII) Comprehensive shareholding ratio of investment entities

2022.12.31

Investment entities	Investment by the company		Investments in enterprises directly or indirectly controlled by the company		Investments by directors, supervisors, and managerial officers of the company		Comprehensive investment	
	Shares	%	Shares	%	Shares	%	Shares	%
Redington Ltd.	188,591,880	24.13	-	-	-	-	188,591,880	24.13
Synnex (Thailand) Public Company Ltd.	-	-	338,939,513	40.00	-	-	338,939,513	40.00
Synnex FPT Joint Stock Company	-	-	55,854,748	47.36	-	-	55,854,748	47.36

### III. Capital and shareholding

#### (I) Share capital source

2023.04.01  
Unit: Share/thousand NT\$

Share capital source	Amount	Shares	Percentage (%)
Authorized capital	202,312	20,231,233	1.21
Issuance of common stock	923,772	92,377,176	5.54
Profit to capital Increment	13,513,221	1,351,322,076	81.02
Capital surplus transferred to capital	542,000	54,200,000	3.25
Exchange of shares	224,120	22,412,000	1.34
Employee stock options	215,780	21,578,000	1.29
Convertible bonds	1,058,265	105,826,483	6.35
Total	16,679,470	1,667,946,968	100.00

#### (II) Category of shares

2023.04.01  
Unit: Share

Category of shares	Authorized shares			Remarks
	Current outstanding shares (listed)	Unissued shares	Total	
Registered ordinary shares	1,667,946,968	732,053,032	2,400,000,000	-

#### (III) Shareholder structure

2023.04.01

Item	Government institutions	Financial institutions	Other institutional shareholders	Personal shareholders	Foreign institutions and personal shareholders	Total
Number of shareholders	1	40	313	49,853	658	50,865
Shares held	616	258,642,080	641,934,784	270,786,649	496,582,839	1,667,946,968
Shareholding percentage (%)	0.00	15.51	38.49	16.23	29.77	100.00

#### (IV) Distribution of shareholding

NT\$10 par  
2023.04.01

Shareholding range	Number of shareholders	Shares held	Shareholding percentage (%)
1 - 999	15,302	3,540,208	0.21%
1,000 - 5,000	27,272	55,248,237	3.32%
5,001 - 10,000	3,947	29,538,164	1.77%
10,001 - 15,000	1,415	17,558,712	1.05%
15,001 - 20,000	718	12,838,340	0.77%
20,001 - 30,000	663	16,389,788	0.98%
30,001 - 40,000	328	11,574,530	0.69%
40,001 - 50,000	210	9,588,902	0.57%
50,001 - 100,000	376	26,883,787	1.61%
100,001 - 200,000	229	32,187,226	1.93%
200,001 - 400,000	151	42,937,478	2.58%
400,001 - 600,000	58	28,530,285	1.71%
600,001 - 800,000	30	20,698,830	1.24%
800,001 - 1,000,000	24	21,873,140	1.31%
1,000,001 and above	142	1,338,559,341	80.26%
Total	50,865	1,667,946,968	100.00%

## (V) List of major shareholders

2023.04.01		
Name of major shareholder	Shares held	Shareholding percentage (%)
MiTAC Inc.	260,521,054	15.62
Cathay Sustainability High Dividend ETF Securities Investment Trust Fund Account of the Cathay High Dividend Taiwan Equity Fund with Taishin International Bank Co., Ltd. acting as custodian	116,740,000	7.00
Yuantai Taiwan Dividend Plus ETF account	78,289,376	4.69
Lien Hwa Industrial Holdings Corp.	59,526,125	3.57
Morgan Stanley Capital International managed account with HSBC (Taiwan) acting as custodian bank	54,109,000	3.24
Tu Shu-Wu	36,156,381	2.17
Rong Syuan Investments Co., Ltd.	35,970,086	2.16
Miau, Matthew Feng Chiang	28,452,004	1.71
Mei-An Investment Corp.	21,118,971	1.27
Farglory Life Insurance Co., Ltd.	20,647,000	1.24

## (VI) Market price per share, net assets per share, earnings per share, and dividends

Unit: NT\$				
Item/Year		2021	2022	2023.03.31
Stock price	Highest	68.00	79.80	64.90
	Lowest	45.10	50.70	58.10
	Average	54.00	62.54	61.68
Net worth per share	Before distribution	38.14	43.50	(Note 5)
	After distribution (Note 1)	N/A	N/A	N/A
Earnings per share	Weighted average shares (in thousands of shares)	1,667,947	1,667,947	1,667,947
	Earnings per share - before adjustment	10.35	9.44	(Note 5)
	Earnings per share - after adjustment (Note 2)	10.35	9.44	N/A
Dividends per share (Note 3)	Cash dividend	5.00	3.50	N/A
	Dividend from earnings	-	-	N/A
	Dividend from capital reserve	-	-	N/A
	Accumulated unpaid dividends	-	-	N/A
Analysis for return on investment (Note 4)	Price-earnings ratio	5.22	6.63	N/A
	Price-dividend ratio	10.80	17.87	N/A
	Cash dividend yield	9.30%	5.60%	N/A

Note 1: 2021 is allocated based on resolution of the shareholders' meeting of the next year. The earnings distribution for 2022 is based on the resolution of the Board of Directors meeting on March 8, 2023.

Note 2: The retroactive adjustment of shares after capital increase out of earnings and employee bonus as of December 31, 2022.

Note 3: The earnings distribution for 2022 is based on Board of Directors meeting on March 8, 2023.

Note 4: Price-earnings (P/E) ratio = Average market price / earnings per share before adjustment

Price-dividend (P/D) ratio = Average market price / cash dividends per share.

Cash dividend yield rate = Cash dividend per share/Average market price.

Note 5: The Q1 consolidated statement in 2023 has not been announced and is thus not disclosed here.

## (VII) Dividend policy and implementation status

### Dividend policy

According to the company's Articles of Incorporation, the company's annual earnings at the end of the accounting year shall be first subject to taxation, reimbursement of previous losses, followed by a 10% provision for legal reserve and special reserve or reversal by law. The Board of Directors shall draft distribution proposals for any remainder plus any accumulated undistributed surplus. Where dividends are distributed in the form of stocks, the distribution shall be subject to the approval of the shareholders' meeting. Where dividends are distributed in the form of cash, the board of directors is authorized 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 present, and shall also be reported at the shareholders' meeting. The cash dividend ratio may not be less than 15% of the total current dividend distributed to shareholders.

Since the company adopts the "active and stable dividend distribution" policy, distribution has exceeded 60% of the year's recurring profits for the most recent three years. This will continue to be our goal in the future, so that Synnex's shareholders will have long-term and stable income from dividends. If there is an increase in the need for funds due to business growth and mergers and acquisitions, the company will independently seek funding methods without affecting dividend distribution.

### Surplus distribution in the most recent three years

Unit: NTD					
Periods	Earnings per share (NTD)	Distribution date	Cash dividend per share (NTD)	Total amount of surplus distribution(in NTD thousand)	Earnings distribution ratio
2020	4.89	2021.07.06	3.30	5,504,225	67%
2021	10.35	2022.07.06	5.00	8,339,735	48% / 70% (Note 3)
2022	9.44	- (Note 1)	3.50 (Note 2)	5,837,814	37% / 64% (Note 3)

Note 1: The chairman is authorized to set the dividend distribution date for the Company's 2022 cash dividend, which has not been set as of the date of publication.

Note 2: The Company's 2022 earnings distribution proposal was approved by the Board of Directors on March 8, 2023.

Note 3: The earnings distribution ratio was calculated after excluding one-time profits.

**(VIII) Uncompensated distribution of shares and its impact on company operation and EPS: Not applicable since the current shareholder's meeting did not propose uncompensated distribution of shares.**

**(IX) Information on employee bonus and compensation for directors and supervisors**

**Provisions of the Articles of Incorporation**

According to the company's Articles of Incorporation, the company's net income before tax before deducting remuneration to employees and directors and after making up for losses should be applied to pay remuneration to employees for 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.

**Estimation criterion and difference treatment**

1. The employee bonus and remuneration to directors for 2022 is estimated with reference to the profitability of the current period on a basis of 1 ten-thousandths and 4 ten-thousandths, respectively.
2. It will be recognized as next year's profit/loss if difference between the actual distribution and estimated amount is shown after resolution of the shareholder meeting.

**Information on proposed distribution approved by Board of Directors**

1. The board meeting on March 8, 2023 passed the proposed distribution of NT\$2,000 thousand in employee bonuses and NT\$8,168 thousand in remuneration for directors and supervisors in 2022. There is no difference between the employee cash bonuses and the estimated amount in 2022. There is a NT\$268 thousand difference between director remunerations and the estimated amount in 2022. The difference has been adjusted to 2023 profits and losses.
2. The proposed distribution of stock dividends for employees is NT\$0.
3. Impact of the proposed distribution of remuneration for employees, directors, and shareholders to earnings per share: None.

**Actual distribution of the preceding year and treatment of differences**

The distribution of employee cash dividend for 2021 was NT\$2,200 thousand, which differs by NT\$100 thousand from the 2021 estimate. The remuneration of directors and supervisors is NT\$7,900 thousand, which differs by NT\$400 thousand from the 2021 estimate. The above differences have been adjusted to 2022 profits and losses.

**Information on employee bonus and remuneration for directors and supervisors in the latest five years**

Item/Year of income		2018 (Distributed in 2019)	2019 (Distributed in 2020)	2020 (Distributed in 2021)	2021 (Distributed in 2022)	2022 (Distributed in 2023)
Shareholder's dividend (share/NTD)	Cash	2.00	2.60	3.30	5.00	3.50
	Stocks	-	-	-	-	-
Remuneration for Directors and Supervisors (in NTD thousand)		7,000	7,000	7,500	7,900	8,168
Employee bonus	Cash	700	750	900	2,200	2,000
	Amount (in NTD thousand)	-	-	-	-	-
	Stocks	-	-	-	-	-
	Shares (in thousands of shares)	-	-	-	-	-
Employee stock bonus / (employee stock bonus + shareholder stock dividends)		None	None	None	None	None
Employee stock bonus / outstanding shares at year end		None	None	None	None	None

**Summary of 2022 (distributed in 2023) employee stock bonus information: None.**

**(X) Company buyback of shares: None.**



## IV. Issuance of global depositary receipts, bonds, preferred shares, and employee stock option

### (I) Global depositary receipts

Issue date			1997.07.03	1999.09.22
Areas issued			Asia, Europe, and the US	Asia, Europe, and the US
Issuance and listing			Luxembourg Stock Exchange	Luxembourg Stock Exchange
Total amount issued (US\$)			139,382,100	245,380,125
Issue price per unit (US\$)			22.23	18.93
Total units issued (unit)			6,270,000	12,962,500
Underlying securities			1. Capital increase by cash and issuance of new shares 2. Release shareholder: MITAC Inc., Lex Service (Guernsey) Ltd.	1. Capital increase by cash and issuance of new shares 2. Release shareholder: Lex Service (Guernsey) Ltd.
Common shares represented (shares)			25,080,000	51,850,000
Rights and obligations of GDR holders			Rights and obligations consistent with common shares	Rights and obligations consistent with common shares
Trustee			None	None
Depositary bank			Citibank, N.A.	Citibank, N.A.
Custodian bank			Citibank, N.A., Taipei branch	Citibank, N.A., Taipei branch
March 31, 2023 outstanding (unit)			23,174	
Apportionment of expenses for issuance and maintenance			Issuing expense is paid by release shareholder and issuing company on the pro rata basis, duration expense is paid by depositary institution	Issuing expense is paid by release shareholder and issuing company on the pro rata basis, duration expense is paid by depositary institution
Important notes on depositary agreement and custodian agreement			See depositary agreement and custodian agreement for details	See depositary agreement and custodian agreement for details
Market price per unit (US\$)	2022	Highest	10.83	
		Lowest	6.49	
		Average	8.50	
	2023.01.01~2023.03.31	Highest	8.46	
		Lowest	7.63	
		Average	8.10	

### (II) Employee stock option certificate

None

### (III) Restricted stock awards

None

### (IV) Preferred stocks

None

### (V) Corporate bonds

None

## V. Mergers, acquisitions, or issuance of new shares for acquisition of shares of other companies

None.

## VI. Implementation of capital allocation plan

(I) Previously issued or privately held securities that have not been completed: None.

(II) Completed in the latest three years and the planned benefits have not yet appeared: None.

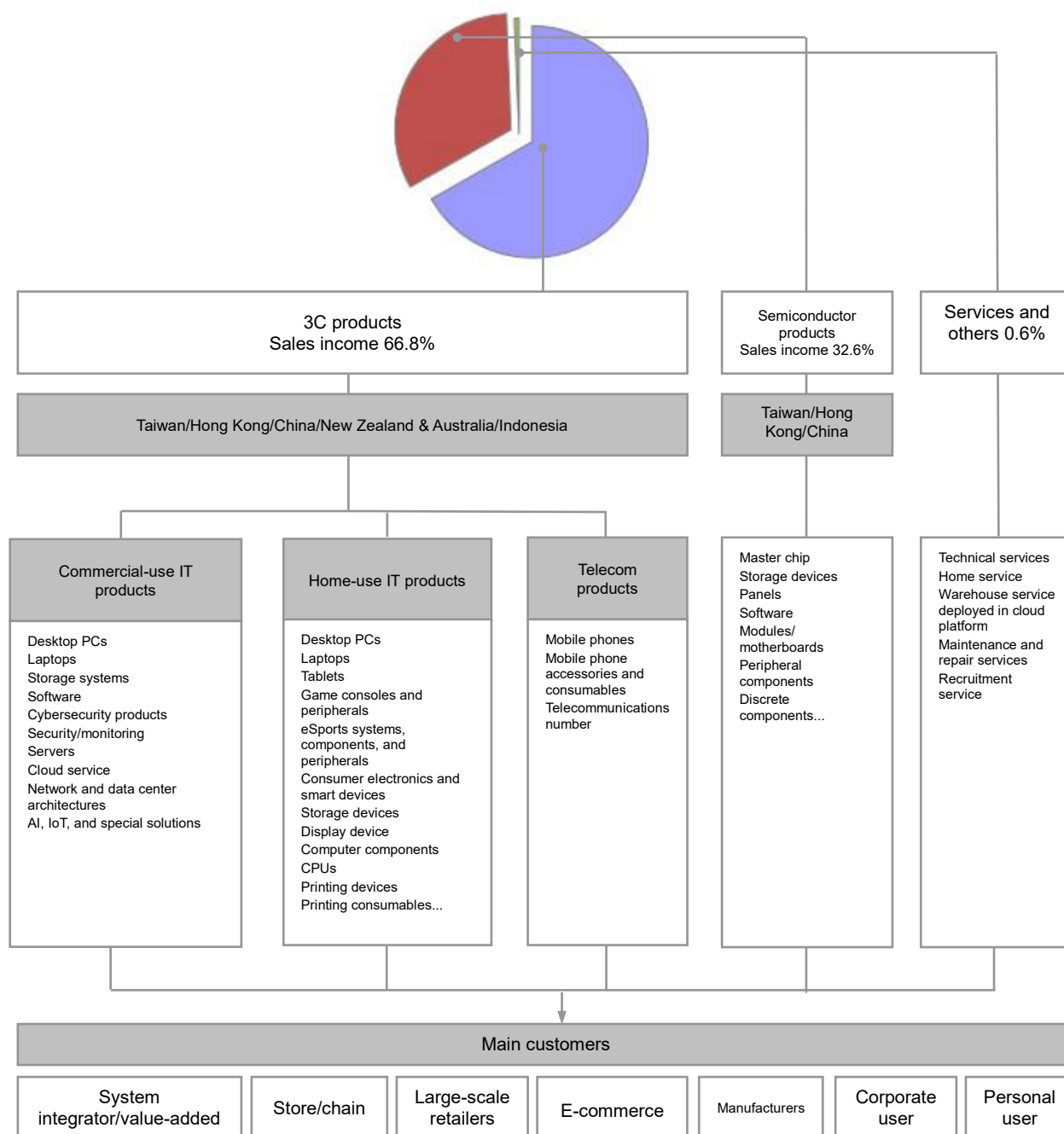
# Business overview

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# Business overview

## I. Scope of business

### (I) Main areas of business operation and revenue distribution for 2022



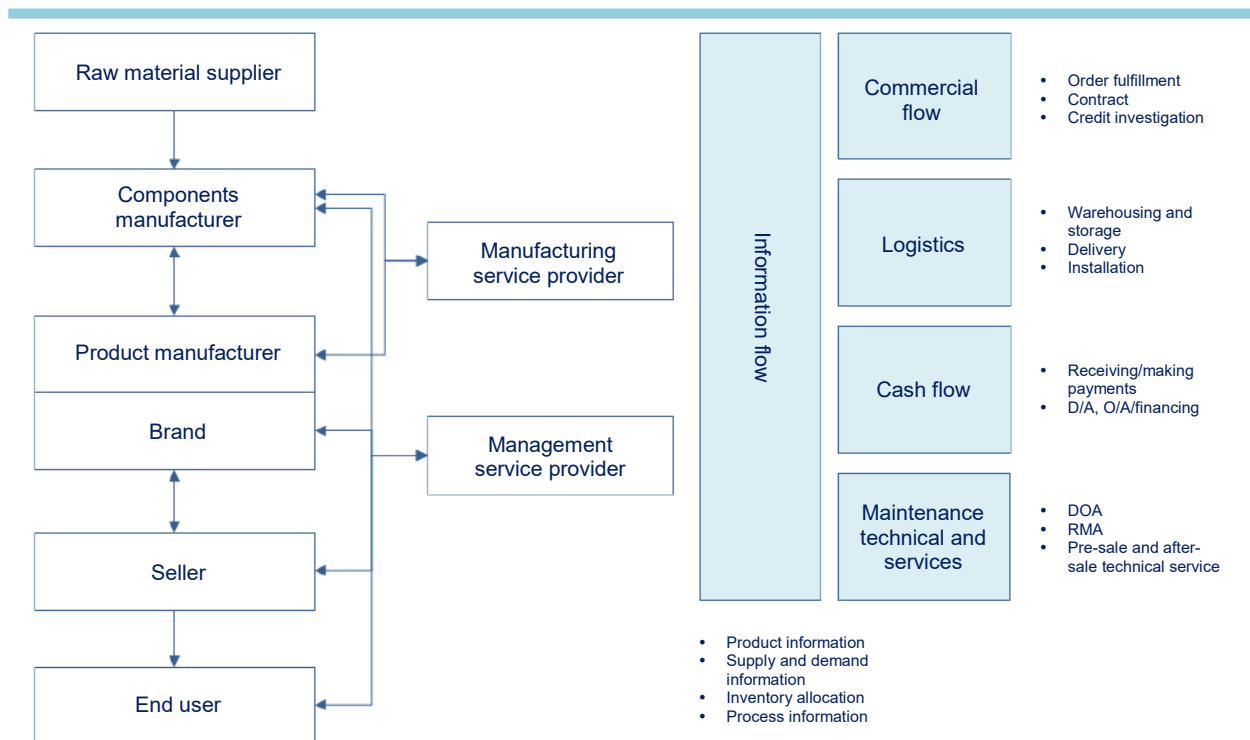
## (II) Developing new products (services)

New product	New service
<ul style="list-style-type: none"> <li>Cloud service business</li> <li>Smart life related products</li> <li>AIoT related products</li> <li>Total solution products</li> </ul>	<ul style="list-style-type: none"> <li>Business opportunity development services</li> <li>Business operation services</li> <li>Analysis management information services</li> <li>Procurement services</li> </ul>

## (III) Industry overview

The structure and main operating activities of the technology industry supply chain are illustrated below. In order to improve the operational efficiency and quality of the supply chain and reduce overall operation costs, the division of labor and operational processes between the upstream and downstream of the supply chain will evolve various modes, forming a diversified industrial ecology.

### Technology industry supply chain



The evolution and development trends of the technology industry supply chain revolve around two major axes:

### 1. Economy of scale

Technology industry R&D (including technology R&D and operating system R&D) entail extremely high costs, and it is necessary to constantly pursue a larger economic scale to support high R&D costs, and thereby reduce product prices and promote popularization.

Considerations of economic scale drive the supply chain to continue towards a finer division of professional labor. Each component has a manufacturer that specializes in R&D and design, and the finished product is assembled by a professional manufacturing service provider. Brands focus on product planning and marketing promotion. The commercial flow, logistics, cash flow, maintenance flow, etc. of the chain are the responsibility of the operation service provider. At the same time, these manufacturers that have division of labor and respective responsibilities have continued to integrate horizontally, and have become centralized and maximized in their respective fields to form a larger economic scale. This development trend has greatly raised the industry's threshold for competition.

### 2. Smooth operation of the supply chain

The supply chain has formed a tightly knit and dense network of division of labor as a result of the professional division of labor. Information transparency among members and efficiency and stability of collaborative operations form the biggest problems faced by the supply chain; they also offer the largest room for improvement of overall operation costs of the supply chain.

Synnex's strategic transformation into an "Management Service Platform (MSP)" focuses on this. From the perspective of the overall supply chain, it gives full play to its own foundation in digital capabilities, actively connects information with upstream, downstream, and partners, removes operational barriers between manufacturers, achieves process transformation of the overall supply chain, and provides platform members with "stable operation services."

## **Industry development trend and competition**

A research report published by the market research institution IDC in December 2022 pointed out that the global market faced a new wave of macroeconomic challenges in 2022. This puts pressure on companies when making decisions, and how companies make investments in technology to withstand the impact of inflation is a focal point of the ICT market in 2023. The IDC believes that technology and IT are not fields that enterprises cut expenses in, but rather fields they invest in, and will become the driving force for companies to withstand economic impact and expand their digital business. The IDC expects Taiwan's ICT market to be affected by the following ten trends in 2023:

### **1. Digital Sovereignty**

The IDC proposed the concept of data sovereignty in 2021, but with the accelerated impact of geopolitics, data sovereignty can no longer fully cover companies' need for sovereignty, and this has gradually increased the importance of digital sovereignty. Digital sovereignty includes three cores, data sovereignty, cloud sovereignty, and guarantee sovereignty. Under the premise of being based on data, the scope of sovereignty also covers cloud platform, workload, data center, and infrastructure. It is also necessary to ensure confidentiality and safety.

The IDC survey found that nearly 50% of enterprises are concerned about whether or not data in the cloud is fully protected, and also care about the location of data centers. Due to geopolitical considerations, digital sovereignty will become an important issue at not only the national level, but also the corporate and individual level, particularly self-determination and management ability.

### **2. Accelerated application of automation and multi-modal AI applications**

Over half of all companies in the world face severe talent and technology shortage due to inflation and economic recession. Companies also face pressure from increase in operating costs, and the IDC predicts that automation will be an important investment for companies to life this pressure.

Automation applications of companies still face the dilemma of AI application expansion and collaboration. Single mode AI applications are no longer able to meet the requirements of companies on real-time decision-making and forecast ability. In the future, multi-modal AI capable of simultaneously processing text, video, and audio will have a chance to resolve dilemmas faced by companies today, and provide more precise automation performance to overcome barriers for decision-making across business processes.

Multi-modal AI automation applications are gradually standing out in smart energy and IC development. The IDC predicts that the shortage of talent and technologies will cause 35% of IT organizations to invest in AI skills. It expects that 40% of AI models will cover multi-modal data algorithms in 2026, becoming a prerequisite for companies to show their operational resilience in the future.

### **3. The next revolution in network security – Software sourcing**

In the era of "digital first," software loopholes are having a growing impact on companies and the government, especially in a volatile geopolitical situation. Companies are now more concerned about the speed of application development, but overlook the risk of network security, causing issues with software loopholes to become growingly severe. This trend has caused companies to shift their attention in network security from maintaining operations to a robust development environment establishing digital supply chains.

The IDC expects software sourcing and creating a software bill of materials (SBOM) will become the key to increasing the transparency of digital supply chains, in order to eliminate the risk of potential loopholes, build customers' trust, and further realize digital sovereignty. The IDC estimates that by 2024, 55% of organizations will require customers to sign a SBOM when providing application services, in order to help customers build software sourcing ability and increase the security of digital supply chains. Attention should be paid to future developments.

### **4. Supply chain restructuring and new competition**

In the past three years, global supply chains encountered an unprecedented crisis of becoming broken. New geopolitics, new raw materials supply, new product structure, and new consumption patterns are the four trends in supply chain restructuring. However, a survey by the IDC showed that nearly 50% of companies in the Asia-Pacific are still in the initial development stage of supply chain flexibility maturity.

Supply chains have transitioned from long chains to short chains and accelerating the development towards multi-chain to increase flexibility and visibility. The creation of multi-chain ecosystems is expected to drive a new wave of technologies to be deployed, including blockchain, AI, cloud services, and data streaming, which are expected to be the focal point of supply chain technologies to be deployed by companies.

The IDC expects 75% of supply chain investments to be in cross-platform applications in 2026, and it will become the main direction for supply chain restructuring.

### **5. 5G chips are gradually maturing, and the prospects of the smart industry should not be underestimated**

The development of low orbit satellites have attracted attention due to SpaceX. The Russo-Ukrainian War accelerated the development of low orbit satellites by various countries, and more and more regions have become aware of the irreplaceability of satellite communications in sensitive geopolitics.

The 5G Release 17 standard this year included NTN for the first time, and mainly focused on the fact that NTN will be a key technology in 6G communication standards. Furthermore, iPhone 14 released by Apple this year also began using satellite communication for emergency rescue, and Android indicated that the next version of the operating

system will include the function.

As satellite companies continue launch low orbit satellites into orbit and with governments gradually releasing bandwidths, the IDC expects that 80% of the world's top 2,000 companies will view low orbit satellite as a network coverage reinforcement option for remote and high risk regions in 2027.

## **6. Multiverse makes the big even bigger**

New multiverse applications have been released over the past year, in which immersive 3D games, exhibitions and performances, and marketing campaigns have attracted the most attention from the market. According to a survey by the IDC, 47% of companies worldwide are interested in multiverse applications, which is related to the growing economic activity of Web 3.0 and the development of bottom layer technologies of the multiverse.

In the future, interoperability between 3D multiverses will be the focus of development, and the IDC expects that jumping and connection of the metaverse will improve under the efforts of the Metaverse Standards Forum and OMA3. However, the development of diverse digital asset transfer still needs time for verification.

Similar to operating systems, online stores for mobile services is a monopolistic market. The IDC expects the big to get bigger when developing the metaverse in each industry. Leading companies will link together scattered metaverse services, especially games, communities, and marketing applications.

## **7. Implementing digital twin in phases**

IoT devices and data volume significantly increased due to the digital transformation and upgrade of companies. Combined with the increase in cloud and edge computing technical capabilities, digital twin is no longer limited to national defense, aerospace, energy, and government applications, and has entered large manufacturing companies, warehousing and logistics, and industry supply chains.

In the past, the market generally believed that the deployment of digital twin requires a large amount of capital and switching between platform technologies. Following the digital transformation of companies and increased demand, and with the assistance of IoT, AI, machine learning, 5G communications, and AR devices and technologies, companies have begun considering how to implement digital twin through small-scale or customized applications.

The IDC expects the deployment of digital twin to become more diverse starting in 2023, and will be implemented in phases in different industries and companies of different sizes. In 2026, 20% of large enterprises will implement hyper scale digital twin projects to maintain their business interests.

## **8. The post-pandemic economy accelerated the transition of SMEs and IT service companies into the cloud**

Despite the pandemic gradually subsiding, the market still suffers from labor shortage, supply chain issues, and inflation. If SMEs want to survive or even stand out, they need a clear digitalization strategy, a blueprint for technologies, and more effective internal governance.

Considering the limited funds that SMEs have, investing in cloud solutions to improve services and the customer experience will be important to increasing the flexibility and market competitiveness of operations.

In order to respond to the demand of SMEs on cloud solutions, 65% of IT service companies in Taiwan have planned or are providing SaaS. Both SMEs and IT service companies are actively transitioning to the cloud, and the growth of investments in cloud services is expected to be higher than medium and large enterprises.

The IDC estimates that 30% of SMEs worldwide will transfer half of their core work items into the cloud by 2025, so as to increase their business agility and flexibility.

## **9. Future consumers**

Inflation caused by geopolitics, imbalance between supply and demand, and monetary policy in the post-pandemic era has impacted many countries, and consumers continue to pay high prices for energy and food. Consumers are expected to have lower disposable income next year and need to adjust their consumption.

The IDC expects consumers to not only consider digitalization, but also care more about whether products and services are intuitive, efficient, easy to manage, have high penetration, and cost effective. To meet future consumer needs, the IDC expects speech shopping platforms, complete sets of smart devices, and consumer electronics subscription services to become the highlights of developments in the consumer electronics market after next year.

## **10. Development of the B2C industry driven by payment changes in the trend of digital population**

The pandemic changed the consumption patterns, shopping habits, and the way people lived, which has driven the digitalization of services and led to considerable changes in payment methods.

The IDC's global survey in 2022 pointed out that consumers not only use cash for payment during shopping, but also prefer to use credit card, mobile payment, and BNPL. Frictionless payment methods are attracting growing attention.

The IDC expects that companies will be better equipped to develop Data as a Service (Daas) applications following the gradual decline in consumer age and changes in payment model, further driving the development of the B2C industry and creating new business models.

#### **(IV) Overview of Technology and R&D**

##### **Research and development operations**

Synnex's is strategically positioned as an "operational service platform". In addition to expanding operational capabilities and management experience accumulated over the decades, the research and development of operational management technology will also focus resources on the connection and integration of external information and the development of service platforms. Key operational management technologies in staged planning, R&D, or rollout include:

1. Cloud service platform
2. E-tailer management service platform
3. Chain store management service platform
4. Bid opportunity and quotation management service platform
5. Fulfillment business management service platform
6. Panel business management service platform
7. Procurement service platform
8. Analysis information sharing platform

The Company has invested a fair amount of human resources and funds; it has continually refined its services and systems to satisfy requirements of the industry supply chain. However, the Company primarily focuses on innovation in operational mechanisms, and thus does not invest in R&D.

#### **(V) Long- and short-term business plans**

##### **Short-term business development plan**

It is clearly positioned as an operation service platform, has insight into various problems and pain points of supply chain operation, and actively targets the four major areas of retail business, commercial business, component business, and recruitment business; it provides upstream and downstream manufacturers with "stable operation services". Customer trust will help us to expand business development space and drive a leap forward in performance scale.

##### **Long-term business development plan**

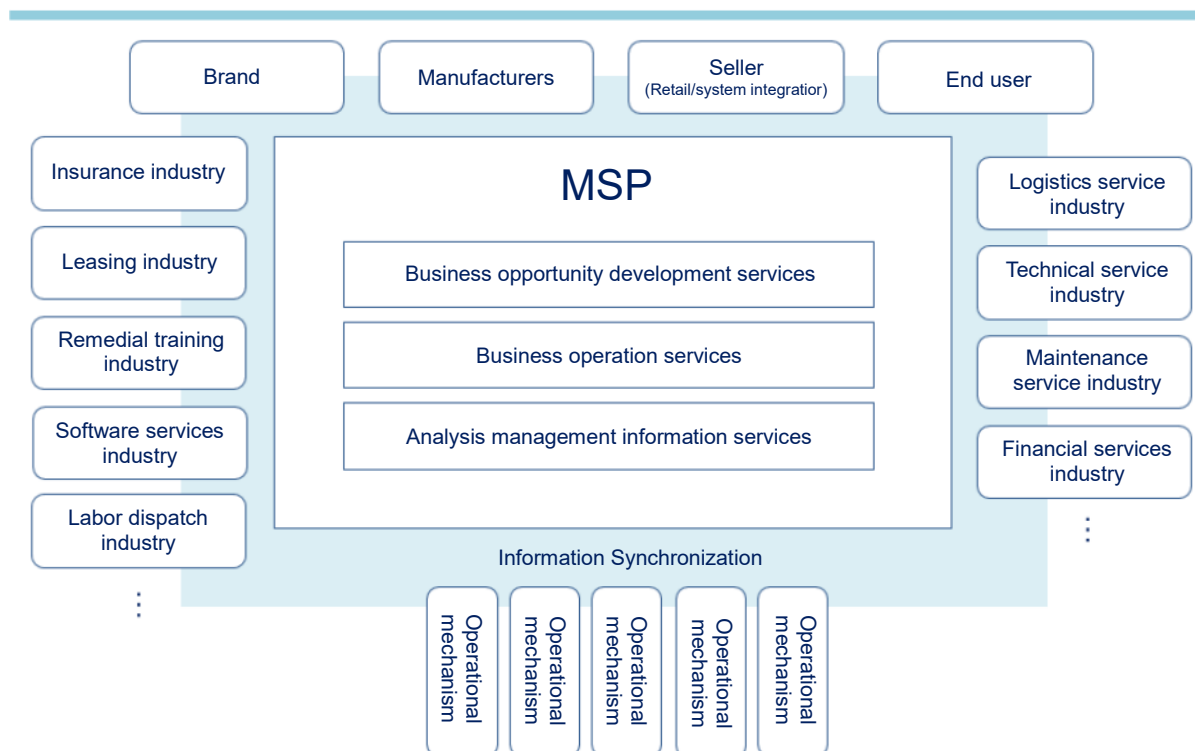
Be perceptive as to industry development trends and supply chain ecological evolution, adjust strategic positioning in a timely manner, continue to develop and innovate supply chain operation models, and seek greater space for value creation.



## II. Business model

Synnex's Management Service Platform (MSP) is a digital platform that builds an entire supply chain operation service system through serial integration of information, providing platform members with business opportunity development services, business operation services, analysis and management information services, and solving supply chain operation problems and pain points, and achieving the goal of smooth operation of the supply chain. Its members include core members of the technology industry supply chain, such as brands, manufacturers, sellers, and users, as well as operators and partnering suppliers that provide basic services related to operations, technical services, maintenance services, and financial services for the supply chain. At the same time, we will expand cross-industry partners to include different fields to form an ecosystem that jointly participates in value creation.

### Management Service Platform



## III. Core competencies

### Long-term and stable upstream and downstream cooperation

Synnex has been intensely involved in the technology and electronics industry for decades, and has generally established long-term and stable cooperative relations with major global manufacturers of semiconductor products and ICT, as well as major sales channels in various areas. Through its good corporate reputation and excellent operation management, it continues to provide original manufacturers and customers with stable and efficient services, jointly create market opportunities, jointly face and solve industry problems, and win the trust of original manufacturers and customers, all of which provide an important foundation for the stable and sustainable development of Synnex.

### Digital capabilities

Synnex has long invested in the construction of internal information infrastructure and has established four major information and communication networks: the management information system (MIS) network, logistics remote monitoring network, video conference network, and telecommunication network to build the foundation of Synnex's international management capabilities. In recent years, its self-developed probe technology has been used to comprehensively improve the intelligence of decision-making, management, and operations, and greatly enhances the company's overall digital capabilities. At the same time, it extends outward to connect information with original manufacturers, customers, and partnering manufacturers, and cross the information barriers between upstream and downstream. Digital capability is the most important market weapon for Synnex.

### Smart logistics network

Synnex has established dozens of logistics centers in major cities of the Asia Pacific region, which altogether form a extensive logistics network coverage. Through smart, professional, disciplined, and efficient operation management, we provide stable, high-quality, and efficient logistics services for high-tech industrial supply chains.

### Research and development capabilities of operations management technology

Synnex Group Headquarters' seven major quality control functions combined with the Software Development Center are together responsible for business model planning, establishing the management policy, developing systems, and conducting various operational analyses and inspection and quality management, letting Synnex Group develop and innovate various operations technologies and adapt to changes in response to the evolution of the industrial ecosystem, and thereby achieve performance of the Group's strategy.

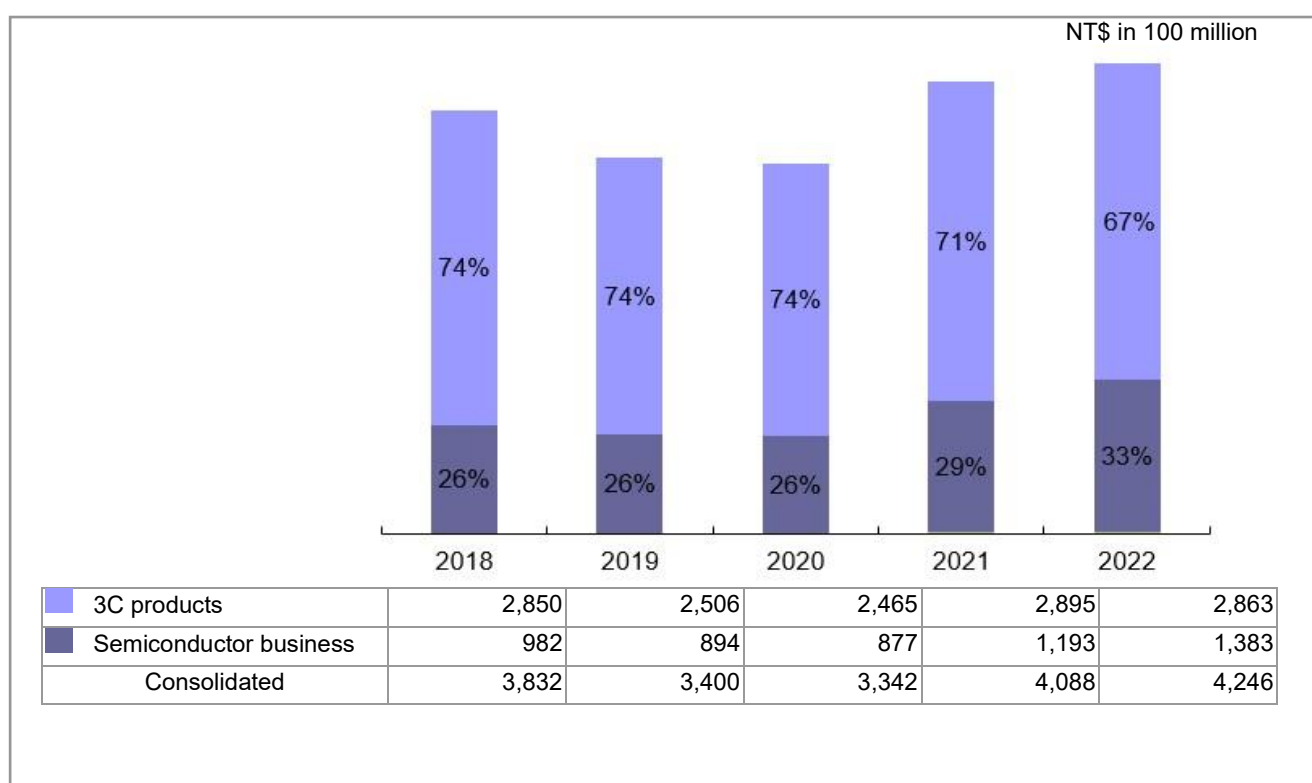
## IV. Business strategy

In order to create more space for business development, Synnex strategically positioned itself as a "Management Service Platform (MSP)" with entirely-new strategic thinking and vision, allowing it to build and develop operational capabilities and operating system mechanisms over the years, produce greater multiples of benefits, and create greater space for enterprise development.

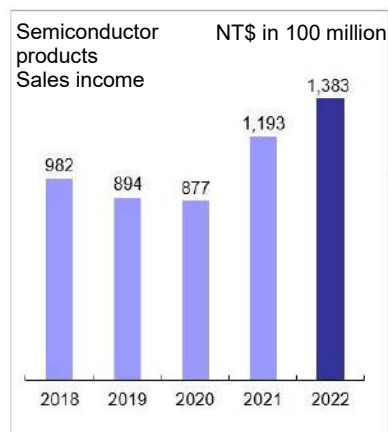
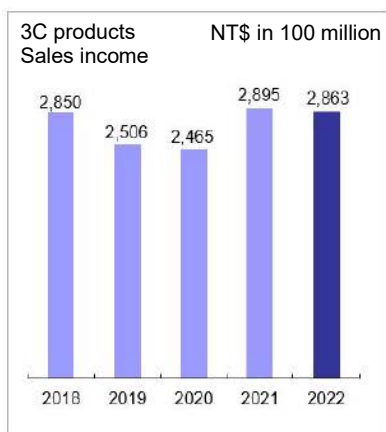
## V. Market and sales conditions

### (I) Revenue trends and the main sales regions

Growth trends in group revenue

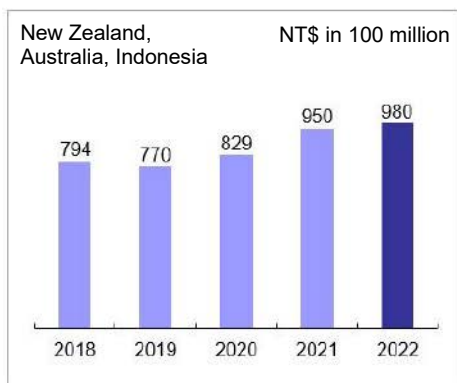
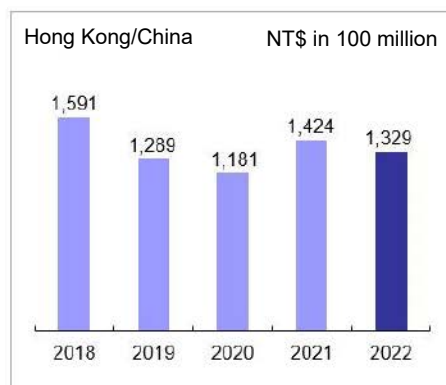
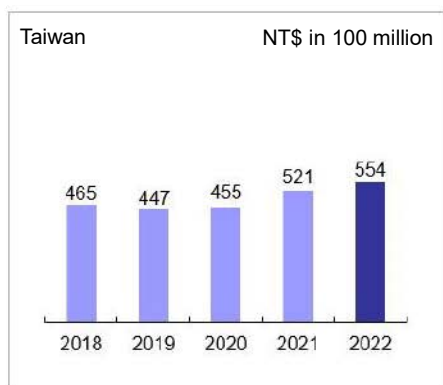


## Sales volume chart



Note: Due to the wide variety and dispersion of the products sold by the Group, the product specifications and measurement units vary greatly. To avoid misleading investors, only the sales amount of each product is listed.

## Growth trends for 3C product revenue in various regions



## (II) Supply and growth of market in the future

The impact of the pandemic over the past three years allowed remote business opportunities (such as remote work, learning, healthcare, etc.) and stay-at-home economy (such as online entertainment, consumption, etc.) to flourish, and made it necessary for individuals and companies to pick up the pace of digital transformation. It has also created considerable demand on digital tools and led to the flourishing ICT industry in the past few years. Yet, a series of events that started in the second quarter last year, including inflation, raising interest rates, and geopolitical conflict, quickly changed the market sentiment, end consumers began to hold back, and companies became more conservative in making investments. Research reports of the IDC, Gartner, and Canalys pointed out that global PC shipments decreased nearly 30% in 2022 Q4, which is the largest decline in a single quarter since the 1990s. Global shipments dropped below 300 million PCs, down approximately 16% compared to 2021, and is a first in the past decade. The server market also encountered headwinds. According to the survey report of DIGITIMES, major cloud service companies, large data centers, and large companies put their investments on hold due to the sluggish global economy, and the server market that was originally relatively optimistic also declined in 2022 Q4.

Even though prospects of the global economy remain unclear, the pandemic has already thoroughly changed the way people work, learn, live, and their leisure and entertainment, establishing the fact that digital tools have become rigid demand in the post-pandemic era. Meanwhile, companies will use digital technologies to strengthen organizational development, accelerate growth, and rebuild leadership capabilities to address the new operations/business models due to the "new normal". For example, investing in cloud-centric digital infrastructures to increase digital flexibility and importing new technologies to build hybrid working environments will continue to provide strong momentum for the ICT industry. According to projections of market research institutes for global PC shipments in 2023, even the more pessimistic projections indicate that market scale will be higher than pre-pandemic levels in 2019. The market generally expects the ICT market will have an opportunity to bounce back in the second half of 2023 as unfavorable factors subside or are resolved and digital tools purchased due to the pandemic are replaced. The ICT market may even being a new wave of growth in 2024.

Synnex has become a leading distributor in Taiwan. Its overseas subsidiaries and joint venture company also showed impressive results locally. The local ranking of its subsidiaries and reinvestment entities in 2022 is as follows:

Region	Ranks of distributors
Hong Kong (subsidiary)	1
China (subsidiary)	3
Australia (subsidiary)	1
Indonesia (subsidiary)	1
Vietnam (joint venture company)	1
Thailand (joint venture company)	1
India (joint venture company)	2

Key indicators of each region:

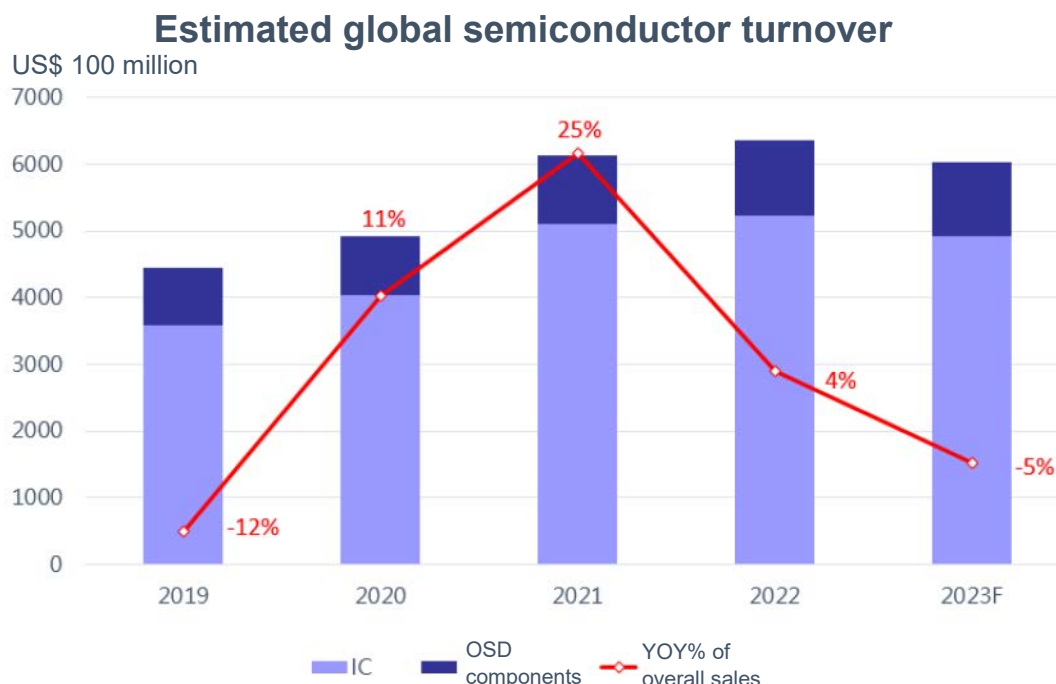
Region	Population (in millions)	Per capita GDP (US\$)	2022 economic growth rate (%)	Source
Taiwan	23.2	32,811	2.4	National Statistics, R.O.C. (Taiwan)
China	1,412.5	12,970	3.2	IMF
Hong Kong	7.4	49,700	-0.8	IMF
Australia	26.0	66,408	3.8	IMF
Indonesia	274.9	4,691	5.3	IMF
Vietnam	99.4	4,163	7.0	IMF
Thailand	70.1	7,631	2.8	IMF
India	1,406.6	2,466	6.8	IMF

### Semiconductor products market

For the effective operation of the semiconductor industry's supply chain, the manufacturers of upstream semiconductor parts provide product technology services to downstream manufacturers through the support of distributors, to concentrate resources to serve direct customers and concentrate on developing next-generation products and create more sophisticated competencies and market opportunities. Distributors are able to bring flexible payment terms to downstream manufacturers, reduce inventory loading, shorten the components supply process effectively, fix the lack of coordination in the upstream and downstream supply chains, and extend to new product development and technical support services. Under these preconditions, a distributor management model must be innovated continuously to provide customers with total solutions in order to obtain profits and sustainability.

Despite memory demand and average selling price (ASP) declining and the PC, smartphone, and other consumer electronics markets contracting in the second half of 2022, the global semiconductor market rapidly declined. However, due to the good sales performance in the first half of 2022, market research institute IC Insights expects global semiconductor product sales to increase 3% to a record high US\$636 billion in 2022.

In light that unfavorable conditions, including the global economic uncertainty, weak demand in the electronics end products market, relatively high chip inventory levels, and weak demand on memory, to semiconductor product sales in the second half of 2022 will continue into the first half of 2023, sales amount of the semiconductor market in 2023 will decrease 5% to US\$604.2 billion, lower than the US\$614.7 billion in 2021.



Semiconductor products distributors in Taiwan have targeted the Asia Pacific market with services provided to main customers, including EMS providers, system integrators, independent design providers, PCB manufacturers, module manufacturers, the PC industry, digital consumer products industry, telecommunications industry, internet industry, and consumer electronics products industry. Due to continuous innovation and development, market demand for related components is growing. Taiwan and China are the world's major production bases for personal computers, mobile phones, and networking. Thus, the total market demand cannot be overlooked. Of which, ICs, memory modules, wireless telecommunications, broadband Internet, digital processing ICs, sensors, passive components, optoelectronic components, LCD panels, diverse IC drivers and power source management IC are the groups with the highest growth. In the future, 5G technology will be widely used, extending from the ICT industry to vertical applications such as transportation, health, and education, and driving the upgrade of base stations, small base stations, mobile phones, CPE products, and wireless routers. In 2035, it is predicted to reach US\$12.3 trillion.

### (III) Favorable conditions for future development

#### **There is abundant energy in industrial innovation, and new technologies and new applications continue to create larger market space**

The technology industry attracts investment from global talent, and there is abundant energy for technological R&D and innovation. New technologies and new applications are constantly coming out, creating new market space. The operation scope of Synnex covers the up, middle, and downstream reaches of the technology industry. It is able to keenly perceive and quickly grasp the application of new technological and industrial development trends, so as to prepare in advance and seize opportunities in new fields.

#### **Extensive development potential in emerging markets**

Though the competition is fierce in the emerging markets, China, India, the Middle East, Thailand, Indonesia, and Vietnam, that Synnex has already entered, the overall market environment has gradually become mature and compliant, and the advantages created by Synnex's robust operations and management mechanisms will gradually expand to drive the increase in market share. As for other countries and regions where Synnex has not yet entered, there is also extensive development potential to be explored.

#### **The increasing demand for smooth services in the supply chain**

Under the trend of globalization, various political and economic events have had a more rapid and violent impact on the industry, and it has become more difficult for enterprises to maintain stable operations. Synnex provides various "stable services" for original manufacturers and customers through the MSP to effectively solve supply chain operation problems, reduce customer operating risks and costs, meet customer needs, gradually strengthen the closeness of cooperation with upstream and downstream manufacturers, and establish itself as indispensable in the industrial supply chain.

## Integration of brand manufacturers, the trend of the big getting bigger under the economies of scale is more and more obvious

In recent years, ICT brand manufacturers have sped up integration and the formation of strong alliances between manufacturers and distributors has become a trend to create a bigger economic scale, smarter operating technologies, and thereby lower operating costs and cooperating more efficiently. The economies of scale does not only help Synnex strengthen its market position, but also creates the positive cycle of the economies of scale accelerating the reduction of operating costs and the reduction of operating costs accelerating the expansion of the scale.

## (IV) Unfavorable factors to future development and response measures

Unfavorable factors	Response measures
<b>The impact of the regional chain reaction and interaction is enhanced under the trend of globalization; also, the impact of local natural disasters or economic and political turbulence is broadened.</b>	<ol style="list-style-type: none"><li>1. Diversify risk and reduce the impact of natural disasters and economic and political turbulence through multi-nation, multi-product, and multi-channel business strategy.</li><li>2. Make good use of its digital capabilities to improve sensitivity and judgment of changes, and continue to strive to improve the solidity of internal operations and management and the transparency of information, enhance the company's vitality, and improve its ability to withstand environmental variables and system risks.</li></ol>
<b>Short life cycle of products</b> The rapid advancement of technology has facilitated the speed of the introduction of new products; thus, product cycle is shortened to approximately half a year, resulting in uncertainty of sales performance and increased inventory risk.	<ol style="list-style-type: none"><li>1. Utilize AI tools to assist the determination of changes in product life cycle, and increase the accuracy and timeliness of product decision-making.</li><li>2. Moderately remove types with low performance and items that do not have operational value, and focus on products and business with high efficiency.</li><li>3. Master the product and technology trends. In addition to distributing star products, introduce and cultivate products with potential at appropriate time to optimize product combinations, control growth opportunities, and lower business risks.</li></ol>
<b>Era of micro-profits, profit margins are low and hard to raise</b> Mature technology and transparent information cause the 3C industrial chain upstream and downstream to move towards slim profits with difficulty in raising profit margins.	<ol style="list-style-type: none"><li>1. Accelerate digital transformation and replace conventional inefficient offline operations with digital connections, in order to lower operating costs and fully utilize the value of human resources.</li><li>2. Utilize digital strengths to resolve issues with supply chain operations, resolve customers' pain points, and create value through services.</li></ol>

## (V) Essential purposes of main products

### 1. Key applications of main products:

The products sold by the Company span across four major fields, namely IT for commercial use, IT for home-use, telecommunications, and semiconductors.

3C products for commercial-use and home-use can be divided into enterprise solutions and device and consumer, in terms of application. The company's main products and brands are as follows:

Main applications and products	
Enterprise Solution	Server & Storage, Networking, Data Center Infrastructure, Cloud Service, Security & Surveillance, Productivity/Tools/BI, Database & Management, Large-Format Display & Printing
Device & Consumer	Client Device, Mobile Phone, PC Component, Smart Device & Home Appliance, eSports & Gaming, Peripheral & Accessory

Once sold, semiconductor products are used for production; the products span across the following fields:

Main industries	
Semiconductor products	PC, Storage & Memory, Panel / Touch / LED, Networking, AIoT, Automotive, Power

### 2. Production processes of main products: Not applicable (non-manufacturing industry)

## (VI) State of supply of main raw materials: Not applicable (non-manufacturing industry)

## (VII) The Group's list of key clients and amounts in the past two years

### Procurements list

Unit: in NTD millions

Ranking	2021			2022		
	Name of supplier	Amount	Total annual net purchase ratio (%)	Name of supplier	Amount	Total annual net purchase ratio (%)
1	A Company (Note)	97,719	21	A Company (Note)	65,203	13
2	B Company (Note)	37,520	8	C Company (Note)	49,793	10
	Other	338,935	71	Other	371,617	77
	Net purchase	474,174	100	Net purchase	486,613	100

Note: Not a stakeholder.

The Group has maintained good relations with major suppliers for a long period of time. The situation of purchasing from major suppliers has changed slightly.

### Sales list

The Group's customers are scattered and there is no excessive concentration. Thus, in the past two years, there were no customers who accounted for more than 10% of the total sales.

## (VIII) Output volume and value during the most recent two years: Not applicable (non-manufacturing industry)

## VI. Employees

### (I) Number of employees

Year Item	2021.12.31			2022.12.31			2023.03.31		
	Taiwan	Overseas subsidiaries	Total	Taiwan	Overseas subsidiaries	Total	Taiwan	Overseas subsidiaries	Total
Number of full-time employees	1,558	3,147	4,705	1,502	3,141	4,643	1,465	3,086	4,551
Number of part-time employees	41	237	278	43	228	271	39	247	286
Total number of employees	1,599	3,384	4,983	1,545	3,369	4,914	1,504	3,333	4,837

### (II) Information on employees

Year		2021.12.31	2022.12.31	2023.03.31
Number of employees	Sales	1,899	1,928	1,901
	Technology	1,348	1,323	1,274
	Computer	176	153	149
	Administrative	511	471	472
	Logistics	771	768	755
	Total	4,705	4,643	4,551
Average age		36.3	37.3	37.5
Average years of service		7.8	8.2	8.4
Academic qualification (%)	PhD	0.0	0.0	0.0
	Master's degree	6.3	6.2	6.2
	University/ College	82.8	83.2	82.9
	High school	9.5	9.3	9.6
	Below high school	1.4	1.3	1.3

Note: Part-time employees are not included.

## VII. Environmental protection expenditure information

Though the company is a channel services provider of high-tech products, which is not categorized as a highly polluted industry and poses no major environmental problems, based on the belief that earth is a part of life, the company is still committed to actively fulfilling its environmental protection responsibility. For related measures, please refer to the description in the performance of sustainable development section.



## VIII. Labor relations

### Employee welfare

In addition to paying labor insurance and national health insurance in full according to the law in Taiwan, the company also purchases group life insurance for its employees and established the Employee Welfare Committee, arranges various group construction activities and established a health-promoting environment, and provides employees with sufficient securities and a secure work environment to attract employees' devotion. In terms of overseas subsidiaries, the employee welfare system was established in accordance with the regulations and environment of the foreign country.

### Retirement system

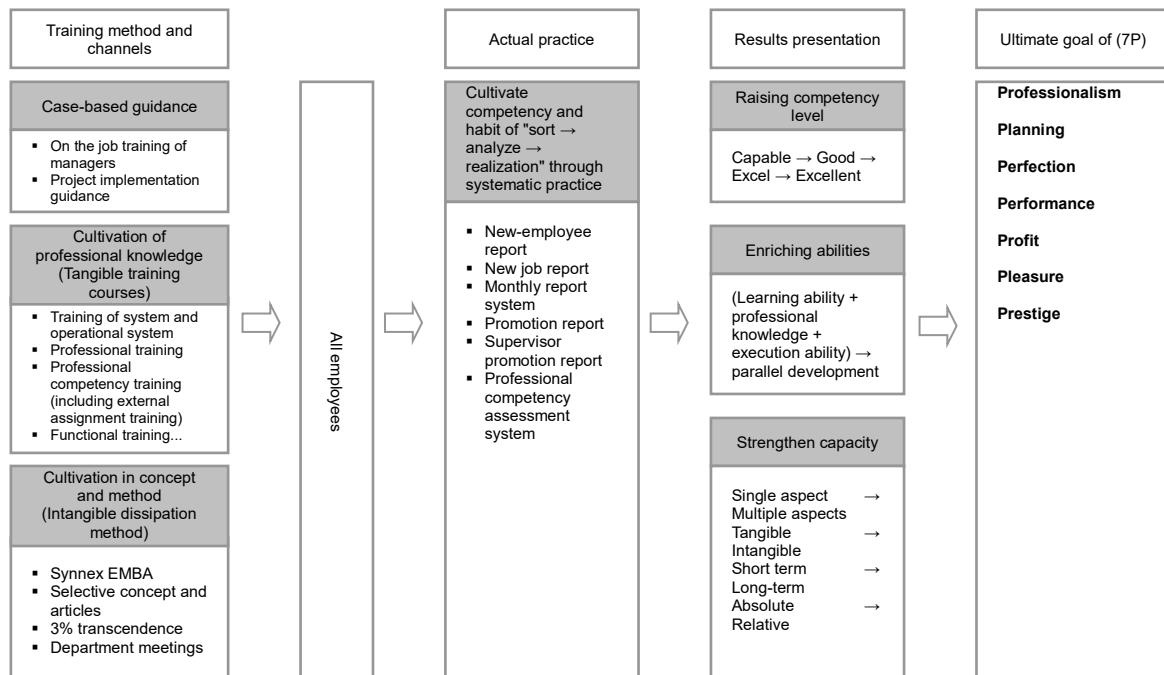
Retirement matters in Taiwan are handled in accordance with the requirements of the Labor Standards Act and Labor Pension Act. The company has formed the Employee Pension Reserve Committee. The new pension system has been implemented in accordance with the Labor Pension Act since July 2005. For the new employees and the existing employees who choose to apply the new pension system, the company pays 6% of their monthly salaries to their personal pension accounts with the Bureau of Labor Insurance. At the same time, the company continues to retain the seniority of existing employees who choose to apply the old pension method and those who choose to apply the new pension method, and allocates the appropriate pension amount according to the payment standard of the old pension method to the account with Bank of Taiwan. In terms of overseas subsidiaries, pension reserves are appropriated and withheld regularly in accordance with the regulations and environment of the foreign country so that employees can work for the company long term without any worries.

### Labor agreement

In addition to normal organizational systems, employee-employer relations can be communicated through regular competency assessment system, labor-management meeting, and Employee Welfare Committee in order establish channel of communication between employees and management to build mutual understanding and promote a harmonious atmosphere in the Company. No significant labor dispute or loss has occurred in 2022 and 2023 up until now.

### Employee training

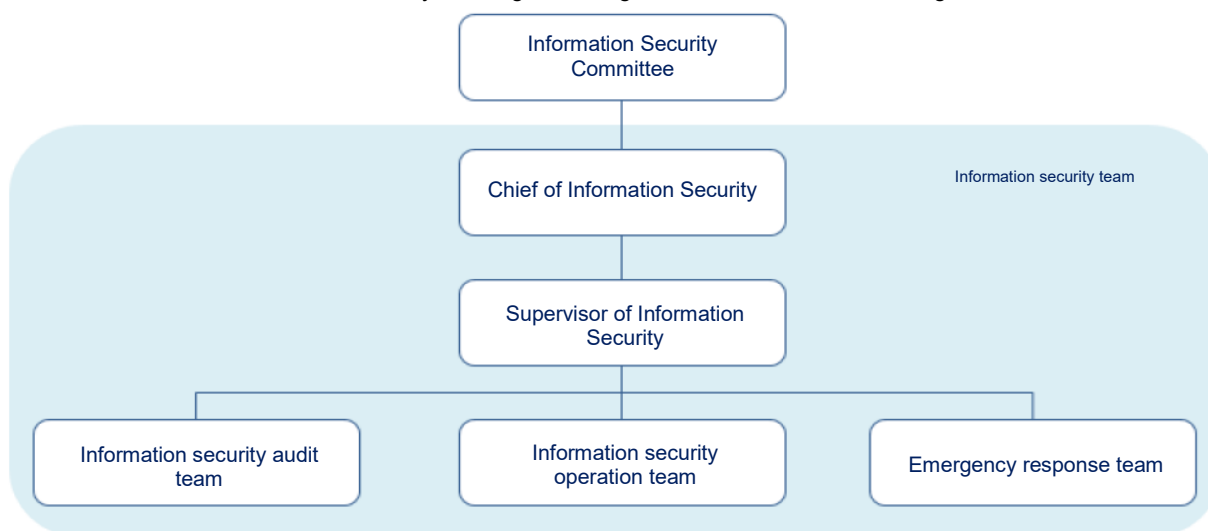
Synnex regards employees as an important intangible asset. Thus, Synnex is devoted to employee training. A complete employee training system (as shown below) has been constructed after years of effort. It is believed that the outstanding employee quality will be the biggest weapon in helping Synnex stand out amongst future competition.



## IX. Information security management

### • Management organization

The Information Safety Management Committee was established to strengthen the company's information security management and ensure security of its data, system, and network. The chief information security officer serves as the convener of the Committee, and reports to the board of directors at least once a year. The organization of the Committee includes the information security operation team, emergency response team, and information security audit team. The information security operation team implements the building of the Information Security Management System, including network management and system management; The emergency handling team is responsible for operating continuity plan specifications and crisis handling procedures, implementing crisis response measures and reporting, and conducting post-incident analysis and prevention; The information security audit team cooperates with the company's audit unit to conduct information security auditing, including internal and external auditing.



### • Risk management mechanisms

Execute management of the IT server room, computer information file security, network security, mail security management, information system control access, etc.

### • Information security policy

The company's information security policy aims to "maintain the confidentiality, integrity, availability, and legality of company information, and avoid human negligence, deliberate destruction, and natural disasters, which result in improper use, leakage, tampering, damage, or disappearance of information and assets which affect the company's operations and cause damage to the company's rights and interests." The company introduced the ISO 27001 information management system in 2016, and has regularly obtained ISO 27001 certification. The current certificate is valid from August 2022 to August 2025. Through the introduction of the ISO 27001 information security management system, the ability to respond to information security incidents has been strengthened, and assets of the company and customers are more secure.

### Specific information security management plan

Item	Specific management measures
Firewall protection	1. Set firewall connection rules. 2. Can only be opened with the approval of the responsible supervisor when there are special connection needs.
User Internet access control mechanism	1. Use an automatic website protection system to control users' online behavior. 2. Automatically filter users' Internet access to websites that may have links to Trojans, ransomware, or malicious programs.
Antivirus software	Use antivirus software and automatically update virus pattern files to reduce the chance of infection.
Updating of the operating system	The operating system is automatically updated. If it is not updated for some reason, the information center will assist in updating.
Email security control	1. There is automatic email threat scanning protection that prevents suspicious attachment files, phishing emails, spam emails, and expands the protection range against malicious links before users receive emails. 2. After a personal computer receives an email, the antivirus software also scans it for suspicious attachment files.
Data backup mechanism	Every important information system database is set up for daily backup.
Important file upload server	The important files of each department in the company are stored on this server, which is backed up and saved by the information center.
Information security insurance	The company's customers are mainly corporate customers, and there is no risk of consumer personal data custody. After evaluating the insurance coverage and applicable industries for IT security insurance on the market, we have not purchased capital security insurance for the time being. However, in response to the challenges faced by information security, certain software and hardware have been imported, such as firewalls, anti-virus software, intrusion prevention systems, etc., and we continue to pay attention to the changing trends of the information environment and strengthen our employees' awareness of information security crises and the ability of information security handlers to respond to such crises.

- **Emergency notification procedure**

When an information security incident occurs, the unit(s) to which it occurred will notify the information security team—emergency handling team, determine the type of the incident, find the problem point, deal with it immediately, and leave a record.

- **Losses, possible impacts, and countermeasures due to material information security incidents: None**

## X. Important contracts

Nature of contract	Contract subject	Contract start and end dates	Main content	Restriction clauses
Tenancy	Cathay Life Insurance	2019.01-2023.12	The rent is NT\$1,845/month/ping, and the office area is currently 2,386.64 pings.	None
Commercial real estate purchase agreement	Nanzong Construction Developments, Co., Ltd.	From September 2019 to inspection and acceptance	The total price is NT\$5.087 billion; the total area is 4,846.63 pings and there are 80 parking spots	None
Construction contracts	Taiwan Daifuku Co., Ltd.	2020.02 until inspection and acceptance and the warranty expires	Sydney Phase II automated warehouse and auxiliary equipment construction	None

Note: Most of the general distribution contracts are changed every year, and there are many distribution products and each item has little effect on the overall sales, so details will not be provided here.

# Financial Overview, Performance Analysis and Risk Management

<b>I.</b>	<b>Condensed balance sheet for the past five years .....</b>	<b>65</b>
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# Financial Overview

## I. Condensed balance sheet for the past five years

### (I) Condensed balance sheet

Unit: in NTD millions

Item/Year	2018	2019	2020	2021	2022
Current assets	117,683	111,302	121,603	166,052	190,568
Property, plant and equipment (Note 2)	6,919	6,349	9,600	9,568	9,757
Intangible assets	632	646	638	640	666
Other assets (Note 2)	22,284	29,392	27,835	25,424	20,505
Total assets	147,518	147,689	159,676	201,684	221,496
Current liabilities					
Before distribution	97,360	94,466	101,744	129,394	123,370
After distribution	100,696	98,803	107,248	137,734	129,208
Non-current liabilities	798	1,278	1,082	6,399	23,195
Total liabilities					
Before distribution	98,158	95,744	102,826	135,793	146,565
After distribution	101,494	100,081	108,330	144,133	152,403
Equity attributable to owners of parent	47,570	49,814	54,583	63,610	72,563
Capital stock	16,679	16,679	16,679	16,679	16,679
Capital reserve	14,847	14,743	14,709	14,200	13,506
Retained earnings					
Before distribution	22,221	25,687	29,531	40,978	48,416
After distribution	18,885	21,350	24,027	32,638	42,578
Other interests	(6,177)	(7,295)	(6,336)	(8,247)	(6,038)
Treasury stock	-	-	-	-	-
Non-controlling interests	1,790	2,131	2,267	2,281	2,368
Total equity					
Before distribution	49,360	51,945	56,850	65,891	74,931
After distribution	46,024	47,608	51,346	57,551	69,093

Note 1: Financial statements in each year have been audited.

Note 2: Asset revaluation has not been processed in each year.

Note 3: The figures in each year were allocated based on the resolution of the annual Shareholders' meeting in the following year, except for the year 2022 Year which the figures were allocated based on the resolution of the Board of Directors meeting in the following year.

## (II) Individual condensed balance sheet

Unit: in NTD millions

Item/Year	2018	2019	2020	2021	2022
Current assets	15,489	13,301	11,655	13,022	17,050
Property, plant and equipment (Note 2)	1,133	1,070	3,547	3,550	3,525
Intangible assets	34	70	76	82	71
Other assets (Note 2)	74,024	82,672	88,484	105,209	138,987
Total assets	90,680	97,113	103,762	121,863	159,633
Current liabilities					
Before distribution	42,768	46,841	48,772	52,555	64,710
After distribution	46,104	51,178	54,276	60,895	70,548
Non-current liabilities	341	458	407	5,698	22,360
Total liabilities					
Before distribution	43,109	47,299	49,179	58,253	87,070
After distribution	46,445	51,636	54,683	66,593	92,908
Capital stock	16,679	16,679	16,679	16,679	16,679
Capital reserve	14,847	14,743	14,709	14,200	13,506
Retained earnings					
Before distribution	22,221	25,687	29,531	40,978	48,416
After distribution	18,885	21,350	24,027	32,638	42,578
Other interests	(6,177)	(7,295)	(6,336)	(8,247)	(6,038)
Treasury stock	-	-	-	-	-
Total equity					
Before distribution	47,570	49,814	54,583	63,610	72,563
After distribution	44,234	45,477	49,079	55,270	66,725

Note 1: Financial statements in each year have been audited.

Note 2: Asset revaluation has not been processed in each year.

Note 3: The figures in each year were allocated based on the resolution of the annual Shareholders' meeting in the following year, except for the year 2022 Year which the figures were allocated based on the resolution of the Board of Directors meeting in the following year.

## II. Statement of comprehensive income for the past five years

### (I) Condensed statement of comprehensive income

Unit: in NTD millions  
(Except for earnings per share in NT\$)

Item/Year	2018	2019	2020	2021	2022
Operating revenue	383,195	339,995	334,201	408,812	424,550
Gross profit	14,498	14,721	15,095	17,599	17,843
Operating profit	5,412	5,979	7,234	9,333	9,138
Non-operating income and expenses	2,566	2,911	3,267	13,899	11,137
Net income before tax	7,978	8,890	10,501	23,232	20,275
Net income of the current term	6,913	7,219	8,538	17,778	16,330
Other comprehensive profit/losses for the current period (net, after-tax)	(1,018)	(1,178)	723	(2,680)	1,938
Total comprehensive income of the term	5,895	6,041	9,261	15,098	18,268
Net income attributable to owners of the parent	6,608	6,815	8,159	17,272	15,749
Net Income attributable to non-controlling interests	305	404	379	506	581
Total comprehensive income attributable owners of the parent	5,689	5,692	9,109	15,030	17,681
Total comprehensive income attributable to non-controlling interests	206	349	152	68	587
Earnings per share - before retroactive adjustment	3.96	4.09	4.89	10.35	9.44
- after retroactive adjustment (Note 2)	3.96	4.09	4.89	10.35	9.44

Note 1: Financial statements in each year have been audited.

Note 2: Retroactive adjustment is made based on the shares after capital increase out of earnings, capital reserve, and employee bonus as of December 31, 2022.

### (II) Condensed individual statement of comprehensive income

Unit: in NTD millions  
(Except for earnings per share in NT\$)

Item/Year	2018	2019	2020	2021	2022
Operating revenue	43,219	42,588	42,990	54,071	67,861
Gross profit	2,156	2,042	2,159	2,579	2,793
Operating profit	65	155	158	433	665
Non-operating income and expenses	6,638	6,809	8,099	21,008	18,034
Net income before tax	6,703	6,964	8,257	21,441	18,699
Net income of the current term	6,607	6,815	8,159	17,272	15,749
Other comprehensive profit/losses for the current period (net, after-tax)	(918)	(1,122)	950	(2,242)	1,932
Total comprehensive income of the term	5,689	5,693	9,109	15,030	17,681
Earnings per share - before retroactive adjustment	3.96	4.09	4.89	10.35	9.44
- after retroactive adjustment (Note 2)	3.96	4.09	4.89	10.35	9.44

Note 1: Financial statements in each year have been audited.

Note 2: Retroactive adjustment is made based on the shares after capital increase out of earnings, capital reserve, and employee bonus as of December 31, 2022.



### III. Financial analysis for the last five years

#### (I) Consolidated financial analysis

Analysis item		2018	2019	2020	2021	2022
Capital structure analysis	Debt-to-asset ratio (%)	67	65	64	67	66
	Long-term fund to properties, plant, and equipment ratio (%)	699	805	580	732	981
Liquidity analysis	Current ratio (%)	121	119	120	128	154
	Quick ratio (%)	74	81	85	88	103
	Interest protection multiples	12	13	22	48	15
Operating ability	Average collection turnover (times)	6.7	6.2	5.7	5.4	5.1
	Average days sales outstanding	54	59	64	67	71
	Average inventory turnover (times)	9.4	8.8	10.0	9.8	7.6
	Average days of sales	39	41	36	37	48
	Average payment turnover (times)	9.6	8.7	9.2	9.4	9.9
	Property, plant, and equipment turnover (times)	55.6	51.3	41.9	42.7	43.9
	Total assets turnover (times)	2.7	2.3	2.2	2.3	2.0
	Return on assets ratio (%)	5.0	5.0	5.6	9.8	8.0
Profitability	Return on equity (%)	14.3	14.0	15.6	29.2	23.1
	Paid-in capital ratio (%) - operating profit	32.5	35.9	43.4	56.0	54.8
	Paid-in capital ratio (%) - income before tax	47.8	53.3	63.0	139.3	121.6
	Net profit margin (%)	1.7	2.0	2.4	4.2	3.7
	Earnings per share - before retroactive adjustment (NTD)	3.93	4.09	4.89	10.35	9.44
	Earnings per share - after retroactive adjustment (NTD)	3.93	4.09	4.89	10.35	9.44
	Cash flow ratio (%)	(Note 2)	19.9	(Note 2)	(Note 2)	(Note 2)
Cash flow	Cash flow adequacy ratio (%)	44.1	69.6	81.0	12.6	(Note 2)
	Cash reinvestment ratio (%)	(Note 2)	33.6	(Note 2)	(Note 2)	(Note 2)
Leverage	Operating leverage	1.6	1.4	1.2	1.2	1.2
	Financial leverage	1.1	1.1	1.1	1.1	1.2

Note 1: Financial statements in each year have been audited.

Note 2: Is negative and therefore not listed.

Note 3: For the calculation formula for the financial ratio, please refer to the description in (2) individual financial analysis items.

#### Discrepancy:

1. Long-term fund to properties, plant, and equipment ratio: an increase of 34% over the previous year due to the cooperation with banks on sustainability-linked loans to increase mid-term liquidity for business and the continuous increase in accumulated earnings. The Company's long-term funding sources are stable.
2. Liquidity increased 20% compared with the previous year and was mainly due to the loss of controlling interest in Concentrix Corp., and investment recognized under the equity method was changed to financial assets at fair value – current.
3. The decrease in interest protection multiples and return on equity compared with the previous year was mainly due to higher interest rates and the increase in interest expenses.
4. Average inventory turnover decreased 22% and average days of sales increased by 11 days compared with the previous year. This was mainly due to the decrease in market demand. As a distributor, SYNEX serves the role of stabilizing supply and demand in the supply chain, and inventory increased compared with the previous year when there was a shortage in the market.

## (II) Individual financial analysis

	Analysis item	2018	2019	2020	2021	2022
Capital structure analysis	Debt-to-asset ratio (%)	48	49	47	48	55
	Long-term fund to properties, plant, and equipment ratio (%)	4,228	4,699	1,550	1,952	2,693
Liquidity analysis	Current ratio (%)	36	31	24	25	26
	Quick ratio (%)	28	24	18	15	17
	Interest protection multiples	20	19	24	64	30
Operating ability	Average collection turnover (times)	7.7	8.2	8.2	9.6	9.1
	Average days sales outstanding	47	45	45	38	40
	Average inventory turnover (times)	11.6	12.3	13.7	12.9	12.0
	Average days of sales	31	30	27	28	30
	Average payment turnover (times)	9.9	10.6	10.6	11.6	14.7
	Property, plant, and equipment turnover (times)	38.0	38.7	18.6	15.2	19.2
	Total assets turnover (times)	0.5	0.5	0.4	0.5	0.5
Profitability	Return on assets ratio (%)	7.8	7.6	8.4	15.6	11.6
	Return on equity (%)	14.3	14.0	15.6	29.2	23.1
	Paid-in capital ratio (%) - operating profit	N/A	N/A	N/A	N/A	N/A
	Paid-in capital ratio (%) - income before tax	40.2	41.8	49.5	128.5	112.1
	Net profit margin (%)	15.29	16.0	19.0	31.9	23.2
	Earnings per share - before retroactive adjustment (NTD)	3.96	4.09	4.89	10.35	9.44
	Earnings per share - after retroactive adjustment (NTD)	3.96	4.09	4.89	10.35	9.44
Cash flow	Cash flow ratio (%)	2.6	4.5	(Note 2)	2.1	(Note 2)
	Cash flow adequacy ratio (%)	17.8	20.3	22.3	24.4	1.6
	Cash reinvestment ratio (%)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)
Leverage	Operating leverage	17.3	6.8	7.6	3.6	2.5
	Financial leverage	(Note 2)	(Note 2)	(Note 2)	4.6	31.9

Note 1: Financial statements in each year have been audited.

Note 2: Is negative and therefore not listed.

### Discrepancy:

1. Long-term fund to properties, plant, and equipment ratio: an increase of 38% over the previous year due to the cooperation with banks on sustainability-linked loans to increase mid-term liquidity for business and the continuous increase in accumulated earnings. The Company's long-term funding sources are stable.
  2. Interest protection multiples, profitability, and financial leverage were mainly affected by the significant increase in interest expenses due to higher interest rates. Combined with the higher profits from external investments, net profit after tax decreased 9% compared with the previous year.
  3. Receivables turnover rate increased 27% compared with the previous year, and was mainly due to the decrease in market demand, which led to more conservative purchases and accounts payable decreased compared with the previous year.
  4. Property, plant, and equipment turnover (times) increased 26% compared with the previous year, and was mainly due to revenue growth.
- in the group's pre-tax profit over the previous year
5. The decrease in cash flow adequacy ratio by 93% compared to the previous year was mainly due to the continued growth of the Company's core business and the increase in accounts receivable.
  6. Operating leverage decreased 30% compared with the previous year, and was mainly due to the impact of large projects on gross margin. However, expense ratio is still at a historical low.

The calculation formula for the financial ratio is as follows:

1. Capital structure analysis
  - (1) Debt-to-asset ratio = total liabilities / total assets
  - (2) Long-term fund to properties, plant, and equipment = (shareholder's equity + long term liabilities) / net property, plant, and equipment
2. Liquidity analysis
  - (1) Current ratio = current assets / current liabilities
  - (2) Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities
  - (3) Interest protection multiple = net income before income tax and interest expenses / current interest expenses
3. Operating ability
  - (1) Receivables (including accounts receivable and business-related notes receivable) turnover ratio = net sales / average balance of receivable of the period (including accounts receivable and business-related notes receivable)
  - (2) Average collection days = 365 / average collection turnover
  - (3) Inventory turnover = cost of goods sold / average amount of inventory
  - (4) Average inventory turnover (days) = 365 / average inventory turnover
  - (5) Payable (including accounts payable and business-related notes payable) turnover = purchases / average balance of payable of the period (including accounts payable and business-related notes payable)
  - (6) property, plant, and equipment turnover = net sales / net average real estate and plant and equipment turnover
  - (7) Total assets turnover = net sales / average gross assets
4. Profitability
  - (1) Return on assets ratio = [net income + interest expense \* (1 - tax rate)] / total average assets
  - (2) Return on equity = income after tax/average total equity
  - (3) Net profit margin = net income / net sales
  - (4) Earnings per share = (net income / income belonging to owner of parent company - stock dividend of preferred stocks) / weighted average number of issued shares
5. Cash flow
  - (1) Cash flow ratio = new cash flow from operating activities / current liabilities
  - (2) Net cash flow adequacy ratio = net cash flow from operating activities in the most recent five years / (capital expenditure + increase in inventory + cash dividend) for the most recent five years.
  - (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross margin of property, plant, and equipment + long-term investment + other non-current assets + working capital)
6. Leverage
  - (1) Operating leverage = (net operating revenues - current operating cost and expense) / operating profit
  - (2) Financial leverage = operating profit / (operating profit - interest expense)

#### IV. Names of auditing CPAs of the most recent five years and their audit opinions

Auditing year	Name of firm	Name of Accountants	Audit opinion
2018	PwC Taiwan	Jenny Yeh, Eric Wu	Unqualified opinion
2019	PwC Taiwan	Jenny Yeh, Eric Wu	Unqualified opinion
2020	PwC Taiwan	Jenny Yeh, Yi-Chang Liang	Unqualified opinion
2021	PwC Taiwan	Jenny Yeh, Yi-Chang Liang	Unqualified opinion
2022	PwC Taiwan	Jenny Yeh, Yi-Chang Liang	Unqualified opinion

## V. Review and analysis of financial status and financial performance

### (I) Analysis of financial status

Unit: in NTD millions

Item/Year	2021	2022	Net change	
			Amount	%
Current assets	166,052	190,568	24,516	15
Equity-accounted investments	12,663	8,965	(3,698)	(29)
Property, plant and equipment	9,568	9,757	189	2
Intangible and other assets	13,401	12,206	(1,195)	(9)
<b>Total assets</b>	<b>201,684</b>	<b>221,496</b>	<b>19,812</b>	<b>10</b>
Current liabilities	129,394	123,370	(6,024)	(5)
Non-current liabilities	6,399	23,195	16,796	262
<b>Total liabilities</b>	<b>135,793</b>	<b>146,565</b>	<b>10,772</b>	<b>8</b>
Capital stock	16,679	16,679	-	-
Capital reserve	14,200	13,506	(694)	(5)
Retained earnings	40,978	48,416	7,438	18
Other interests	(8,247)	(6,038)	2,209	(27)
Non-controlling interests	2,281	2,368	87	4
<b>Total equity</b>	<b>65,891</b>	<b>74,931</b>	<b>9,040</b>	<b>14</b>

Analysis:

#### **Total assets (↑NT\$19,812 million, 10%)**

The increase in total assets was mainly due to losing controlling interest in Concentrix Corp., and the method was changed the equity method to measurement at fair value, resulting in an increase of NT\$9,557 million in book value, and the increase in inventory by NT\$9,586 million (↑20%). Due to the decrease in market demand, and inventory increased compared with the previous year when there was a shortage in the market. An analysis of the inventory turnover days shows that the number of days in 2022 and 2021 are 48 and 37, respectively. The group will continue to implement inventory health management and regularly monitor stock aging.

#### **Total liabilities (↑NT\$10,772 million, 8%)**

The increase in total liabilities was mainly due to the increase in the outstanding loans (short-term borrowings + short-term bills payable + long-term borrowings) by NT\$26,757 million (↑40%) and deducting cash and cash equivalents, wealth management products, and time deposits that will mature in more than 3 months. Net outstanding loans in 2022 and 2021 are NT\$78,542 million and NT\$58,218 million, respectively. This was due to the increase of funding demand arising from the increase in inventory. Since the Group's solvency indexes are good and has sufficient borrowing quota to support short-term high funding needs, there is no problem in short-term liquidity. In prospect of long-term funding needs, the financial leverage risk and return on shareholder's equity will be considered equally; if necessary, funds will be raised from the capital market in time.

#### **Total equity (↑NT\$9,040 million, 14%)**

The increase in total equity was mainly due to the increase in retained earnings by NT\$7,438 million (↑18%), which was mainly due to the continual increase in profit.

## (II) Analysis of financial performance

Unit: in NTD millions

Item/Year	2021	2022	Net change	
			Amount	%
Operating revenue	408,812	424,550	15,738	4
Operating costs	(391,213)	(406,707)	15,494	4
Net gross profit	17,599	17,843	244	1
Operating expenses	(8,266)	(8,705)	439	5
Operating profit	9,333	9,138	(195)	(2)
Non-operating income and expenses	13,899	11,137	(2,762)	(20)
Net income before tax	23,232	20,275	(2,957)	(13)
Income tax expense	(5,454)	(3,945)	(1,509)	(28)
Net income of the current term	17,778	16,330	(1,448)	(8)

Analysis:

### Operating revenue (↑NT\$15,738 million, 4%)

Active efforts to develop the Management Service Platform (MSP) effectively drove SYNEX to achieve excellent performance in the business value-added services and semiconductor business. Revenue decreased in areas impacted by lockdowns in China, but showed positive growth in other regions.

### Operating expenses (↑NT\$439 million, 5%)

In recent years, we have vigorously promoted Agility Project. Through digital optimization, cascading information, and AI big data analysis, we have comprehensively improved operational efficiency to achieve economies of scale. As a result, operating expenses increased slightly along with revenue growth, but the expense ratio still remained by 0.02%.

### Operating profit (↓NT\$195 million, 2%)

The group is still actively digesting its inventory due to the impact of inflation and consumers holding back and caused gross margin to slightly decline, but inflation increased the group's operating costs, so operating profits decreased compared to the previous year. Moving into the future, the Group will still continue to optimize its digital capabilities, accelerate the deployment of the Management Service Platform (MSP), promote customized services for VIP partners, deepen cooperation with the upstream and downstream, expand market share, and drive profitable growth by increasing business performance.

### Non-operating income and expenses (↓NT\$2,762 million, 20%)

Financial costs increased by NT\$946 million in 2022 due to the expansion of operations and the Central Bank raising interest rates.

Switched from the equity method to measurement at fair value because it no longer has a significant impact on the investee company, which resulted in a one-time profit that was NT\$675 million less than the previous year.

NT\$729 million in gains was obtained from selling Concentrix Corp. shares in the previous year.

## (III) Cash flow analysis

Analysis on the cash flow changes of the most recent year:

Unit: in NTD millions

Item/Year	2021	2022	Net change	
			Amount	%
Cash and cash equivalents at the beginning of the year	15,230	7,053	(8,177)	(54)
Net cash inflow (outflow) from operating activities	(9,923)	(15,088)	(5,165)	(52)
Net cash inflow (outflow) from investing activities	(969)	2,491	3,460	357
Net cash inflow (outflow) from financing activities	4,868	17,734	12,866	264
Effect of exchange rate changes	(2,153)	2,292	4,445	206
Closing cash and cash equivalents at the end of the year	7,053	14,482	7,429	105

Analysis:

### Operating activities (↓NT\$5,165 million, 52%)

Mainly due to the business growth and the increase in cash outflow from accounts payable.

### Investing activities (↑NT\$3,460 million, 357%)

Mainly due to the NT\$2,046 million in cash inflow from the redemption of financial products in 2022.

### Financing activities (↑NT\$12,866 million, 264%)

Mainly due to the strong sales momentum at the end of the year. The single quarter revenue of Q4 reached NT\$111.5 billion, and was the second highest quarter ever. Hence, cash inflow from long-term and short-term loans increased to replenish working capital.

Improvement plan for insufficient liquidity: N/A.

## Cash flow analysis for the coming year

Unit: in NTD millions

Cash balance at the beginning of year (1)	Projected full year's net cash inflow (outflow) from operating activities (2)	Projected full year's net cash inflow (outflow) from other activities (3)	Projected cash surplus (deficit) amount (1) + (2) + (3)	Remedial measures for cash deficit	
				Investment plans	Financing plans
14,482	(5,428)	1,707	10,761	-	-

Analysis:

The Company has sufficient borrowing quota and simultaneous assessment of various funding channels to support short-term high funding needs. When the funds are sufficient, the Company will pay the loans back in a timely manner to improve the capital structure.

## (IV) The effects that significant capital expenditures have on financial operations in the recent year

### Major capital expenditures and their source of funds

Unit: in NTD millions

Planned item	Actual or estimated source of funds	Estimated end date of projects	Total funding needed	Actual or estimated capital expenditures				
				2019	2020	2021	2022	2023
Establish/expand logistics centers in each locations	Own capital	Compile budget annually	Compile budget annually	197	714	403	243	281
Nangang office building	Own capital and short-term borrowings	2023	4,949	2,506				2,500

### Anticipated benefits

1. With effective and quality logistics operations as Synnex's core competitive advantage, the group prioritizes funds for its self-built logistics centers to ensure the growth and efficiency required by its businesses. Synnex will continue to invest in overseas capital expenditure to meet the needs of rapid growth of business in the future.
2. Urban renewal will be activated for the existing Taipei headquarters. Thus, Synnex signed a contract in 2019 to buy the commercial office space of the Nangang Global One construction project as the location of the company's headquarters in the future. The location features the complete functions of both a transportation hub and a commercial area, which can effectively improve office space efficiency and intelligence.

## (V) Policy on investment in other companies, main reasons for profit/losses resulting therefrom, improvement plan, and investment plans for the upcoming year

### Investment policy in the most recent year

The Company does not have any significant investment or disposition plans for its major investees Redington Group, Synnex Thailand, and Synnex FPT.

### Review and analysis of investment

Unit: in NTD millions

Item	2022.12.31 percentage of shares	2022 investment gain	Major reason of operating profit or loss	Improvement plan
Redington Ltd. (India)	24.13%	1,313	This company is categorized as IT and telecom product channel service provider, mainly engaged in India, the Middle East, and Africa. The Company's net income after taxes reached NT\$5,441 million in 2022. The company recognized investment income under the equity method.	N/A
Synnex (Thailand) Public Company Ltd. (Thailand)	40.00%	279	This company is categorized as IT and telecom product channel service provider, mainly engaged in Thailand. The Company's net income after taxes reached NT\$697 million in 2022. The company recognized investment income under the equity method.	N/A
Synnex FPT Joint Stock Company (Vietnam)	47.36%	416	This company is categorized as IT and telecom product channel service provider, mainly engaged in Vietnam. The Company's net income after taxes reached NT\$876 million in 2022. The company recognized investment income under the equity method.	N/A

### Investment plan of the coming year

The Company has no significant investment plans for this year up to the date of this year's annual report.

## VI. Financial turnover difficulties of the company and its related companies

None.

## VII. Risk management

### (I) Impact of interest rate, exchange rate changes, and inflation on company's profit and response measures

Risk item	Risk factor	Impact on company's income			Response measures
Interest rate	First taking into account operational stability, the company adopts appropriate financial leverage operation by raising capital at low cost to replace capital injection from its own capital and effectively increase return on shareholder's equity. However, the fluctuation of interest rate may have certain impact on the Company's cost of capital.	Unit: in NTD millions			1. Financial leverage must be balanced with increase in return on equity; thus, when financial leverage reaches a set risk target, the company must raise capital from the market to reduce risk.  2. Utilize the advantage of the Group's scale and good performance to negotiate prime rate from financial institutions.
		Item	2021	2022	
		Average loan balance	57,573	81,299	
		Interest expense	490	1,436	
Exchange rate	The characteristics of each product line are described below: <b>3C products:</b> Certain percentage of this product line is imported (mostly denominated in US\$), sale of goods is mostly denominated in local currency, and there is certain exchange risk. <b>Semiconductor products:</b> This product line is mainly imported (mostly denominated in US\$), sale of goods is mostly denominated in US\$, but there still is certain exchange risk.	Unit: in NTD millions			A certain proportion of the purchase of goods by both Taiwan and overseas subsidiaries are in US\$, which creates foreign exchange risks between NT\$ and local currencies against US\$. Purchase US\$ or forward exchange and transfer to term deposit when there is a purchase denominated in US\$ and use the term deposit or forward exchange to settle goods payable to obtain total hedge.
		Item	2021	2022	
		Net exchange gains (losses)	15	202	
Inflation	Electronic 3C products have become rigid demands, and the market is not highly sensitive to price. However, if the economy is seriously impacted by inflation, which will in turn affect the purchasing power both of enterprises and consumers, there will also be operational risks.	According to the IMF's inflation rate and average consumer prices data, the inflation (deflation) rate in 2022 of where the company and its overseas subsidiaries are located are as follows: Taiwan: 3.1%    China: 2.2%    Hong Kong: 1.9% Australia: 6.5%    Indonesia: 4.6% Description: As inflation is not significant in each country, there is no major impact on the Company's operations in 2022.			The Company's sales derive mainly from multiple countries, and so areas of significant impact only cover a small proportion, meaning it has effectively diversified operational risks.

### (II) High-risk, high-leveraged investments, lending, endorsement guarantees, and derivatives transactions

Risk item	2022 implementation status	Group policies and response measures	
High risk and high leverage investments	None.	The operational policy of the Group focuses on the operation of regular business; thus, the Group does not invest in this type of product.	
Lending to others	Lending exists only between parent-subsidiary relations in 2022.	1. Lending to others will require Board of Directors' resolution. 2. Lending to (1) Companies that have business relations with the Group. (2) Subsidiaries with short-term capital requirement. 3. The Group has stipulated "procedures for lending to others" to strictly control lending operation.	
Endorsements and guarantees	1. Endorsements exist only between parent-subsidiary relations in 2022. 2. No endorsement loss in 2022.	1. Endorsements and guarantees will require Board of Directors' resolution. 2. Endorsements and guarantees for (1) Companies that have business relations with the Group. (2) Companies that directly and indirectly hold more than 50% voting interest. (3) Inter-company or co-builder endorsement due to contract requirement, or co-investment relationship and all shareholders endorse for the company in accordance with their shareholding. (4) Companies that directly and indirectly hold 100% voting interest. 3. The Group has stipulated "procedures for endorsements and guarantees" for strict control.	
Derivatives transactions	The Group has purchased forward exchange contracts to avoid foreign exchange risk in 2022, as gain/loss from hedging transactions have been offset by its gain/loss, no actual major gain/loss is generated.	The group does not carry out speculative derivative trading; trading of derivative products is for hedging purpose only. All transactions are strictly controlled in accordance with "procedures for derivative transactions" stipulated by the Group.	



### (III) Other

Risk item	Risk factor	Impact on the Company in 2022	Response measures
Mass transfer or change of shares of directors, supervisors, or shareholders holding more than 10% interest	May have significant impact to shareholder rights and Synnex's share price.	No significant equity transfer or change.	The company has established reporting mechanism to effectively manage relevant situations and the disclosure of information.
Change in management rights	May have significant impact to shareholder rights and Synnex's share price.	There is no change in management rights.	The company will promptly publish major information shall there be any change in management rights.
R&D	In order to expand its semiconductors business, the Company has a dedicated department responsible for providing product testing and design services for brand manufacturers and customers. However, the Company is positioned to provide technical services, and the risk of product R&D is concentrated solely on suppliers or customers.	None	The Company's technology application department is positioned to "assist the sales of semiconductor products through pre-sales services", and resources are invested depending on market conditions to provide customer services; the final risk of R&D is borne by the customers.  In addition, the Company is positioned as an "Management Service Platform", and has invested a fair amount of human resources and funds; it has continually refined its services and systems to satisfy requirements of the industry supply chain. However, this investment is innovation of operation management and service, and does not apply to R&D investment.  In conclusion, the Group has no plan to invest in R&D.
Change of government policy and regulations	As the company is a channel business with strong logistics capabilities, the risk of product R&D focuses solely on suppliers or customers. At present, the industrial policies of the governments of each country in which the company is located tend to encourage the development of high value-added logistics operations, especially in Taiwan and the China. Thus, the risk of change of government policies and regulations is limited at present.	There are no major changes in government policies and regulations.	The company will continue to observe and analyze the future direction of government policies and regulations in order to facilitate immediate response.
Technology changes and industry changes	The company's product range is mostly high-tech products; thus, sales change triggered by change of technology will result in operational risk, for example, unable to become an agent for innovative products.	The company's product distribution rights have both increased and decreased.	The Company operates on its policy of "multi-brand, multi-products." The products that the Company distributes include well-known global brands. In general, most major brands have good control over their technological advantages; thus, the Group's operational risk is effectively reduced.
Change of corporate image	As the end-user of the company's IT and Telecom products are consumers, corporate image is very important to the company's operation.	The corporate image of the company remains positive and there is no event that significantly damaged the company's image.	1. Strengthen the service skills of the customer service department, and fully utilize the functions of customer feedback and consumer complaint mailbox. 2. In case of major consumer disputes, an inter-departmental team shall be formed to keep the situation from worsening.
Mergers and acquisitions	Mergers and acquisitions can facilitate the expansion of product distribution and range while expanding market share. However, there are risks of overpricing, under-valuing liability, and failure in integration.	The company did not participate in any mergers and acquisitions.	N/A.
Expansion of plants	Synnex's core competitive advantage is effective and quality back office logistics operation that enhances value added services, expands market share, and enhances overall performance. However, there exists risks of poor cash flow resulting from over-expansion, low utilization, or idleness.	The cost of establishment or expansion of logistics centers was approximately NT\$243 million.	Before expansion: Careful evaluation of investment effectiveness and cost. After expansion: Introduce successful operational experience and management to develop its effectiveness.
Centralized purchasing or sales	The risk of centralized purchasing is the impact to the company's performance when distribution rights or when the represented product has lost its competitiveness.  The risk of centralized sales is the significant impact to the company's performance when losing a customer.	The company does not have over centralized purchasing and sales issues. See the statistics of the "Group's list of key clients and amounts in the past two years".	The Company operates on its policy of "multi-brand, multi-products" and "open channel management to establish dense reseller network" to develop markets, which can also effectively avoid risk of centralized purchasing and sales.

Information security	Information security risk refers to the threat that may affect the assets, processes, and operating environment of the entire enterprise organization. The business operations of the company are highly dependent on the establishment and development of information systems. Thus, the control of information security is very important to avoid losses due to information confidentiality, integrity, or availability.	The Company has no major deficiencies in information security-related audits and has no major information security incidents resulting in leakage of customer information and fines.	<ol style="list-style-type: none"> <li>1. The company introduced the ISMS information security management system in 2016, and has regularly obtained ISO 27001 certification. The current certificate is valid from August 2022 to August 2025.</li> <li>2. Monthly security and antivirus updates for the IT environment's software and hardware, and strengthen colleagues' security awareness and promote implementation through push notifications.</li> <li>3. Continue to track the latest security information and threats in the market, and immediately assess the scope of impact and formulate countermeasures to ensure that the company's information environment is synchronized with changes in security.</li> <li>4. Evaluate the company's risk events each year, establish a risk event database, control the risk events and levels that may exist in the enterprise, and continue to track improvement.</li> <li>5. Strengthen the company's IT environment backup mechanism and implement BCP drills to ensure that the company's operations can continue uninterrupted when natural disasters and man-made disasters occur.</li> </ol>
Litigation or non-litigation events	Major litigation and non-litigation events of the Company and the Company's Directors, Supervisors, President, actual owner, major shareholders with over 10% of shareholding, and subsidiaries will damage the Company's image, shareholder rights, and Synnex's share price.	Description below	With the established reporting system, the Company will minimize the damage through honest, fast, and open process.

The concluded or pending litigious, non-litigious, or administrative litigation event as of the date of report is described as follows:

On November 13, 2017, the Suzhou Xiangcheng District People's Court in Jiangsu Province accepted the suit brought by Ziguang Digital (Suzhou) Group Co., Ltd. against Synnex Distributions (China) Ltd. for a dispute over a sale and purchase contract. Ziguang believed that the goods they received were not the target of the contract and requested a refund. The court dismissed the case on January 22, 2018 since it believed that the Public Security Bureau was investigating the case. In August 2020, on the grounds that the Public Security Bureau canceled the criminal investigation, lawsuits were successively renewed for RMB28,926 thousand, RMB17,401 thousand, RMB5,593 thousand, and liquidated damages. In March 2022, the Suzhou Xiangcheng People's Court in Jiangsu Province ruled against the Company in the aforementioned cases. The Company completed payment in full in May 2022. Filed for retrial in August 2022.

#### (IV) Other significant risks and response measures

None

### VIII. Other important matters

None

## **IX. Audit Committee's report**

### **Synnex Technology International Corp. Audit Committee's report**

**The Board of Directors has prepared and submitted the 2022 business report, financial reports (including consolidated and individual financial reports), and earnings distribution proposal. The Board of Directors have appointed accountant Jenny Yeh and accountant Yi-Chang Liang of PwC Taiwan to audit the financial statements and they have submitted an audit report. The audit committee has reviewed the business report, the financial reports, and the earnings distribution proposal and did not find any instances of noncompliance. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, it is hereby submitted for review and perusal.**

**To**

**Synnex Technology International Corp. 2023 General  
Shareholders' Meeting**

**Synnex Technology International Corp.**

**Chairman of the Audit Committee: Yeh Kuang-Shih**

**March 8, 2023**

## Special disclosures

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<b>II.</b>	<b>Progress of private placement of securities: None.....</b>	<b>83</b>
<b>III.</b>	<b>Holding or disposal of stocks of the company by subsidiaries: None.....</b>	<b>83</b>
<b>IV.</b>	<b>Other supplemental information: None. ....</b>	<b>83</b>
<b>V.</b>	<b>Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 2, Subparagraph 2 of Securities and Exchange Act in the past year and up to the date of report: None.....</b>	<b>83</b>

# Special disclosures

## I. Profiles of affiliated enterprises

### (I) Organization chart and basic information of affiliated enterprises

Please refer to pages 7 to 8 for the organization chart and basic information of affiliated enterprises (Note). In addition, the company does not have a company with control and affiliation as stipulated in Article 369-3 of the Company Act and the direct or indirect control of personnel, finances, or business operations of the company as stipulated in Article 369-2, Paragraph 2 of the Company Act.

(Note) Redington Ltd., Synnex (Thailand) Public Company Ltd., and Synnex FPT Joint Stock Company are non-affiliated companies within the organization chart.

### (II) Information of common shareholders who are presumed to have a relationship of control and subordination

None.

### (III) Businesses covered by the affiliated enterprises' overall operations

The businesses of the Company and the Company's affiliated enterprises include IT for commercial use, IT for home-use, telecommunications, and semiconductor products channel businesses, warehousing and logistics services, maintenance and technical services, and professional investments.

### (IV) Information of directors, supervisors, and general manager of affiliates

2022.12.31

Company name	Title	Name or representative	Shareholding	
			Shares	Shareholding percentage (%)
Synergy Intelligent Logistics Corp.	Director	Synnex Technology International Corp.	5,000,000	100
	Supervisor	Representative: Lin Hsien-Chun, Tu Shu-Wu, Su Chih-Ching		
	President	Synnex Technology International Corp. Representative: Lin Tai-Yang Lin Hsien-Chun		
Synergy Intelligent Logistics (HK) Ltd.	Director	Lee Shuk Wah	1,500,000	100
Synergy Technology Services Corp.	Director	Synnex Technology International Corp. Representative: Li I-Hui	100,000	100
E-Fan Investments Corp.	Director	Synnex Technology International Corp. Representative: Tu Shu-Wu, Su Chih-Ching, Lin Tai-Yang	22,500,000	100
	Supervisor	Synnex Technology International Corp. Representative: Chen Yi-Ju		
Leveltech Ltd.	Director	Chen Yi-Ju, Li I-Hui	300,000	100
Seper Technology Corp.	Director	Synnex Technology International Corp. Representative: Tu Shu-Wu, Tu Shu-Chyuan, Su Chih-Ching	100,000	100
	Supervisor	Synnex Technology International Corp. Representative: Lin Tai-Yang		
BestCom Infotech Corp.	Director	Synnex Technology International Corp. Representative: Tu Shu-Chyuan, Tu Shu-Wu, Lin Tai-Yang	103,203,296	100
	Supervisor	Synnex Technology International Corp. Representative: Su Chih-Ching		
Bizwave Tech Co., Ltd.	Director	BestCom Infotech Corp. Representative: Tu Shu-Chyuan, Li I-Hui, Lin Tai-Yang	2,000,000	100
	Supervisor	Synnex Technology International Corp. Su Chih-Ching		
Synnex Technology International (HK) Ltd.	Director	Lui Kar-Fai, Miao, Matthew Feng Chiang, Tu Shu-Wu, Lin Tai-Yang	60,000,000	100
PT. Synnex Metrodata Indonesia	President	Agus Honggo Widodo	150,000	50
	Director	Sur Hang Aiwan, Lie Heng, Ronaldy Suhendra, Yulius Aryakusumah, Tu Shu-Chyuan, Lin Tai-Yang		
Syntech Asia Ltd.	Director	Lin Tai-Yang, Su Chih-Ching	300,000	100
Synnex Global Ltd.	Director	Miao, Matthew Feng Chiang, Tu Shu-Wu	548,250,000	100

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Company name	Title	Name or representative	Shareholding	
			Shares	Shareholding percentage (%)
King's Eye Investments Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu	62,477,000	100
Laser Computer Holdings Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu	36,850,001	100
Synnex Australia Pty. Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu, Kee Ong	233,250,000	100
Fortune Ideal Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu	14,500,000	100
Golden Thinking Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu	28,000,000	100
Synnex New Zealand Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu, Kee Ong	8,075,224	100
Trade Vanguard Global Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu	520,000,000	100
Synnex Mauritius Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu, Lin Tai-Yang, Kristee Bhurtun-Jokho, Varshinee Veerahoo	24,000,000	100
Peer Developments Ltd.	Director	Tu Shu-Wu, Lin Tai-Yang	30,200,001	100
Lianxiang Technology (Shenzhen) Co., Ltd.	Executive Director Supervisor	Hsuse Lien-Jen Chuang Kuo-Li	Capital contribution of US\$4,900 thousand	100
Synnex China Holdings Ltd.	Director	Miau, Matthew Feng Chiang, Tu Shu-Wu	100,200,000	100
Synnex Investments (China) Ltd.	Director Supervisor President	Tu Shu-Wu, Su Chih-Ching, Lin Tai-Yang Li I-Hui Lin Tai-Yang	Capital contribution of US\$200,000 thousand	100
Synnex Distributions (China) Ltd.	Director Supervisor President	Lui Kar-Fai, Lin Tai-Yang, Su Chih-Ching Li I-Hui Lui Kar-Fai	Capital contribution of US\$330,000 thousand	100
Synnex Technology Development Ltd.	Executive Director Supervisor President	Wang Ke Lin Tai-Yang Wang Ke	Capital contribution of RMB50,000 thousand	100
Synnex (Beijing) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$9,000 thousand	100
Synnex (Shanghai) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$22,000 thousand	100
Synnex (Chengdu) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
Synnex (Nanjing) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
Synnex (Shenyang) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$3,000 thousand	100
Synnex (Tianjin) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$4,500 thousand	100
Synnex (Hangzhou) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
Synnex (Qingdao) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
Synnex (Guangzhou) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$12,000 thousand	100
Synnex (Xi'an) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$4,000 thousand	100
Synnex (Suzhou) Ltd.	Executive Director Supervisor President	Huang Ming-Feng Lin Tai-Yang Huang Ming-Feng	Capital contribution of US\$6,000 thousand	100

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Company name	Title	Name or representative	Shareholding	
			Shares	Shareholding percentage (%)
Synnex (Wuhan) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Jinan) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Zhengzhou) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Changsha) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$4,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Hefei) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$6,100 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Nanchang) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$4,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Harbin) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$5,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synnex (Xiamen) Ltd.	Executive Director	Huang Ming-Feng	Capital contribution of US\$6,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Synergy Intelligent Logistics (Shanghai) Ltd.	Director	Huang Ming-Feng	Capital contribution of RMB50,000 thousand	100
	Supervisor	Lin Tai-Yang		
	President	Huang Ming-Feng		
Yude (Shanghai) Warehouse Co., Ltd.	Director	Huang Ming-Feng, Liu Qing-Yuan, Wang Yun-Xia	Capital contribution of RMB2,400 thousand	97.96
	Supervisor	Lin Tai-Yang		



## (V) Business overview of affiliates

Financial status and financial performance of affiliates as of December 31, 2022

Unit: NT\$1,000

(Except for earnings per share in NT\$)

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net profit after tax	Earnings per share (after tax)	Remarks (Note 1)
Synergy Intelligent Logistics Corp.	50,000	440,020	232,382	207,638	900,822	141,946	113,312	22.66	
Synergy Intelligent Logistics (HK) Ltd.	182,239	7,975	614	7,361	8,185	585	546	5.46	
Synergy Technology Services Corp.	1,000	987	-	987	-	-	(3)	(0.03)	
E-Fan Investments Corp.	225,000	289,738	53	289,685	7,716	7,614	8,231	0.37	
Leveltech Limited	9,228	481,894	458,622	23,272	2,291,905	33,284	27,776	92.59	
Seper Technology Corp.	1,000	686,698	601,569	85,129	5,949,891	103,435	81,698	816.98	
BestCom Infotech Corp.	1,032,033	5,829,942	3,790,848	2,039,094	11,795,789	387,725	383,347	3.71	
Bizwave Tech Co., Ltd.	20,000	47,539	8,118	39,421	66,308	19,695	15,859	7.93	
Synnex Technology International (HK) Ltd.	236,700	15,712,559	15,244,750	467,809	57,316,806	938,902	849,893	14.16	
PT. Synnex Metrodata Indonesia	1,045,626	9,057,019	4,350,134	4,706,885	33,052,310	1,497,222	1,158,252	3,860.84	
Syntech Asia Ltd.	9,228	33,310,834	33,036,013	274,821	121,644,411	1,676,505	1,370,813	4,569.38	
Synnex Global Ltd.	17,607,381	123,092,911	2,356,927	120,735,984	16,540,805	16,466,757	16,351,826	29.83	
King's Eye Investments Ltd.	1,921,793	10,043,572	-	10,043,572	3,792,478	3,792,255	4,095,302	65.55	
Laser Computer Holdings Ltd. (Note 2)	236,304	289,878	-	289,878	676,994	676,994	676,994	18.37	
Synnex Electronics Hong Kong Ltd. (Note 3)	-	-	-	-	-	(67)	-	-	
Synnex Australia Pty. Ltd.	5,130,307	25,040,696	19,040,232	6,000,464	60,496,732	1,137,729	774,381	3.32	
Fortune Ideal Ltd.	57,164	221,354	2,828	218,526	38,844	29,176	20,563	1.42	
Golden Thinking Ltd.	111,033	1,227,155	1,070,055	157,100	76,273	47,020	32,914	1.18	
Synnex New Zealand Ltd.	159,459	2,262,385	2,090,502	171,883	4,228,375	38,391	10,732	7.15	
Trade Vanguard Global Ltd.	19,994,000	20,065,980	-	20,065,980	-	(3,333)	(16,311)	(0.03)	
Synnex Mauritius Ltd.	738,240	11,979,303	705,155	11,274,148	1,325,182	1,287,083	1,287,083	53.63	
Peer Developments Ltd.	928,952	26,086,634	-	26,086,634	448,688	448,557	8,905,161	294.87	
Lianxiang Technology (Shenzhen) Co., Ltd.	154,386	443,257	258,004	185,253	2,597,458	(71,973)	16,128	3.21	
Synnex China Holdings Ltd.	3,082,152	13,935,467	3,033,338	10,902,129	1,400,197	1,400,118	1,698,247	16.95	
Synnex Investments (China) Ltd.	6,152,000	26,843,295	12,907,827	13,935,468	1,210,182	1,203,850	690,069	-	
Synnex Distributions (China) Ltd.	14,303,400	50,796,088	35,228,702	15,567,386	90,257,558	1,586,182	1,017,752	-	
Synnex Technology Development Ltd.	220,587	324,186	61,608	262,578	1,051,055	38,975	33,049	-	
Synnex (Beijing) Ltd.	276,840	752,603	520,540	232,063	69,004	(6,899)	(7,872)	-	
Synnex (Shanghai) Ltd.	676,720	2,291,416	1,196,474	1,094,942	772,680	240,193	114,638	-	
Synnex (Chengdu) Ltd.	153,800	204,151	29,599	174,552	22,390	(313)	4,836	-	
Synnex (Nanjing) Ltd.	153,800	186,978	2,723	184,255	27,219	9,268	12,403	-	
Synnex (Shenyang) Ltd.	92,280	123,303	14,700	108,603	10,153	(3,639)	(2,212)	-	
Synnex (Tianjin) Ltd.	138,420	112,123	27,739	84,384	-	(5,081)	(5,359)	-	
Synnex (Hangzhou) Ltd.	153,800	165,727	2,879	162,848	17,215	5,052	7,077	-	
Synnex (Qingdao) Ltd.	153,800	138,277	1,849	136,428	5,385	(1,030)	398	-	
Synnex (Guangzhou) Ltd.	369,120	355,515	4,202	351,313	24,467	1,294	4,941	-	

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Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Net profit after tax	Earnings per share (after tax)	Remarks (Note 1)
Synnex (Xi'an) Ltd.	123,040	140,980	2,836	138,144	18,547	7,310	16,785	-	
Synnex (Suzhou) Ltd.	184,560	169,505	3,061	166,444	6,378	(747)	367	-	
Synnex (Wuhan) Ltd.	153,800	149,951	2,156	147,795	13,222	2,375	4,326	-	
Synnex (Jinan) Ltd.	153,800	399,739	213,584	186,155	29,251	1,955	4,949	-	
Synnex (Zhengzhou) Ltd.	153,800	172,689	36,115	136,574	11,424	(730)	(29)	-	
Synnex (Changsha) Ltd.	123,040	278,083	214,772	63,311	17,247	2,881	(3,485)	-	
Synnex (Hefei) Ltd.	187,636	283,624	158,601	125,023	32,834	11,748	13,930	-	
Synnex (Nanchang) Ltd.	123,040	230,456	226,672	3,784	10,271	(8,968)	(15,143)	-	
Synnex (Harbin) Ltd.	153,800	302,379	295,842	6,537	17,685	7,155	1,284	-	
Synnex (Xiamen) Ltd.	184,560	181,108	42,729	138,379	18,300	8,378	9,368	-	
Synergy Intelligent Logistics (Shanghai) Ltd.	220,587	237,225	3,484	233,741	52,980	10,629	11,105	-	
Yude (Shanghai) Warehouse Co., Ltd.	10,588	71	-	71	1,383	690	12,212	-	

Note 1: The affiliates are foreign companies. The capital amount is converted according to historical exchange rates. The balance sheet accounts are converted at the exchange rate on the reporting date. The profit and loss account is converted into NTD according to the average exchange rate of the current year. The exchange rates are as follows:

December 31, 2022 reporting date exchange rates: US\$1=NT\$30.76 HK\$1=NT\$3.95 AUD\$1=NT\$20.90 IDR\$1=NT\$0.001976 RMB\$1=NT\$4.41  
2022 average exchange rates: US\$1=NT\$29.84 HK\$1=NT\$3.83 AUD\$1=NT\$20.74 IDR\$1=NT\$0.002010 RMB\$1=NT\$4.42

Note 2: Information from the consolidated statement.

Note 3: Cancelled in October 2022.

## (VI) Consolidated financial statement of affiliates

For the 2022 year, companies that should be included in the consolidated financial statement of affiliates as provided by the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports of Affiliated Enterprises, and Consolidated Financial Statements of Affiliated Enterprises" are the same as what should be included in the consolidated financial statements of parent and subsidiary companies as provided in IFRS No. 10, and the relevant information that should be disclosed in the consolidated financial statements of affiliates has been disclosed in the consolidated financial statements of the parent and its subsidiaries. The company shall not be required to prepare separate consolidated financial statements of affiliates. The company has issued the aforementioned declaration; please refer to the consolidated financial statements and audit report by the independent accountant in Attachment 4.

## II. Progress of private placement of securities: None.

## III. Holding or disposal of stocks of the company by subsidiaries: None.

## IV. Other supplemental information: None.

## V. Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36, Paragraph 2, Subparagraph 2 of Securities and Exchange Act in the past year and up to the date of report: None.

# Financial reports

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## **I. Consolidated financial report and independent auditor's report**

**SYNNEX TECHNOLOGY INTERNATIONAL  
CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2022 AND 2021**

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND ITS SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Synnex Technology International Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2022 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Synnex Technology International Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Synnex Technology International Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

Synnex Technology International Corporation

By

Matthew Miao Feng Chiang, Chairman

March 8, 2023

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22004573

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

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Synnex Technology International Corporation and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (see information disclosed in the *Other Matter* section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

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

Key audit matters in relation to the consolidated financial statements for the year ended December 31, 2022 are stated as follows:

### ***Assessment of allowance for uncollectible accounts***

#### **Description**

Please refer to Notes 4(10) & (11) for accounting policies adopted for accounts receivable. Please refer to Note 5(2), for critical accounting estimates and key sources of assumption uncertainty of loss allowance for accounts receivable. Please refer to Note 6(5) for details of accounts receivable.

The Group is primarily engaged in the sale of communication products, consumer electronic products, electronic products and semiconductor products. The Group manages the collection of accounts receivable from customers and bears the associated credit risk. The Group assesses impairment of accounts receivable in accordance with IFRS 9, 'Financial instruments'. The management categorized the accounts receivable assessment into individual provision and group provision. For individually assessed accounts receivable, allowance is recognised on a case by case basis. The assessment process is affected by management's judgement on various factors: customers' financial conditions, internal credit ratings, historical transaction records, and current economic conditions, etc. For group assessed accounts receivable, assessment process is affected by management's judgement on historical uncollectible records, current economic conditions and the forecastability information to assess the default possibility of uncollectible accounts.

As management's judgement on determining allowance for uncollectible accounts is relatively subjective and the estimated amount is material to the financial statements, therefore, we indicated that the assessment of allowance for uncollectible accounts as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained an understanding of the credit quality of the Group's customers, assessed the reasonableness of classification of accounts receivable, the policies and the procedures applied in loss allowance provision.
2. For individually assessed accounts, selected and verified samples of managements' impairment evaluation. Discussed with management the assessment results and evaluated the adequacy of the provision.
3. For accounts assessed as a group, considered historical uncollectible records and the management's forecastability adjustment information to determine whether the provision ratio of allowance for uncollectible accounts is reasonable. For significant accounts, examined subsequent collections after balance sheet date.

#### ***Assessment of allowance for valuation of inventory***

##### Description

Please refer to Note 4(14) for description of accounting policies on allowance for inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty. Please refer to Note 6(8) for details of inventory items.

The Group is primarily engaged in the sale of communication products, consumer electronic products, electronic products and semiconductor products. For the purpose of meeting diverse customer needs, the Group applied multi-brand and multi-product strategy. However, due to rapid changes in technology, the short life cycle of electronic products, and the price highly affected by market fluctuation, there is a high risk of incurring inventory valuation losses. The Group's inventory policy on inventory valuation is based on the lower of cost or net realisable value. The net realisable value of inventory was identified on an item-by-item basis. The Group then applied the lower of cost or net realisable value method for recognizing loss on decline in market value.

As management's judgement on determining net realisable value of inventory is relatively subjective and the valuation amount is material to the financial statements, therefore, we indicated that the assessment of allowance for valuation of inventory as one of the key audit matters.



#### How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained the policy applied to the assessment of allowance for valuation of inventory loss. Assessed whether the allowance recognition policy is applied in a manner consistent between comparative and current periods of the financial statements.
2. Obtained net realisable value report for inventory items and verified that a consistent systematic logic was applied to the calculation. First, tested the assumptions such as: sources of sales or purchases data and relevant supporting estimation documents. Second, recalculated net realisable value item-by-item, then applied the lower of cost or net realisable value method for valuation and examined whether reasonable allowance was recognised.
3. Compared current and previous years' rate of allowance for valuation of inventory. Reviewed each period's days sales of inventory in order to assess the adequacy and reasonableness of allowance recognised.

#### *Assessment of purchase rebate*

##### Description

Please refer to Note 4(14) for accounting policies adopted for the recognition of purchase rebate. Please refer to Note 5(2) for critical accounting estimates and assumptions applied in the accounting policy for the recognition of purchase rebate.

The Group is primarily engaged in the sale of communication products, consumer electronic products, electronic products and semiconductor products. The Group engages in various purchase contracts for different items with different suppliers. There are various types of rebate programs including incentives for certain purchase volume from vendors, purchase discounts and allowances, participations in special purchase promotions, and subsidies for marketing. The Group estimates rebates that shall be recognised in accordance with the percentage of achievement of the rebate contract terms.

There are various types of rebate programs, complicated calculations and transactions with different suppliers as well as the manual process involved in the verification and calculation of rebates. All of these aforementioned factors add to the complexity of assessing purchasing rebate. Thus, we indicated that the assessment of purchase rebate as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained an understanding and tested the effectiveness of internal control over the estimation of purchase rebate. Tested the appropriate controls over contractual terms regarding rebates. Checked whether the recognition of rebate amount has been approved by the proper authority.
2. Selected samples of details of purchase rebate estimation, reviewed the inventory items and obtained the supporting documents in order to recalculate the rebate amount and assess the reasonableness of estimation.
3. Sampled details of purchase rebate estimation without notice from suppliers that has been recognised as of the balance sheet date and obtained debit notes or other supporting documents that were received from suppliers after the balance sheet date to evaluate the reasonableness of estimation. In addition, after balance sheet date, examined whether there were significant new rebates that should be recognised as of the balance sheet date.
4. Selected samples of significant outstanding rebate receivable accounts and obtained the original vouchers or supporting documents or tested subsequent collections after the balance sheet date.

#### ***Other matter – Reference to report of other independent auditors***

We did not audit the financial statements of certain subsidiaries which were included in the consolidated financial statements of the Group and were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the amounts and the information disclosed in Note 13 included in these financial statements, is based solely on the reports of the other auditors. Those subsidiaries' statements reflect total assets of NT\$1,689,177 thousand and NT\$1,539,457 thousand, both constituting 1% of the consolidated total assets as of December 31, 2022 and 2021, respectively, and total operating revenues of both NT\$0 thousand, both constituting 0% of the consolidated total operating revenues for the years then ended. In addition, as stated in Note 6(9), the financial statements and the information disclosed in Note 13 of certain investments accounted for using equity method were audited by other auditors whose reports thereon have been furnished to us. Additionally, we did not audit the financial statements of certain investees for the year ended December 31, 2021 which were prepared under a different framework for financial reporting. We have performed necessary audit procedures for the adjustments of these reports in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations

that came into effect as endorsed by the Financial Supervisory Commission. Therefore, our opinion expressed regarding the amounts before adjustments in the aforementioned investees' financial statements is based solely on the reports of the other auditors. For the years ended December 31, 2022 and 2021, the recognised net profit of investments accounted for using equity method was NT\$1,591,659 thousand and NT\$2,205,169 thousand, respectively, constituting 10% and 12% of the consolidated net profits, respectively; the recognised comprehensive income of investments accounted for using equity method was NT\$1,879,052 thousand and NT\$2,043,630 thousand, respectively, constituting 10% and 14% of the consolidated comprehensive income, respectively. As of December 31, 2022 and 2021, the balance of related investments was NT\$7,326,951 thousand and NT\$11,041,956 thousand, respectively, constituting 3% and 5% of the consolidated total assets, respectively.

#### ***Other matter – Parent company only financial reports***

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Synnex Technology International Corporation as of and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the

Group's financial reporting process.

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

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Yeh, Tsui-Miao

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Liang Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the 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' 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**  
**DECEMBER 31, 2022 AND 2021**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 14,482,285	7	\$ 7,052,958	4
1110	Current financial assets at fair value through profit or loss	6(2) and 12(3)	181,682	-	2,323,570	1
1120	Current financial assets at fair value through other comprehensive income	6(3) and 12(3)	25,768,699	12	12,240,488	6
1136	Current financial assets at amortised cost	6(4)	6,684	-	-	-
1150	Notes receivable, net	6(5)	6,842,112	3	6,380,332	3
1170	Accounts receivable, net	6(5), 8 and 12(2)	71,827,487	32	78,379,888	39
1180	Accounts receivable - related parties, net	6(5) and 7(2)	499,491	-	701,473	-
1200	Other receivables	6(7) and 7(2)	7,234,780	3	6,283,010	3
1220	Current income tax assets		111,526	-	47,909	-
130X	Inventories	6(8) and 8	57,299,453	26	47,713,272	24
1410	Prepayments		6,313,650	3	4,928,721	2
11XX	Total current assets		190,567,849	86	166,051,621	82
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 12(3)	5,683,237	3	6,613,070	3
1535	Non-current financial assets at amortised cost	6(4) and 8	866,178	-	1,439,507	1
1550	Investments accounted for under equity method	6(9)	8,964,673	4	12,662,828	6
1600	Property, plant and equipment	6(10)	9,757,191	4	9,568,187	5
1755	Right-of-use assets	6(11)	1,195,314	1	1,105,654	1
1760	Investment property, net	6(13)	987,460	-	1,004,071	1
1780	Intangible assets	6(14)	665,725	-	639,919	-
1840	Deferred income tax assets	6(33)	1,091,022	1	970,043	-
1900	Other non-current assets	6(5)(12)(15)	1,717,668	1	1,628,806	1
15XX	Total non-current assets		30,928,468	14	35,632,085	18
1XXX	Total assets		\$ 221,496,317	100	\$ 201,683,706	100

(Continued)

**SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(16)	\$ 73,314,084	33	\$ 53,326,707	26
2110	Short-term notes and bills payable	6(17)	4,860,000	2	12,490,000	6
2120	Current financial liabilities at fair value through profit or loss	6(2) and 12(3)	4,484	-	700	-
2150	Notes payable		1,239,838	1	1,046,556	1
2170	Accounts payable	7(2)	30,623,774	14	49,046,067	24
2200	Other payables	6(18) and 7(2)	7,607,914	3	7,204,272	4
2230	Current income tax liabilities		1,202,706	1	1,275,524	1
2280	Current lease liabilities		285,994	-	222,101	-
2300	Other current liabilities	6(19)	4,231,772	2	4,781,962	2
21XX	Total current liabilities		123,370,566	56	129,393,889	64
Non-current liabilities						
2540	Long-term borrowings	6(20)	15,900,000	7	1,500,000	1
2570	Deferred income tax liabilities	6(33)	6,612,570	3	4,110,062	2
2580	Non-current lease liabilities		268,227	-	223,920	-
2600	Other non-current liabilities	6(21)	413,920	-	564,758	-
25XX	Total non-current liabilities		23,194,717	10	6,398,740	3
2XXX	Total liabilities		146,565,283	66	135,792,629	67
Equity attributable to owners of parent						
	Share capital	6(22)				
3110	Share capital - ordinary share		16,679,470	7	16,679,470	8
	Capital surplus	6(23)				
3200	Capital surplus		13,505,904	6	14,199,960	7
	Retained earnings	6(24)				
3310	Legal reserve		11,368,673	5	9,673,477	5
3320	Special reserve		8,247,113	4	6,336,545	3
3350	Unappropriated retained earnings		28,800,686	13	24,968,224	13
	Other equity interest	6(25)				
3400	Other equity interest		( 6,038,409 )	( 2 )	( 8,247,112 )	( 4 )
31XX	Total equity attributable to owners of parent		72,563,437	33	63,610,564	32
36XX	Non-controlling interest		2,367,597	1	2,280,513	1
3XXX	Total equity		74,931,034	34	65,891,077	33
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 221,496,317	100	\$ 201,683,706	100

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



**SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

Items		Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(26) and 7(2)	\$ 424,550,420	100	\$ 408,811,612	100
5000	Operating costs	6(8) and 7(2)	( 406,707,201)	( 96)	( 391,212,144)	( 96)
5950	Net operating margin		17,843,219	4	17,599,468	4
	Operating expenses	6(31)				
6100	Selling expenses		( 6,926,926)	( 2)	( 6,543,389)	( 2)
6200	General and administrative expenses		( 1,529,338)	-	( 1,475,687)	-
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 249,419)	-	( 247,430)	-
6000	Total operating expenses		( 8,705,683)	( 2)	( 8,266,506)	( 2)
6900	Operating profit		9,137,536	2	9,332,962	2
	Non-operating income and expenses					
7100	Interest income	6(27)	323,504	-	299,752	-
7010	Other income	6(28) and 7(2)	1,297,170	-	1,007,171	-
7020	Other gains and losses	6(29)	8,511,724	2	9,824,049	3
7050	Finance costs	6(30)	( 1,435,728)	-	( 490,128)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(9)	2,440,589	1	3,258,136	1
7000	Total non-operating income and expenses		11,137,259	3	13,898,980	4
7900	<b>Profit before income tax</b>		20,274,795	5	23,231,942	6
7950	Income tax expense	6(33)	( 3,944,469)	( 1)	( 5,454,218)	( 1)
8200	<b>Profit for the year</b>		\$ 16,330,326	4	\$ 17,777,724	5

(Continued)

**SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Gains on remeasurements of defined benefit plans		\$ 37,098	-	\$ 3,642	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	( 2,951,537)	( 1)	14,496	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(9)(25)	( 15,948)	-	28,689	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(33)	( 7,419)	-	( 1,069)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		( 2,937,806)	( 1)	45,758	-
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations	6(25)	4,739,093	1	( 2,614,824)	( 1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(9)(25)	136,572	-	( 110,304)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		4,875,665	1	( 2,725,128)	( 1)
8300	<b>Total other comprehensive income (loss)</b>		<u>\$ 1,937,859</u>	<u>-</u>	<u>(\$ 2,679,370)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 18,268,185</u>	<u>4</u>	<u>\$ 15,098,354</u>	<u>4</u>
	Profit, attributable to:					
8610	Owners of parent		\$ 15,748,824	4	\$ 17,271,560	5
8620	Non-controlling interest		581,502	-	506,164	-
	Profit for the year		<u>\$ 16,330,326</u>	<u>4</u>	<u>\$ 17,777,724</u>	<u>5</u>
	Comprehensive income attributable to:					
8710	Owners of parent		\$ 17,681,120	4	\$ 15,029,919	4
8720	Non-controlling interest		587,065	-	68,435	-
	Comprehensive income for the year		<u>\$ 18,268,185</u>	<u>4</u>	<u>\$ 15,098,354</u>	<u>4</u>
	Earnings per share					
9750	Basic earnings per share	6(34)	<u>\$ 9.44</u>		<u>\$ 10.35</u>	
9850	Diluted earnings per share	6(34)	<u>\$ 9.44</u>		<u>\$ 10.35</u>	

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF TAIWAN DOLLARS)

Equity attributable to owners of the parent										
Retained Earnings										
Other equity interest										
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income										
Financial statements translation differences of foreign operations										
Total										
Non-controlling interest										
Total equity										
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
Year ended December 31, 2021										
Balance at January 1, 2021	\$ 16,679,470	\$ 14,709,395	\$ 8,855,413	\$ 7,295,010	\$ 13,380,084	(\$ 8,690,313 )	\$ 2,353,767	\$ 54,582,826	\$ 2,267,342	\$ 56,850,168
Profit	-	-	-	-	17,271,560	-	-	17,271,560	506,164	17,777,724
Other comprehensive income (loss)	6(25)	-	-	-	474	( 2,282,714 )	40,599	( 2,241,641 )	( 437,729 )	( 2,679,370 )
Total comprehensive income (loss)		-	-	-	17,272,034	( 2,282,714 )	40,599	15,029,919	68,435	15,098,354
Appropriations of 2020 earnings										
Legal reserve		-	818,064	-	( 818,064 )	-	-	-	-	-
Special reserve		-	-	( 958,465 )	958,465	-	-	-	-	-
Cash dividends		-	-	-	( 5,504,225 )	-	-	( 5,504,225 )	-	( 5,504,225 )
Changes in equity of associates and joint ventures accounted for using equity method	6(23)	-	29,158	-	( 157,342 )	-	-	( 128,184 )	-	( 128,184 )
Difference between consideration and carrying amount of subsidiaries acquired	6(35)	-	1,472	-	-	-	-	1,472	( 55,264 )	( 53,792 )
Capital surplus transferred from unclaimed dividends	6(23)	-	480	-	-	-	-	480	-	480
Disposal of investments accounted for using equity method	6(23)	-	( 540,545 )	-	( 162,728 )	331,549	-	( 371,724 )	-	( 371,724 )
Balance at December 31, 2021	\$ 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
Year ended December 31, 2022										
Balance at January 1, 2022	\$ 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
Profit		-	-	-	15,748,824	-	-	15,748,824	581,502	16,330,326
Other comprehensive income (loss)	6(25)	-	-	-	29,679	4,869,983	( 2,967,366 )	1,932,296	5,563	1,937,859
Total comprehensive income (loss)		-	-	-	15,778,503	4,869,983	( 2,967,366 )	17,681,120	587,065	18,268,185
Appropriations of 2021 earnings										
Legal reserve		-	1,695,196	-	( 1,695,196 )	-	-	-	-	-
Special reserve		-	-	1,910,568	( 1,910,568 )	-	-	-	-	-
Cash dividends		-	-	-	( 8,339,735 )	-	-	( 8,339,735 )	-	( 8,339,735 )
Changes in equity of associates and joint ventures accounted for using equity method	6(23)	-	121,504	-	1,110	-	-	122,614	-	122,614
Difference between consideration and carrying amount of subsidiaries acquired	6(35)	-	2,085	-	-	-	-	2,085	( 23,029 )	( 20,944 )
Capital surplus transferred from unclaimed dividends	6(23)	-	594	-	-	-	-	594	-	594
Disposal of investments accounted for using equity method	6(23)	-	( 5,350 )	-	-	304,434	-	299,084	-	299,084
Disposal of equity instruments at fair value through other comprehensive income	6(25)	-	-	-	( 1,652 )	-	1,652	-	-	-
Effect of reorganisations	6(25)	-	( 812,889 )	-	-	-	-	( 812,889 )	-	( 812,889 )
Cash dividends paid by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	( 476,952 )	( 476,952 )
Balance at December 31, 2022	\$ 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

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 20,274,795	\$ 23,231,942
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6(31)	299,072	309,985
Depreciation charges on right-of-use assets	6(31)	243,641	261,291
Depreciation charges on investment property	6(31)	35,019	44,536
Amortization charges on intangible assets	6(31)	43,038	39,396
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	249,419	247,430
Net gain on financial assets at fair value through profit or loss	6(29)	( 2,113 )	( 360,093 )
Loss on decline in (gain on reversal of) market value and obsolete and slow-moving inventories	6(8)	412,607	( 18,908 )
Interest expense	6(30)	1,435,728	490,128
Interest income	6(27)	( 323,504 )	( 299,752 )
Dividend income	6(28)	( 396,196 )	( 201,799 )
Share of profit of associates accounted for under equity method	6(9)	( 2,440,589 )	( 3,258,136 )
Gain on disposal of property, plant and equipment and investment property	6(29)	( 11,865 )	( 8,446 )
Gain on disposal of investments	6(29)	-	( 820,319 )
Gain on remeasurement of investments at fair value that were previously accounted for using equity method	6(29)	( 8,345,108 )	( 9,020,026 )
Gain on lease modification	6(11)	( 194 )	( 164 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes and accounts receivable		6,337,922	( 21,101,069 )
Other receivables		( 951,770 )	80,821
Inventories		( 9,998,788 )	( 16,807,699 )
Prepayments		( 1,384,929 )	( 430,743 )
Long-term notes and overdue receivables		( 227,130 )	( 516,794 )
Long-term lease receivables		25,914	47,706
Changes in operating liabilities			
Notes and accounts payable		( 18,229,011 )	16,503,377
Other payables		404,236	2,061,704
Other current liabilities		( 550,190 )	1,218,927
Other non-current liabilities		( 150,637 )	( 49,317 )
Cash outflow generated from operations		( 13,250,633 )	( 8,356,022 )
Dividends received from investments accounted for under equity method		1,231,421	914,559
Interest paid		( 1,435,728 )	( 490,128 )
Interest received		323,504	299,752
Dividends received		396,196	201,799
Income taxes paid		( 2,353,130 )	( 2,492,830 )
Net cash flows used in operating activities		( 15,088,370 )	( 9,922,870 )

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at fair value through profit or loss		\$ 2,046,087	( \$ 2,046,087 )
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		205,134	-
Proceeds from disposal of investments accounted for under equity method		-	1,097,835
Acquisition of property, plant and equipment	6(10)	( 303,737 )	( 445,043 )
Proceeds from disposal of property, plant and equipment		26,732	27,365
Acquisition of investment property	6(13)	( 1,795 )	( 354 )
Acquisition of intangible assets	6(14)	( 20,362 )	( 16,001 )
Increase in time deposits maturing over three months		( 239,420 )	( 338,491 )
Decrease in time deposits maturing over three months		238,370	347,881
Increase in restricted time deposits		( 838,223 )	( 425,706 )
Decrease in restricted time deposits		1,405,918	241,337
Increase in refundable deposits		( 36,394 )	( 24,835 )
Decrease in refundable deposits		36,369	472,138
Increase in other non-current assets		( 27,049 )	( 48,887 )
Net cash flow on loss of control of subsidiary	6(37)	-	189,657
Net cash flows from (used in) investing activities		<u>2,491,630</u>	<u>( 969,191 )</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(36)	19,987,377	10,359,503
Decrease in short-term notes and bills payable	6(36)	( 7,630,000 )	( 1,240,000 )
Increase in long-term borrowings	6(36)	14,400,000	1,500,000
Increase in guarantee deposits received	6(36)	697,267	93,211
Decrease in guarantee deposits received	6(36)	( 694,006 )	( 41,823 )
Payments of lease liabilities	6(36)	( 188,997 )	( 244,900 )
Acquisition of additional shares in subsidiary	6(35)	( 20,944 )	( 53,792 )
Cash dividends paid	6(36)	( 8,339,735 )	( 5,504,225 )
Cash dividends paid by subsidiaries to non-controlling interests		( 476,952 )	-
Net cash flows from financing activities		<u>17,734,010</u>	<u>4,867,974</u>
Effects of changes in foreign exchange rates		<u>2,292,057</u>	<u>( 2,152,728 )</u>
Net increase (decrease) in cash and cash equivalents		<u>7,429,327</u>	<u>( 8,176,815 )</u>
Cash and cash equivalents at beginning of year		<u>7,052,958</u>	<u>15,229,773</u>
Cash and cash equivalents at end of year		<u>\$ 14,482,285</u>	<u>\$ 7,052,958</u>

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

**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 authorised for issuance by the Board of Directors on March 8, 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 that came into effect as endorsed by the FSC effective and became effective from 2022 are as follows:

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

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

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

New standards, interpretations and amendments that came into effect as endorsed by the FSC 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

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.

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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

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, 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”).

##### (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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

##### (3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
  - (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (b) Inter-Group transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the 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:

December 31, 2022 and 2021:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Synnex Technology International Corporation	Synnex Global Ltd.	Investment holding	100	100	-
Synnex Technology International Corporation	Seper Technology Corporation	Sales of 3C products	100	100	-
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Investment holding	100	100	-
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Warehouse and logistics services	100	100	-
Synnex Technology International Corporation	Synergy Technology Services Corporation	Maintenance and technical services	100	100	-
Synnex Technology International Corporation	Bestcom Infotech Corp.	Sales of 3C products	100	98.93	-
Synnex Technology International Corporation	Syntech Asia Ltd.	Sales of semiconductor products	100	-	Note 1
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia and subsidiaries	Sales of 3C products	50	-	Note 4
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and subsidiaries	Sales of 3C products	100	-	Note 2
Synergy Intelligent Logistics Corporation	Synergy Intelligent Logistics (HK) Corporation	Warehouse and logistics services	100	-	Note 3
E-Fan Investments CO., LTD.	Leveltech Ltd.	Sales of semiconductor products	100	-	Note 5
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Sales of 3C products	100	100	-
Synnex Global Ltd.	King's Eye Investments Ltd.	Investment holding	100	100	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Synnex Global Ltd.	Peer Developments Ltd.	Investment holding	100	100	-
Synnex Global Ltd.	Synnex Mauritius Ltd.	Investment holding	100	100	-
Synnex Global Ltd.	Synnex China Holdings Ltd.	Investment holding	100	100	-
Synnex Global Ltd.	Trade Vanguard Global Ltd.	Investment holding	100	100	-
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	Investment holding	100	100	-
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Sales of 3C products	100	100	-
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	Sales of 3C products	100	100	-
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Sales of semiconductor products	100	100	-
King's Eye Investments Ltd.	Syntech Asia Ltd.	Sales of semiconductor products	-	100	Note 1
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Real estate investments	100	100	-
King's Eye Investments Ltd.	Golden Thinking Ltd.	Real estate investments	100	100	-
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia and subsidiaries	Sales of 3C products	-	50	Note 4
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and subsidiaries	Sales of 3C products	-	100	Note 2
Peer Developments Ltd.	LianXiang Technology (Shenzhen) Ltd.	Sales of semiconductor products	100	100	-
Peer Developments Ltd.	Synergy Intelligent Logistics (HK) Corporation	Warehouse and logistics services	-	100	Note 3
Synnex China Holdings Ltd.	Synnex Investments (China) Ltd.	Investment holding	100	100	-
Synnex China Holdings Ltd.	Leveltech Ltd.	Sales of semiconductor products	-	100	Note 5
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Sales of 3C products	100	100	-
Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Warehouse and logistics services	100	100	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Synnex Investments (China) Ltd.	Synnex (Shanghai) Ltd.	Sales of semiconductor products and warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Chengdu) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Nanjing) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Hangzhou) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Qingdao) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Guangzhou) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Xi'an) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Suzhou) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Wuhan) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Changsha) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Warehouse and logistics services	100	100	-
Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	-	97.96	Note 6
Synnex Investments (China) Ltd.	Synnex Technology Development Ltd.	Sales of 3C products	100	100	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
Synnex Investments (China) Ltd.	Jifu Intelligent Logistics Corporation	Warehouse and logistics services	100	100	-

The aforementioned subsidiaries were audited by the Company's auditors, except for Fortune Ideal Ltd. and Golden Thinking Ltd. which were audited by other auditors.

Note 1: The Group's investment was restructured, and Syntech Asia Ltd. was changed to be directly held by the Company on November 30, 2022

Note 2: The Group's investment was restructured, and Synnex Technology International (HK) Ltd. and its subsidiaries were changed to be directly held by the Company on November 30, 2022.

Note 3: 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, on November 30, 2022.

Note 4: The Group's investment was restructured, and PT. Synnex Metrodata Indonesia and its subsidiaries were changed to be directly held by the Company on November 23, 2022.

Note 5: 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., on November 30, 2022.

Note 6: The Company's subsidiary, Yude (Shanghai) Warehouse Co., Ltd. was dissolved as resolved by the Board of Directors on August 26, 2022, and its registration was cancelled on December 29, 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 consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

##### A. Foreign currency transactions and balances

- 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.
- 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.
- 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

- A. Cost of inventory purchases includes purchasing price, import taxes and all the related costs involved in the process of obtaining inventory. Discounts, allowances and etc. shall be deducted from the cost of inventory purchases.
- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving-average method. The item-by-item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the 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 at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these

financial liabilities at fair value with any gain or loss recognised in profit or loss.

(24) Derecognition of financial liabilities

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

(25) Offsetting financial instruments

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

(26) Non-hedging and embedded derivatives

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

(27) Provisions

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.
- C. Termination benefits
 

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

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

(29) Income tax

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

a net basis or realise the asset and settle the liability simultaneously.

(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. 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) 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>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 485	\$ 540
Checking accounts and demand deposits	12,053,986	7,012,599
Time deposits	2,427,814	39,819
	<u>\$ 14,482,285</u>	<u>\$ 7,052,958</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>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 23,807	\$ 23,314
Financial products	-	2,046,087
	23,807	2,069,401
Valuation adjustment	157,875	254,169
	<u>\$ 181,682</u>	<u>\$ 2,323,570</u>
Financial liabilities held for trading		
Non-hedging derivatives — forward exchange	\$ 4,484	\$ 700

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

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Financial assets and liabilities at fair value through profit or loss</u>		
–Financial products	\$ 54,065	\$ 258,810
–Equity instruments	( 26,293)	103,110
–Derivatives	( 25,659)	( 1,827)
	<u>\$ 2,113</u>	<u>\$ 360,093</u>

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

		December 31, 2022	
			Nominal Principal
The subsidiaries	Items	Book Value	(in thousands)
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)	
		December 31, 2021	
			Nominal Principal
The subsidiaries	Items	Book Value	(in thousands)
Synnex New Zealand	Forward exchange - buy USD sell NZD	(\$ 756)	USD 2,840
Synnex New Zealand	Forward exchange - buy AUD sell NZD	56	AUD 550
		(\$ 700)	

The Group undertook forward exchange contracts to hedge risks of foreign currency assets and liabilities arising from fluctuations in exchange rates.

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

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

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

	December 31, 2022	December 31, 2021
Current items:		
Equity instruments		
Listed stocks	\$ 29,537,730	\$ 13,600,899
Valuation adjustment	(3,769,031)	(1,360,411)
	<u>\$ 25,768,699</u>	<u>\$ 12,240,488</u>
	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed stocks	\$ 835,880	\$ 835,880
Non-listed (TSE and OTC) stocks	2,044,281	2,037,306
Valuation adjustment	2,803,076	3,739,884
	<u>\$ 5,683,237</u>	<u>\$ 6,613,070</u>

- A. The Group has elected to classify share investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments as at December 31, 2022 and 2021 is listed in the table above.

- 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.



(4) Financial assets at amortised cost

	December 31, 2022	December 31, 2021
Current items:		
Time deposits maturing over three months	\$ 1,050	\$ -
Pledged time deposits	5,634	-
	<u>\$ 6,684</u>	<u>\$ -</u>
Non-current items:		
Pledged time deposits	<u>\$ 868,178</u>	<u>\$ 1,439,507</u>

A. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

B. 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

	December 31, 2022	December 31, 2021
Notes receivable	\$ 6,862,856	\$ 6,396,329
Less: Allowance for uncollectible accounts	( 20,744)	( 15,997)
	<u>\$ 6,842,112</u>	<u>\$ 6,380,332</u>
Accounts receivable	\$ 71,893,768	\$ 78,414,180
Accounts receivable due from related parties	499,491	701,473
Lease receivables (expiring within one year)	127,349	152,814
	<u>72,520,608</u>	<u>79,268,467</u>
Less: Allowance for uncollectible accounts	( 193,630)	( 187,106)
	<u>72,326,978</u>	<u>79,081,361</u>
Overdue receivables (recorded as other non-current assets)	3,822,166	3,550,763
Less: Allowance for uncollectible accounts	( 2,373,023)	( 2,202,041)
	<u>1,449,143</u>	<u>1,348,722</u>
	<u>\$ 73,776,121</u>	<u>\$ 80,430,083</u>

Overdue receivables consist primarily of amounts due from customers under bankruptcy proceedings and are stated at their estimated net realizable value. As of December 31, 2022 and 2021, 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:

	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>

	December 31, 2021			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 6,396,329	\$ 71,824,208	\$ -	\$ 78,220,537
Up to 60 days past due	-	6,267,609	-	6,267,609
61-120 days past due	-	648,532	23,714	672,246
121-180 days past due	-	139,415	5,477	144,892
More than 181 days past due	-	388,703	3,521,572	3,910,275
	<u>\$ 6,396,329</u>	<u>\$ 79,268,467</u>	<u>\$ 3,550,763</u>	<u>\$ 89,215,559</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, 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 \$67,492,012.

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 December 31, 2022 and 2021, the Group has derecognised notes receivable (pertaining to bankers acceptance) that were discounted to banks but not yet matured amounting to \$544,983 and \$310,957, respectively. As at December 31, 2022 and 2021, the Group had liabilities arising from discounted notes receivable amounting to \$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)

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

(Unit: USD thousand)

December 31, 2021

Accounts receivable transferred	Amount derecognized	Facilities	Amount advanced
<u>The Company</u>			
\$ 529,170 (USD 18,980)	\$ 529,170 (USD 18,980)	USD 57,500	\$ 529,170 (USD 18,980)
<u>Subsidiaries</u>			
\$ 779,284 (USD 28,103)	\$ 779,284 (USD 28,103)	USD 107,000	\$ 779,284 (USD 28,103)

A. The counterparties of the Group's accounts receivable factoring mainly were Taishin International Bank, Chang Hwa Bank, E.SUN Commercial Bank, and other financial institutions. As of December 31, 2022 and 2021, the interest rate of amount advanced was 3.37%~5.18% and 0.64%~0.71%, respectively.

B. As of December 31, 2022 and 2021, the commercial papers issued for accounts receivable factoring amounted to US\$43,000 thousand and US\$42,200 thousand, respectively.

(7) Other receivables

	December 31, 2022	December 31, 2021
Receivables from suppliers	\$ 6,510,285	\$ 5,323,567
Tax refund receivable-business tax	622,179	833,084
Other non-operating receivables, others (including related parties)	102,316	126,359
	<u>\$ 7,234,780</u>	<u>\$ 6,283,010</u>

(8) Inventories

	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>
	December 31, 2021		
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	\$ 47,395,461	(\$ 488,187)	\$ 46,907,274
Inventory in transit	805,998	-	805,998
	<u>\$ 48,201,459</u>	<u>(\$ 488,187)</u>	<u>\$ 47,713,272</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:

	Years ended December 31,	
	2022	2021
Cost of inventories sold	\$ 406,294,594	\$ 391,231,052
Loss on decline in (gain on reversal of) market value	412,607 (	18,908)
	<u>\$ 406,707,201</u>	<u>\$ 391,212,144</u>

For the year ended December 31, 2021, gain on reversal of valuation loss and obsolescence arose after the inventories were scrapped or sold.

(9) Investments accounted for under equity method

A. The details are as follows:

	December 31, 2022	December 31, 2021
Associates:		
Concentrix Corporation (Note 1)	\$ -	\$ 4,966,657
Redington (India) Ltd. (Note 4)	5,883,598	4,787,716
Synnex FPT Joint Stock Company	1,608,478	1,591,778
Synnex (Thailand) Public Company Ltd.	1,443,353	1,287,583
Other	29,244	29,094
	<u>\$ 8,964,673</u>	<u>\$ 12,662,828</u>

The information on shareholding ratio is provided in table 8.

B. The above investments accounted for under equity method are profit/(loss) and share of other comprehensive income of associates recognised based on financial statements that were audited by the investees' auditors. Details are as follows:

	Profit/(loss) of associates	
	Years ended December 31,	
	2022	2021
TD Synnex Corporation (Note 2, 3)	\$ -	\$ 575,014
Concentrix Corporation (Note 1)	432,077	770,481
Redington (India) Ltd. (Note 4)	1,312,961	1,132,005
Synnex FPT Joint Stock Company	415,503	473,689
Synnex (Thailand) Public Company Ltd.	278,698	302,683
Other	1,350	4,264
	<u>\$ 2,440,589</u>	<u>\$ 3,258,136</u>
	Share of other comprehensive income of associates	
	Years ended December 31,	
	2022	2021
TD Synnex Corporation (Note 2, 3)	\$ -	\$ 79,923
Concentrix Corporation (Note 1)	( 166,769)	( 128,800)
Redington (India) Ltd. (Note 4)	303,341	( 61,427)
Synnex (Thailand) Public Company Ltd.	( 15,948)	28,689
	<u>\$ 120,624</u>	<u>(\$ 81,615)</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 thousand.
- Note 2. The Group was initially one of the major shareholders of TD Synnex Corporation, and the Group's Chairman Mr. Matthew Miao served as TD Synnex's honorary chairman. Thus, the Group had significant influence over TD Synnex Corporation. The Group lost significant influence over TD Synnex and its ownership decreased to 4.02% due to the issuance of new shares for a merger by TD Synnex on September 1, 2021. On the same date, the Group derecognised the carrying amount of the investment accounted for using equity method, and the investment was remeasured to its fair value and recognised as financial assets at fair value through other comprehensive income. The difference was recognised in gains on disposal of investments amounting to USD 320,651 thousand, equivalent to \$9,020,026.
- Note 3. Synnex Corporation announced the change in its company name to TD Synnex Corporation on September 1, 2021.
- Note 4. The Group's investment was restructured on December 26, 2022, thus, Redington (India) Ltd. 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 summarised below:

- (a) As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$8,964,673 and \$12,662,828, respectively.
- (b) The Group's share of the operating results are summarised below:

	Years ended December 31,	
	2022	2021
Profit for the year	\$ 2,440,589	\$ 3,258,136
Other comprehensive income(loss), net of tax	120,624	( 81,615)
Total comprehensive income	<u>\$ 2,561,213</u>	<u>\$ 3,176,521</u>

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

	December 31, 2022	December 31, 2021
Concentrix Corporation	<u>\$ -</u>	<u>\$ 17,820,792</u>
Redington (India) Ltd.	<u>\$ 12,673,374</u>	<u>\$ 10,159,445</u>
Synnex (Thailand) Public Company Ltd.	<u>\$ 4,946,009</u>	<u>\$ 10,255,666</u>

## (10) Property, plant and equipment

2022

	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	
<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	-	48,760	163	48,923	1,947	8,349	-	6,417	17,847	26,391	193,863	303,737
Disposals	( 1,529)	( 97)	-	( 97)	( 2,689)	( 77)	( 5,333)	-	( 1,570)	( 2,939)	( 633)	( 14,867)
Reclassifications	-	6,324	2,546	8,870	12,654	-	33,358	946	2,130	13,454	( 18,951)	52,461
Depreciation charge	-	( 104,954)	( 39,371)	( 144,325)	( 37,068)	( 40,316)	( 18,366)	( 9,042)	( 40,538)	( 9,417)	-	( 299,072)
Effect of exchange rate changes	29,748	58,936	21,985	80,921	4,727	558	168	469	9,238	788	20,128	146,745
Closing net book amount	<u>\$ 1,472,456</u>	<u>\$ 2,909,597</u>	<u>\$ 1,315,278</u>	<u>\$ 4,224,875</u>	<u>\$ 189,318</u>	<u>\$ 81,690</u>	<u>\$ 107,149</u>	<u>\$ 16,864</u>	<u>\$ 350,095</u>	<u>\$ 44,092</u>	<u>\$ 3,270,652</u>	<u>\$ 9,757,191</u>
<u>At December 31</u>												
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)
	<u>\$ 1,472,456</u>	<u>\$ 2,909,597</u>	<u>\$ 1,315,278</u>	<u>\$ 4,224,875</u>	<u>\$ 189,318</u>	<u>\$ 81,690</u>	<u>\$ 107,149</u>	<u>\$ 16,864</u>	<u>\$ 350,095</u>	<u>\$ 44,092</u>	<u>\$ 3,270,652</u>	<u>\$ 9,757,191</u>

	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	Lease	Subtotal	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Subtotal	Owner-occupied	Owner-occupied			
<u>At January 1</u>																		
Cost	\$ 1,516,732	\$ 4,783,716	\$ 842,822	\$ 5,626,538	\$ 483,048	\$ 71,372	\$ 554,420	\$ 265,589	\$ 169,397	\$ 87,875	\$ 595,050	\$ 2,341	\$ 597,391	\$ 83,498	\$ 2,764,464	\$ 11,665,904		
Accumulated depreciation and impairment	-	( 1,078,113)	( 148,428)	( 1,226,541)	( 267,323)	( 31,903)	( 299,226)	( 152,873)	( 79,580)	( 64,421)	( 187,615)	( 1,115)	( 188,730)	( 54,611)	( 45)	( 2,066,027)		
	<u>\$ 1,516,732</u>	<u>\$ 3,705,603</u>	<u>\$ 694,394</u>	<u>\$ 4,399,997</u>	<u>\$ 215,725</u>	<u>\$ 39,469</u>	<u>\$ 255,194</u>	<u>\$ 112,716</u>	<u>\$ 89,817</u>	<u>\$ 23,454</u>	<u>\$ 407,435</u>	<u>\$ 1,226</u>	<u>\$ 408,661</u>	<u>\$ 28,887</u>	<u>\$ 2,764,419</u>	<u>\$ 9,599,877</u>		
Opening net book amount	\$ 1,516,732	\$ 3,705,603	\$ 694,394	\$ 4,399,997	\$ 215,725	\$ 39,469	\$ 255,194	\$ 112,716	\$ 89,817	\$ 23,454	\$ 407,435	\$ 1,226	\$ 408,661	\$ 28,887	\$ 2,764,419	\$ 9,599,877		
Additions	-	34,113	3,263	37,376	8,112	-	8,112	12,832	2,255	5,381	13,025	22	13,047	435	366,055	445,493		
Disposals	-	( 18)	-	( 18)	( 5,185)	-	( 5,185)	( 1,279)	( 4,061)	( 30)	( 1,260)	-	( 1,260)	-	( 7,086)	( 18,919)		
Reclassifications	-	( 660,839)	675,523	14,684	36,601	( 36,350)	251	31,250	26,913	( 160)	3,006	( 1,111)	1,895	2,006	( 15,043)	61,796		
Depreciation charge	-	( 102,533)	( 38,902)	( 141,435)	( 42,614)	( 2,633)	( 45,247)	( 41,045)	( 16,973)	( 9,751)	( 40,163)	( 137)	( 40,300)	( 15,234)	-	( 309,985)		
Effect of exchange rate changes	( 72,495)	( 75,698)	( 4,323)	( 80,021)	( 2,892)	( 486)	( 3,378)	( 848)	( 629)	( 820)	( 19,055)	-	( 19,055)	( 279)	( 32,100)	( 209,625)		
Closing net book amount	<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>\$ -</u>	<u>\$ 209,747</u>	<u>\$ 113,626</u>	<u>\$ 97,322</u>	<u>\$ 18,074</u>	<u>\$ 362,988</u>	<u>\$ -</u>	<u>\$ 362,988</u>	<u>\$ 15,815</u>	<u>\$ 3,076,245</u>	<u>\$ 9,568,637</u>		
<u>At December 31</u>																		
Cost	\$ 1,444,237	\$ 3,935,891	\$ 1,601,720	\$ 5,537,611	\$ 428,854	\$ -	\$ 428,854	\$ 270,128	\$ 182,227	\$ 79,859	\$ 558,903	\$ -	\$ 558,903	\$ 69,502	\$ 3,076,245	\$ 11,647,566		
Accumulated depreciation and impairment	-	( 1,035,263)	( 271,765)	( 1,307,028)	( 219,107)	-	( 219,107)	( 156,952)	( 84,905)	( 61,785)	( 195,915)	-	( 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>\$ -</u>	<u>\$ 209,747</u>	<u>\$ 113,176</u>	<u>\$ 97,322</u>	<u>\$ 18,074</u>	<u>\$ 362,988</u>	<u>\$ -</u>	<u>\$ 362,988</u>	<u>\$ 15,815</u>	<u>\$ 3,076,245</u>	<u>\$ 9,568,187</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 years ended December 31, 2022 and 2021, 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:

	Years ended December 31,	
	2022	2021
Amount capitalised	\$ 23,172	\$ 20,754
Range of the interest rates for capitalisation	0.82%~1.79%	0.80%~0.83%

Note 2: The Group had no property, plant and equipment pledged to others as collateral as of December 31, 2022 and 2021.

(11) Leasing arrangements — lessee

A. The Group leases various assets including land use rights and buildings. Rental contracts are typically made for periods of 2 to 10 years for buildings and 43 to 50 years for land use rights. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	Land use rights	Buildings	Total
January 1, 2022	\$ 678,316	\$ 427,338	\$ 1,105,654
Additions	-	373,341	373,341
Lease modifications	( 16,062)	( 50,285)	( 66,347)
Early termination of leases	-	( 12,315)	( 12,315)
Depreciation charge	( 18,305)	( 225,336)	( 243,641)
Effect of exchange rate changes	11,252	27,370	38,622
December 31, 2022	\$ 655,201	\$ 540,113	\$ 1,195,314
	Land use rights	Buildings	Total
January 1, 2021	\$ 741,742	\$ 523,154	\$ 1,264,896
Additions	-	162,023	162,023
Lease modifications	-	( 6,876)	( 6,876)
Effect of decrease in consolidated entities	( 40,614)	-	( 40,614)
Depreciation charge	( 18,412)	( 242,879)	( 261,291)
Effect of exchange rate changes	( 4,400)	( 8,084)	( 12,484)
December 31, 2021	\$ 678,316	\$ 427,338	\$ 1,105,654



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

	Years ended December 31,	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 9,054	\$ 9,584
Expense on short-term lease contracts	128,214	64,697
Expense on leases of low-value assets	8,961	9,384
Loss on lease modification	( 194)	( 164)

D. Apart from the cash outflow relating to the lease expense mentioned above in item (11)C, 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 and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.
- B. The Group leases computers and computer peripherals assets to others under a finance lease. Based on the terms of the lease contract, the ownership of the assets will be transferred to lessees provided that the lessees exercise the purchase option when the leases expire. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2022	2021
Sales profit	\$ 44,812	\$ 47,537
Finance income from the net investment in the finance lease	12,241	15,212
	<u>\$ 57,053</u>	<u>\$ 62,749</u>

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

	December 31, 2022	December 31, 2021
Within 1 year	\$ 151,501	\$ 180,497
1-5 year(s)	118,121	147,059
	<u>\$ 269,622</u>	<u>\$ 327,556</u>

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

	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>

	December 31, 2021		
	Current	Non-current	Total
Undiscounted lease payments	\$ 180,497	\$ 147,059	\$ 327,556
Unearned finance income	( 27,683)	( 20,720)	( 48,403)
Net investment in the lease	<u>\$ 152,814</u>	<u>\$ 126,339</u>	<u>\$ 279,153</u>

- E. Gain arising from operating lease agreements for the years ended December 31, 2022 and 2021 are as follows:

	Years ended December 31,	
	2022	2021
Rental income (including operating revenue and other income)	<u>\$ 595,901</u>	<u>\$ 599,289</u>

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

	December 31, 2022	December 31, 2021
Within 1 year	\$ 419,333	\$ 409,625
1-5 year(s)	994,926	1,034,805
Over 5 years	281,255	229,094
	<u>\$ 1,695,514</u>	<u>\$ 1,673,524</u>

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(13) Investment property

	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	-	1,795	1,795
Depreciation charge	( 31,998)	( 3,021)	( 35,019)
Net exchange differences	16,486	127	16,613
Closing net book amount	<u>\$ 980,962</u>	<u>\$ 6,498</u>	<u>\$ 987,460</u>
<u>At December 31</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>
	2021		
	Buildings and structures	Utilities equipment	Total
<u>At January 1</u>			
Cost	\$ 1,524,561	\$ 148,160	\$ 1,672,721
Accumulated depreciation	( 330,228)	( 119,870)	( 450,098)
	<u>\$ 1,194,333</u>	<u>\$ 28,290</u>	<u>\$ 1,222,623</u>
Opening net book amount	\$ 1,194,333	\$ 28,290	\$ 1,222,623
Additions	204	150	354
Depreciation charge	( 32,051)	( 12,485)	( 44,536)
Effect of decrease in consolidated entities	( 159,462)	( 8,229)	( 167,691)
Net exchange differences	( 6,550)	( 129)	( 6,679)
Closing net book amount	<u>\$ 996,474</u>	<u>\$ 7,597</u>	<u>\$ 1,004,071</u>
<u>At December 31</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>

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

	Years ended December 31,	
	2022	2021
Rental income from investment property	\$ 388,237	\$ 409,236
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 85,738	\$ 90,488

- B. The fair value of the investment property held by the Group as of December 31, 2022 and 2021 was \$3,067,536 and \$2,846,936, 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 December 31, 2022 and 2021.

(14) Intangible assets

	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	20,362	-	20,362
Reclassifications	17,019	-	17,019
Amortisation charge	( 43,038)	-	( 43,038)
Net exchange differences	1,205	30,258	31,463
Closing net book amount	<u>\$ 111,270</u>	<u>\$ 554,455</u>	<u>\$ 665,725</u>
<u>At December 31</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>

	2021		
	Computer software cost	Goodwill	Total
<u>At January 1</u>			
Cost	\$ 416,663	\$ 532,548	\$ 949,211
Accumulated amortisation	( 311,506)	-	( 311,506)
	<u>\$ 105,157</u>	<u>\$ 532,548</u>	<u>\$ 637,705</u>
Opening net book amount	\$ 105,157	\$ 532,548	\$ 637,705
Additions - acquired separately	16,001	-	16,001
Reclassifications	36,364	-	36,364
Amortisation charge	( 39,396)	-	( 39,396)
Net exchange differences	( 2,404)	( 8,351)	( 10,755)
Closing net book amount	<u>\$ 115,722</u>	<u>\$ 524,197</u>	<u>\$ 639,919</u>
<u>At December 31</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>

- A. Amortisation charges on intangible assets were recognised as administrative expenses amounting to \$43,038 and \$39,396 for the years ended December 31, 2022 and 2021, respectively.
- B. Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2022	December 31, 2021
Taiwan	\$ 239,479	\$ 239,479
Hong Kong	305,473	275,383
Indonesia	9,503	9,335
	<u>\$ 554,455</u>	<u>\$ 524,197</u>

C. Impairment of non-financial assets

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

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

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

(15) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Refundable deposits	\$ 117,909	\$ 113,584
Long-term notes and overdue receivables	1,449,143	1,348,722
Long-term lease receivables	100,425	126,339
Others	50,191	40,161
	<u>\$ 1,717,668</u>	<u>\$ 1,628,806</u>

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

(16) Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Bank borrowings		
Unsecured borrowings	\$ 73,314,084	\$ 53,326,707
Interest rate range	<u>1.37%~5.60%</u>	<u>0.68%~2.28%</u>
Collateral	None	None

(17) Short-term notes and bills payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commercial paper payable	\$ 4,860,000	\$ 12,490,000
Interest rate range	<u>1.86%~1.98%</u>	<u>0.82%~1.00%</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>December 31, 2022</u>	<u>December 31, 2021</u>
Temporary receipt of suppliers' payment	4,643,453	4,349,911
Salary and bonus payable	956,662	940,458
Accrued expenses — others	731,622	956,055
Other payables — others (including related parties)	1,276,177	957,848
	<u>\$ 7,607,914</u>	<u>\$ 7,204,272</u>

(19) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Refund liability-dealers'rebates payable	\$ 4,109,787	\$ 4,686,476
Other current liabilities-others	121,985	95,486
	<u>\$ 4,231,772</u>	<u>\$ 4,781,962</u>

(20) Long-term borrowings

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(November 25, 2022).	1,79%~1.81%	None	11,400,000
Syndicated Loans- Tranche B	Five years from the date of first drawdown(August 1, 2022).	1,78%~1.80%	None	3,000,000
				<u>\$ 15,900,000</u>
Less: Current portion				<u>-</u>
				<u>\$ 15,900,000</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Unsecured borrowings	Borrowing period is from December 30, 2021 to December 30, 2024; principal is repayable in full at maturity; interest is repayable monthly.	1.06%	None	\$ 1,500,000
Less: Current portion				<u>-</u>
				<u>\$ 1,500,000</u>

A. As of 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).

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

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	(\$ 435,241)	(\$ 465,746)
Fair value of plan assets	221,226	62,008
Net defined benefit liabilities (recorded as other non-current liabilities)	(\$ 214,015)	(\$ 403,738)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
<u>2022</u>			
At January 1	(\$ 465,746)	\$ 62,008	(\$ 403,738)
Current service cost	( 10,813)	-	( 10,813)
Interest (expense) income	( 6,243)	480	( 5,763)
	( 482,802)	62,488	( 420,314)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,876	6,876
Change in demographic assumptions	-	-	-
Exchange differences	11,904	-	11,904
Change in financial assumptions	20,290	-	20,290
Experience adjustments	12,922	-	12,922
	45,116	6,876	51,992
Pension fund contribution	-	153,952	153,952
Paid pension	2,445	( 2,090)	355
At December 31	(\$ 435,241)	\$ 221,226	(\$ 214,015)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
<u>2021</u>			
At January 1	(\$ 518,460)	\$ 107,037	(\$ 411,423)
Current service cost	2,195	-	2,195
Interest (expense) income	( 5,308)	344	( 4,964)
	( 521,573)	107,381	( 414,192)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,844	1,844
Change in demographic assumptions	( 3,184)	-	( 3,184)
Exchange differences	2,905	-	2,905
Change in financial assumptions	14,588	-	14,588
Experience adjustments	( 9,403)	-	( 9,403)
	4,906	1,844	6,750
Pension fund contribution	-	3,054	3,054
Paid pension	50,921	( 50,271)	650
At December 31	(\$ 465,746)	\$ 62,008	(\$ 403,738)

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used for the Group were as follows:

- i. The principal actuarial assumptions used for the Company and its subsidiaries in Taiwan were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	1.3%~1.4%	0.60%~0.75%
Future salary increases	3%~4%	3.00%~4.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	\$ 7,486	(\$ 7,715)	(\$ 7,343)	\$ 7,164
	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	\$ 7,857	(\$ 8,105)	(\$ 7,014)	\$ 6,846

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

The method and assumptions used for the preparation of sensitivity analysis during 2022 and 2021 are the same, except the actuarial assumption of discount rate and future salary increases.

- ii. The principal actuarial assumptions used for foreign subsidiaries were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	7.5%~7.5%	7.50%
Future salary increases	9%~9%	9.00%

Future mortality rate was estimated based on TMI3 issued by Insurance Council of Indonesia.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis were as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	\$ 6,863	(\$ 5,945)	(\$ 6,137)	\$ 6,963
	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	\$ 8,011	(\$ 7,627)	(\$ 7,810)	\$ 8,076

(f) As of December 31, 2022, the weighted average duration of the retirement plan is 8~17.61 years.

(g) 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 years ended December 31, 2022 and 2021 were \$332,675 and \$319,362, respectively.

**(22) Share capital**

A. As of December 31, 2022, the Company's authorised capital was \$24,000,000 (including \$500,000 reserved for the conversion of employees' stock options which have not been issued). The total number of ordinary shares, at \$10 (in dollars) par value per share, issued and outstanding, was 1,667,946,968 shares. Shares yet to be issued can be issued several times by the Board of Directors depending on the demand, and some of them can be distributed in the form of preferred shares. All proceeds from shares issued have been collected.

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

	2022	2021
At January 1 (At December 31)	1,667,946,968	1,667,946,968

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 December 31, 2022 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.

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	-	-	121,504	-	-	121,504
Difference between consideration and carrying amount of subsidiaries acquired	-	-	2,085	-	-	2,085
Disposal of investments accounted for using equity method	-	-	( 5,350)	-	-	( 5,350)
Unclaimed dividends	-	-	-	-	594	594
Effect of reorganisations	( 812,889)	-	-	-	-	( 812,889)
At December 31	<u>\$ 12,814,051</u>	<u>\$ 340,678</u>	<u>\$ 118,239</u>	<u>\$ 228,445</u>	<u>\$ 4,491</u>	<u>\$ 13,505,904</u>

2021						
	Changes in equity					
	Share premium	Treasury share transactions	of associates and joint ventures	Stock options	Others	Total
At January 1	\$ 13,626,940	\$ 340,678	\$ 509,915	\$ 228,445	\$ 3,417	\$ 14,709,395
Changes in equity of associates and joint ventures	-	-	29,158	-	-	29,158
Difference between consideration and carrying amount of subsidiaries acquired	-	-	1,472	-	-	1,472
Disposal of investments accounted for using equity method	-	-	( 540,545)	-	-	( 540,545)
Unclaimed dividends	-	-	-	-	480	480
At December 31	<u>\$ 13,626,940</u>	<u>\$ 340,678</u>	<u>\$ -</u>	<u>\$ 228,445</u>	<u>\$ 3,897</u>	<u>\$ 14,199,960</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. Distribution of earnings

- (a) The appropriation of 2021 and 2020 earnings had been proposed at the Board of Directors' meeting on May 30, 2022 and resolved at the shareholders' meeting on July 20, 2021, respectively. Details are summarized below:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Provision for legal reserve	\$ 1,695,196		\$ 818,064	
Provision for (reversal of) special reserve	1,910,568		( 958,465)	
Cash dividends	8,339,735	\$ 5.00	5,504,225	\$ 3.30

Note: The cash dividend from the distribution of 2021 and 2020 earnings was resolved by the Board of Directors on March 8, 2022 and March 12, 2021, respectively, and then reported to the shareholders.

- (b) The appropriation of 2022 earnings had been proposed at the Board of Directors' meeting on March 8, 2023. Details are summarized below:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Provision for legal reserve	\$ 1,577,796	
Provision for special reserve	( 2,208,704)	
Cash dividends	5,837,814	\$ 3.50

C. For information relating to employees' remuneration (bonus) and directors' remuneration, please refer to Note 6(32).

(25) Other equity items

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2022	(\$ 10,641,478)	\$ 2,394,366	(\$ 8,247,112)
Revaluation:			
–Group	-	( 2,951,418)	( 2,951,418)
–Associates	-	( 15,948)	( 15,948)
Revaluation transferred to retained earnings – gross:			
–Group	-	1,652	1,652
Currency translation differences:			
–Group	4,733,411	-	4,733,411
–Associates	441,006	-	441,006
At December 31, 2022	<u>(\$ 5,467,061)</u>	<u>(\$ 571,348)</u>	<u>(\$ 6,038,409)</u>

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2021	(\$ 8,690,313)	\$ 2,353,767	(\$ 6,336,546)
Revaluation:			
–Group	-	11,910	11,910
–Associates	-	28,689	28,689
Currency translation differences:			
–Group	( 2,172,410)	-	( 2,172,410)
–Associates	221,245	-	221,245
At December 31, 2021	<u>(\$ 10,641,478)</u>	<u>\$ 2,394,366</u>	<u>(\$ 8,247,112)</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	Years ended December 31,	
		2022	2021
Revenue from 3C and semiconductor products	At a point in time	\$ 422,971,310	\$ 407,269,345
Others	Over time	1,579,110	1,542,267
		<u>\$ 424,550,420</u>	<u>\$ 408,811,612</u>



(27) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 75,327	\$ 76,253
Other interest income	248,177	223,499
	<u>\$ 323,504</u>	<u>\$ 299,752</u>

(28) Other income

	Years ended December 31,	
	2022	2021
Rental income	\$ 594,307	\$ 598,002
Dividend income	396,196	201,799
Others	306,667	207,370
	<u>\$ 1,297,170</u>	<u>\$ 1,007,171</u>

(29) Other gains and losses

	Years ended December 31,	
	2022	2021
Net gains on financial assets at fair value through profit or loss	\$ 2,113	\$ 360,093
Net currency exchange gains	202,268	14,821
Gain on disposal of property, plant and equipment and investment property	11,865	8,446
Related expense charges on investment property	( 85,738)	( 90,488)
Gains on disposal of investments	-	820,319
Gains on disposal of investments – gains on remeasurement at fair value of investments which were no longer accounted for using equity method	8,345,108	9,020,026
Others	36,108	( 309,168)
	<u>\$ 8,511,724</u>	<u>\$ 9,824,049</u>

(30) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense on bank borrowings	\$ 1,300,839	\$ 381,749
Interest expense on short-term notes and bills payable	149,007	119,549
Interest expense on lease liabilities	9,054	9,584
Less: Capitalisation of qualifying assets	( 23,172)	( 20,754)
	<u>\$ 1,435,728</u>	<u>\$ 490,128</u>

(31) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 5,435,423	\$ 5,159,438
Depreciation charges on property, plant and equipment	\$ 299,072	\$ 309,985
Depreciation charges on right-of-use assets	\$ 243,641	\$ 261,291
Depreciation charges on investment property	\$ 35,019	\$ 44,536
Amortisation charges on intangible assets	\$ 43,038	\$ 39,396

(32) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 4,684,940	\$ 4,462,633
Employee social security expense	266,823	234,564
Pension costs	343,040	344,468
Directors' remuneration	7,900	7,500
Other personnel expenses	132,720	110,273
	<u>\$ 5,435,423</u>	<u>\$ 5,159,438</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 years ended December 31, 2022 and 2021, employees' compensation (bonus) was accrued at \$2,000 and \$2,100, respectively; directors' remuneration was accrued at \$7,900 and \$7,500, 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 of current year for the year ended December 31, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$2,000 and \$8,168 and will be distributed in the form of cash. For 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$2,200 and \$7,900, respectively. The differences between the amounts resolved by the Board of Directors and the amounts of \$2,100 and \$7,500 recognised in the 2021

financial statements had been adjusted in the profit or loss of 2022.

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

(33) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on profits for the period	\$ 405,793	\$ 997,870
Prior period income tax underestimation (overestimation)	( 492,107)	( 828,206)
Prepaid income tax	1,648,070	1,521,197
Tax on undistributed earnings	( 266,327)	( 140,841)
Total current tax	<u>1,295,429</u>	<u>1,550,020</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>2,382,713</u>	<u>3,763,357</u>
Total deferred tax	<u>2,382,713</u>	<u>3,763,357</u>
Other:		
Tax on undistributed earnings	<u>266,327</u>	<u>140,841</u>
Income tax expense	<u>\$ 3,944,469</u>	<u>\$ 5,454,218</u>

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

	Years ended December 31,	
	2022	2021
Remeasurements of defined benefit obligations	<u>\$ 7,419</u>	<u>\$ 1,069</u>

(c) The income tax charged to equity during the period:

	Years ended December 31,	
	2022	2021
Effect of investment restructuring	<u>\$ 812,889</u>	<u>\$ -</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 5,767,370	\$ 6,592,019
Effects from items disallowed by tax regulation	20,555	( 204,693)
Tax-exempt on income from domestic investment	( 116,892)	( 127,265)
Temporary differences not recognised as deferred tax liabilities	( 3,377,022)	( 3,920,500)
Change in assessment of realisation of deferred tax assets from taxable loss	( 113,649)	( 131,073)
Tax on undistributed earnings	266,327	140,841
Income tax on foreign investment income	1,834,226	3,835,227
Prior year income tax underestimation (overestimation)	( 492,107)	( 828,206)
Separate taxation	155,661	97,868
Income tax expense	<u>\$ 3,944,469</u>	<u>\$ 5,454,218</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

	2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effects on exchange rate changes and others	December 31
Temporary differences:					
-Deferred tax assets:					
Unrealised bad debts	\$ 580,685	\$ 11,498	\$ -	(\$ 945)	\$ 591,238
Unrealised loss on inventory value decline	53,990	29,817	-	( 134)	83,673
Depreciation	89,715	6,461	-	( 153)	96,023
Unrealised exchange loss	-	-	-	-	-
Unused compensated absences	10,033	7,258	-	( 28)	17,263
Accrued pensions	80,680	( 29,203)	( 7,419)	( 71)	43,987
Unrealised accrued expenses	97,829	( 85,831)	-	( 19)	11,979
Loss carryforward	37,681	197,000	-	( 600)	234,081
Others	19,430	( 6,633)	-	( 19)	12,778
Subtotal	<u>\$ 970,043</u>	<u>\$ 130,367</u>	<u>(\$ 7,419)</u>	<u>(\$ 1,969)</u>	<u>\$ 1,091,022</u>
-Deferred tax liabilities:					
Unrealised purchase discount	(\$ 178,342)	(\$ 51,091)	\$ -	\$ 367	(\$ 229,066)
Unrealised exchange gain	( 22,217)	19,040	-	5	( 3,172)
Unrealised expenses	( 47,460)	( 3,224)	-	81	( 50,603)
Investment income	( 3,835,227)	( 1,843,291)	-	9,065	( 5,669,453)
Others	( 26,816)	( 634,514)	-	1,054	( 660,276)
Subtotal	<u>(\$ 4,110,062)</u>	<u>(\$ 2,513,080)</u>	<u>\$ -</u>	<u>\$ 10,572</u>	<u>(\$ 6,612,570)</u>
Total	<u>(\$ 3,140,019)</u>	<u>(\$ 2,382,713)</u>	<u>(\$ 7,419)</u>	<u>\$ 8,603</u>	<u>(\$ 5,521,548)</u>

	2021				
			Recognised in other comprehensive income	Effects on exchange rate changes and others	December 31
	January 1	Recognised in profit or loss			
Temporary differences:					
-Deferred tax assets:					
Unrealised bad debts	\$ 481,282	105,801	\$ -	(\$ 6,398)	\$ 580,685
Unrealised loss on inventory value decline	60,035	( 5,450)	-	( 595)	53,990
Depreciation	94,153	( 3,450)	-	( 988)	89,715
Unrealised exchange loss	13,375	( 13,375)	-	-	-
Unused compensated absences	8,257	1,886	-	( 110)	10,033
Accrued pensions	82,367	271	( 1,069)	( 889)	80,680
Unrealised accrued expenses	11,849	87,057	-	( 1,077)	97,829
Loss carryforward	58,165	( 20,806)	-	322	37,681
Others	16,042	3,603	-	( 215)	19,430
Subtotal	<u>\$ 825,525</u>	<u>\$ 155,537</u>	<u>(\$ 1,069)</u>	<u>(\$ 9,950)</u>	<u>\$ 970,043</u>
-Deferred tax liabilities:					
Unrealised purchase discount	(\$ 147,351)	(\$ 32,956)	\$ -	\$ 1,965	(\$ 178,342)
Unrealised exchange gain	-	( 22,461)	-	244	( 22,217)
Unrealised expenses	( 30,515)	( 17,468)	-	523	( 47,460)
Investment income	-	( 3,835,227)	-	-	( 3,835,227)
Others	( 16,330)	( 10,782)	-	296	( 26,816)
Subtotal	<u>(\$ 194,196)</u>	<u>(\$ 3,918,894)</u>	<u>\$ -</u>	<u>\$ 3,028</u>	<u>(\$ 4,110,062)</u>
Total	<u>\$ 631,329</u>	<u>(\$ 3,763,357)</u>	<u>(\$ 1,069)</u>	<u>(\$ 6,922)</u>	<u>(\$ 3,140,019)</u>

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

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013~2022	<u>\$ 1,530,516</u>	<u>\$ 1,499,192</u>	<u>\$ 562,865</u>	2022~2032
December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012~2021	<u>\$ 1,242,278</u>	<u>\$ 1,242,278</u>	<u>\$ 1,091,547</u>	2021~2031

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows: None.

F. The subsidiaries' losses are allowed to be carried forward from 2022 to 2032.

G. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary difference that are not recognised as deferred tax liabilities were \$14,956,268 and \$11,653,719, respectively.

H. The Company's income tax returns through 2018 and of 2020 have been assessed and approved by the Tax Authority.

(34) Earnings per share

Year ended December 31, 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	\$ 15,748,824	1,667,947	\$ 9.44
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 15,748,824	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	39	
Profit attributable to ordinary shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 15,748,824	1,667,986	\$ 9.44
Year ended December 31, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 17,271,560	1,667,947	\$ 10.35
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	17,271,560	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	35	
Profit attributable to ordinary shareholders of parent plus assumed conversion of all dilutive potential ordinary shares	\$ 17,271,560	1,667,982	\$ 10.35

(35) Transactions with non-controlling interests

Acquisition of additional equity interest in a subsidiary

The Group acquired an additional 1.07% and 2.23% shares of Bestcom Infotech Corp. for a cash consideration of \$20,944 and \$37,420 on March 31, 2022 and in the second quarter of 2021, respectively.

The effect of changes in interests in Bestcom Infotech Corp. on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Years ended December 31,	
	2022	2021
Consideration paid to non-controlling interest	(\$ 20,944)	(\$ 53,792)
Decrease in carrying amount of non-controlling interest	23,029	55,264
Capital surplus - difference between consideration and carrying amount of subsidiary acquired	\$ 2,085	\$ 1,472

(36) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Cash dividends payable	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	-	-	-	8,816,687	-	-
Cash dividends paid	-	-	-	( 8,816,687)	-	-
Increase in short-term borrowings	19,987,377	-	-	-	-	-
Decrease in short-term notes and bills payable	-	( 7,630,000)	-	-	-	-
Increase in long-term borrowings	-	-	14,400,000	-	-	-
Payments of lease liabilities	-	-	-	-	( 188,997)	-
Increase in lease liabilities	-	-	-	-	373,341	-
Changes in other non-cash items	-	-	-	-	( 62,794)	-
Increase in guarantee deposits received	-	-	-	-	-	697,267
Decrease in guarantee deposits received	-	-	-	-	-	( 694,006)
Impact of changes in foreign exchange rate	-	-	-	-	( 13,351)	( 3,462)
At December 31, 2022	\$ 73,314,084	\$ 4,860,000	\$ 15,900,000	\$ -	\$ 554,220	\$ 190,167



	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings	Cash dividends payable	Current/ Non-current lease liabilities	Guarantee deposits received
At January 1, 2021	\$ 42,967,204	\$ 13,730,000	\$ -	\$ -	\$ 544,541	\$ 152,626
Cash dividends declared	-	-	-	5,504,225	-	-
Cash dividends paid	-	-	-	( 5,504,225)	-	-
Increase in short-term borrowings	10,356,503	-	-	-	-	-
Increase in short-term notes and bills payable	-	( 1,240,000)	-	-	-	-
Increase in long-term borrowings	-	-	1,500,000	1,500,000	-	-
Payments of lease liabilities	-	-	-	-	( 244,900)	-
Increase in lease liabilities	-	-	-	-	162,023	-
Changes in other non-cash items	-	-	-	-	( 7,040)	-
Increase in guarantee deposits received	-	-	-	-	-	93,211
Decrease in guarantee deposits received	-	-	-	-	-	( 41,823)
Impact of changes in foreign exchange rate	-	-	-	-	( 8,603)	( 13,646)
At December 31, 2021	<u>\$ 53,323,707</u>	<u>\$ 12,490,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 446,021</u>	<u>\$ 190,368</u>

(37) Supplemental cash flow information

The Group sold 100% of shares in the Mainland China subsidiary – Synnex (Ningbo) Ltd. to Ningbo Jiuyuan Electronic Co., Ltd. on February 28, 2021 and therefore lost control over the subsidiary. The details of the consideration received from the transaction (including cash and cash equivalents) and assets and liabilities relating to the subsidiary are as follows:

	February 28, 2021
Consideration received	
Cash	<u>\$ 189,878</u>
Carrying amount of the assets and liabilities of Synnex (Ningbo) Ltd.	
Cash	\$ 221
Prepayments	25
Other receivables	569
Investment property	167,691
Right-of-use assets	40,614
Deferred tax assets	6,828
Other payables	( 1,159)
Other payables - related parties	( 150,593)
Other current liabilities	( 101)
Other non-current liabilities	( 437)
Total net assets	<u>\$ 63,658</u>
Gains on disposal of investments	<u>\$ 126,220</u>
Net cash flow on loss of control of subsidiary for the period	<u>\$ 189,657</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 (Original name: Getac Technology Corporation)	The Company's chairperson is the related party's director
Getac Technology Corporation (Original name: Getac Corporation)	Wholly-owned subsidiary of Getac Holdings Corporation
Atemitech Corporation	Wholly-owned subsidiary of Getac Holdings Corporation
Lien Hwa Industrial Holdings Corporation	The Company's chairperson is the related party's chairperson
UPC Technology Corporation	The Company's chairperson is the related party's chairperson
Mitac Communication Co., Ltd.	The related party's director is the second-degree relative of the Company's chairperson
Shunda Computer Factory Co., Ltd.	Indirect wholly-owned subsidiary of Mitac

<u>Names of related parties</u>	<u>Relationship with the Group</u>
	International Corporation
Tong Da Investment Corporation	The Company's director is the related party's chairperson
Lien Yuan Investment Corp.	The Company's director is the related party's chairperson
Jetwell Computer Co., Ltd.	The Company's subsidiary, Bestcom Infotech Corp., is the related party's director
Zong Yi Information Co., Ltd.	Wholly-owned subsidiary of Jetwell Computer Co., Ltd.
Inforcom Technology Inc.	2021 Q3: Indirect investee of Bestcom Infotech Corp. 2022 Q3: Bestcom Infotech Corp. lost its significant influence in the fourth quarter of 2021 and is now the director of the related party.
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

(2) Significant related party transactions and balances

A. Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
— Associates	\$ 72,468	\$ 716,669
— Other related parties	2,424,354	2,166,178
	<u>\$ 2,496,822</u>	<u>\$ 2,882,847</u>

Goods are sold based on the price lists in force and terms that would be available to third parties. The collection term for related parties is within 30~75 days of the date of billing statement. The collection term for third parties is within 7~60 days after receipt of goods or 20~150 days of the date of billing statement.

B. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
— Associates	\$ 43,687	\$ 311,604
— Other related parties	455,804	389,869
	<u>\$ 499,491</u>	<u>\$ 701,473</u>

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

C. Purchases of goods

	Years ended December 31,	
	2022	2021
Purchases of goods:		
— Other related parties	<u>\$ 177,272</u>	<u>\$ 161,605</u>

Goods are purchased from associates on normal commercial terms and conditions. The payment term for related parties is within 30~75 days of the date of billing statement. The payment term for third parties is within 7~70 days after receipt of goods or 20~130 days of the date of billing statement.

D. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable:		
— Other related parties	<u>\$ 20,839</u>	<u>\$ 20,927</u>

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

E. Other transactions

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
Associates	<u>\$ 169</u>	<u>\$ 40,813</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables:		
Other related parties	<u>\$ 4,797</u>	<u>\$ 3,987</u>
	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2022</u>	<u>2021</u>
Other income:		
Associates	<u>\$ 31</u>	<u>\$ -</u>
Other related parties	<u>215,386</u>	<u>174,900</u>
	<u>\$ 215,417</u>	<u>\$ 174,900</u>

(3) Key management compensation

	<u>Years ended December 31,</u>	<u>Years ended December 31,</u>
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	<u>\$ 127,720</u>	<u>\$ 120,414</u>
Post-employment benefits (Note)	<u>4,716</u>	<u>5,088</u>
Total	<u>\$ 132,436</u>	<u>\$ 125,502</u>

Note: Benefits are provisions that are not actually distributed.

8. PLEDGED ASSETS

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

<u>Pledged asset</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Current financial assets at amortised cost:			
Pledged time deposits	<u>\$ 5,634</u>	<u>\$ -</u>	Guarantees for performance bond
Non-current financial assets at amortised cost:			
Pledged time deposits	<u>866,178</u>	<u>1,439,507</u>	Guarantees for purchases
Accounts receivable	<u>1,424,405</u>	<u>1,256,244</u>	Pledged for short-term borrowings (Note)
Inventories	<u>1,455,615</u>	<u>1,281,830</u>	"
	<u>\$ 3,751,832</u>	<u>\$ 3,977,581</u>	

Note: As of December 31, 2022 and 2021, there was no actual drawdown.

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

- A. On November 24, 2015, Kunshan Kunhao Electromechanical Co. Ltd. (Kunhao) filed a lawsuit against Syntech Asia Ltd. (SAL), the Group's indirect wholly-owned subsidiary, in the Hong Kong High Court for breach of oral contract of sales and requested SAL to compensate Kunhao for its losses amounting to USD 2,964 thousand. SAL disagreed with the request and raised an objection in the Hong Kong High Court on February 1, 2016 and requested the Hong Kong High Court to deny the claim of Kunhao. The case was settled for USD 850 thousand on May 31, 2021 and the settlement was paid on June 7, 2021. The case was closed.
- B. 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 December 31, 2022 and 2021, the Group issued promissory notes to guarantee the suppliers' credit limit amounting to \$4,199,856 and \$2,180,466, respectively, for inventory purchases.
- B. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	<u>\$ 2,506,080</u>	<u>\$ 2,599,276</u>

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

On March 8, 2023, the Board of Directors resolved the distribution of earnings for the year of 2022. Please refer to Note 6(24).

## 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 December 31, 2022 and 2021 were 106% and 88%, 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, accounts receivable-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, long-term borrowings, other non-current liabilities-guarantee deposits received, current lease liabilities and non-current lease liabilities).

#### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize potential adverse effects on the financial performance of the Group, foreign exchange forward contracts are used to hedge certain exchange rate risk.
- (b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group hedges foreign exchange risk by using foreign exchange forward contracts. However, these contracts are not accounted for under hedge accounting. The contracts are recorded as financial assets or liabilities at fair value through profit or loss. Please refer to Note 6(2).
- iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB, USD and AUD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:



December 31, 2022			
Foreign currency			
	amount		Book value
	(in thousands)		(NTD)
	(Note 2)	Exchange rate	
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 147,740	30.76	\$ 4,544,482
USD:HKD (Note 1)	48,357	7.80	1,487,426
USD:AUD (Note 1)	13,948	1.47	429,040
NZD:USD (Note 1)	20,468	0.63	396,645
RMB:HKD (Note 1)	1,096,128	1.12	4,835,781
USD:IDR (Note 1)	24,865	15,625.00	759,311
HKD:RMB (Note 1)	359,702	0.89	1,419,018
AUD:USD (Note 1)	11,527	0.68	241,108
<u>Non-monetary items</u>			
INR:NTD (Note 1)	\$ 15,830,035	0.371673	\$ 5,883,598
THB:USD (Note 1)	1,622,119	0.028927	1,443,353
VND:USD (Note 1)	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 (Note 1)	194,088	7.80	5,970,006
USD:AUD (Note 1)	14,361	1.47	441,744
USD:RMB (Note 1)	2,808	6.97	86,374
USD:IDR (Note 1)	24,518	15,625.00	754,174
RMB:HKD (Note 1)	707,806	1.12	3,122,623
NTD:RMB (Note 1)	152,451	0.23	152,451
RMB:IDR (Note 1)	14,761	2,241.01	65,365

December 31, 2021			
	Foreign currency amount (in thousands) (Note 2)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 78,872	27.73	\$ 2,187,121
USD:HKD (Note 1)	211,743	7.80	5,871,633
USD:AUD (Note 1)	21,396	1.38	593,311
AUD:NTD (Note 1)	5,789	20.16	116,705
NZD:USD (Note 1)	40,500	0.68	763,684
RMB:HKD (Note 1)	3,340,650	1.22	14,499,700
USD:IDR (Note 1)	28,456	14,285.71	789,085
HKD:RMB (Note 1)	276,700	0.82	984,181
RMB:IDR (Note 1)	29,361	2,235.99	127,435
<u>Non-monetary items</u>			
INR:USD (Note 1)	\$ 12,873,154	0.013412	\$ 4,787,716
THB:USD (Note 1)	1,553,198	0.029895	1,287,583
VND:USD (Note 1)	1,304,607,511	0.000044	1,591,778
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 63,616	27.73	\$ 1,764,072
USD:HKD (Note 1)	868,272	7.80	24,077,183
USD:AUD (Note 1)	20,911	1.38	579,862
AUD:USD (Note 1)	2,362	0.73	47,814
USD:IDR (Note 1)	22,882	14,285.71	634,518
RMB:HKD (Note 1)	606,230	1.22	2,631,270
NTD:RMB (Note 1)	177,437	0.23	177,437

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

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

- v. 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 years ended December 31, 2022 and 2021, please refer to Note 6(29).

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

	Year ended December 31, 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%	\$ 45,445	\$	-
USD:HKD (Note)	1%	14,874		-
USD:AUD (Note)	1%	4,290		-
NZD:USD (Note)	1%	3,966		-
RMB:HKD (Note)	1%	48,358		-
USD:IDR (Note)	1%	7,593		-
HKD:RMB (Note)	1%	14,190		-
AUD:USD (Note)	1%	2,411		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 38,503)	\$	-
USD:HKD (Note)	1%	( 59,700)		-
USD:AUD (Note)	1%	( 4,417)		-
USD:RMB (Note)	1%	( 864)		-
USD:IDR (Note)	1%	( 7,524)		-
RMB:HKD (Note)	1%	( 31,226)		-
NTD:RMB (Note)	1%	( 1,525)		-
RMB:IDR (Note)	1%	( 654)		-

	Year ended December 31, 2021			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 21,871	\$	-
USD:HKD (Note)	1%	58,716		-
USD:AUD (Note)	1%	5,933		-
AUD:NTD (Note)	1%	1,167		-
NZD:USD (Note)	1%	7,637		-
RMB:HKD (Note)	1%	144,997		-
USD:IDR (Note)	1%	7,891		-
HKD:RMB (Note)	1%	9,842		-
RMB:IDR (Note)	1%	1,274		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(\$ 17,641)	\$	-
USD:HKD (Note)	1%	( 240,772)		-
USD:AUD (Note)	1%	( 5,799)		-
AUD:USD (Note)	1%	( 478)		-
USD:IDR (Note)	1%	( 6,345)		-
RMB:HKD (Note)	1%	( 26,313)		-
NTD:RMB (Note)	1%	( 1,774)		-

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

#### Price risk

- i. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk arising from investments in equity instruments, the Group diversifies its portfolio in accordance with the limits set by the Group.

- ii. The Group primarily invests in equity instruments issued by domestic and foreign companies. The prices of equity instruments would be affected by the uncertainty of the future value of underlying investments. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$1,819 and \$23,236, 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 \$314,519 and \$188,536, 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 years ended December 31, 2022 and 2021, 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 years ended December 31, 2022 and 2021 would have decreased/increased by \$203,834 and \$164,542, 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 December 31, 2022 and 2021, the assessment is as follows:

	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 December 31, 2021</u>						
Expected loss rate	0.03%-0.3%	15%	50%	75%	100%	
Total book value	\$ 85,664,796	\$ 1,415,099	\$ 204,769	\$ 174,012	\$ 1,756,883	\$ 89,215,559
Loss allowance	\$ 203,103	\$ 212,265	\$ 102,384	\$ 130,509	\$ 1,756,883	\$ 2,405,144

- 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:

	2022				
	Notes receivable	Accounts receivable	Overdue receivables	Other receivables	Total
At January 1	\$ 15,997	\$ 187,106	\$ 2,202,041	\$ -	\$ 2,405,144
Provision for (reversal of) impairment loss	4,387	56,950	171,456	16,626	249,419
Write-offs	-	( 56,590)	( 44,273)	( 16,626)	( 117,489)
Effect of exchange rate changes	360	6,164	43,799	-	50,323
At December 31	<u>\$ 20,744</u>	<u>\$ 193,630</u>	<u>\$ 2,373,023</u>	<u>\$ -</u>	<u>\$ 2,587,397</u>

	2021				
	Notes receivable	Accounts receivable	Overdue receivables	Other receivables	Total
At January 1	\$ 20,516	\$ 135,571	\$ 2,126,571	\$ 6,565	\$ 2,289,223
Provision for (reversal of) impairment loss	( 4,381)	57,380	194,431	-	247,430
Write-offs	-	( 2,135)	( 103,549)	( 6,565)	( 112,249)
Effect of exchange rate changes	( 138)	( 3,710)	( 15,412)	( 40)	( 19,300)
At December 31	<u>\$ 15,997</u>	<u>\$ 187,106</u>	<u>\$ 2,202,041</u>	<u>(\$ 40)</u>	<u>\$ 2,405,104</u>

(c) Liquidity risk

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

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Over 1 year	Total
Lease liabilities (current/non-current)	\$ 185,810	\$ 426,999	\$ 612,809
Guarantee deposits received	-	190,167	190,167
Long-term borrowings	14,456,592	1,529,864	15,986,456

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	Over 1 year	Total
Lease liabilities (current/non-current)	\$ 228,693	\$ 227,497	\$ 456,190
Guarantee deposits received	-	190,368	190,368
Long-term borrowings	15,957	1,531,958	1,547,915

Derivative financial liabilities:

December 31, 2022	Less than 1 year	Over 1 year	Total
Forward exchange contracts	\$ 4,484	\$ -	\$ 4,484

Derivative financial liabilities:

December 31, 2021	Less than 1 year	Over 1 year	Total
Forward exchange contracts	\$ 700	\$ -	\$ 700

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

amount will be significantly different.

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in unlisted stocks and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity instruments without active market is included in Level 3.

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

- C. Financial instruments not measured at fair value

The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, 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, long-term borrowings, and other non-current liabilities-guarantee deposits received) are approximate to their fair values.

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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:

December 31, 2022	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<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	1,106,876	108,598	4,467,763	5,683,237
	<u>\$27,057,257</u>	<u>\$ 108,598</u>	<u>\$ 4,467,763</u>	<u>\$31,633,618</u>
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 4,484	\$ -	\$ 4,484
December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 221,254	\$ -	\$ -	\$ 221,254
Financial products	-	2,102,316	-	2,102,316
Current financial assets at fair value through other comprehensive income				
Equity securities	12,240,488	-	-	12,240,488
Non-current financial assets at fair value through other comprehensive income				
Equity securities	1,654,581	167,600	4,790,889	6,613,070
	<u>\$14,116,323</u>	<u>\$ 2,269,916</u>	<u>\$ 4,790,889</u>	<u>\$21,177,128</u>
<b>Liabilities:</b>				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 700	\$ -	\$ 700

- (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 years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022	2021
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	\$ 4,790,889	\$ 3,662,329
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	( 325,602)	1,129,140
Effect of exchange rate changes	2,476	( 580)
At December 31	<u>\$ 4,467,763</u>	<u>\$ 4,790,889</u>

G. For the years ended December 31, 2022 and 2021, 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:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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>				
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 105,457	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>4,685,432</u>	Net asset value	Not applicable	-	Not applicable
Total	<u>\$ 4,790,889</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:

			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%	\$ -	\$ -	\$ 9,975	(\$ 9,975)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 43,680	(\$ 43,680)
			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	± 10%	\$ -	\$ -	\$ 10,546	(\$ 10,546)
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 46,854	(\$ 46,854)

#### (4) Other matter

Due to the COVID-19 pandemic and various preventive measures imposed by the government, the Group has adopted various countermeasures, such as split operation, work from home, and use of digital tools, in line with the government's policies. The pandemic has no significant impact on the Group's financial position and operating performance for the year December 31, 2022.

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

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

- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

The Group operates in the distribution industry and is primarily engaged in the sale of 3C and 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 accounting policies of operating segments are the same as those in Note 4. The chief operating decision-maker assesses the performance of operating segments based on operating income (loss).

(3) Segment information

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

Year ended December 31, 2022

	IT/Telecom business	Semiconductor business	Reconciliation	Total
Revenue from external customers	\$ 286,333,110	\$ 138,217,310	\$ -	\$ 424,550,420
Inter-segment revenue	25,386,986	17,301,630	( 42,688,616)	-
Segment revenue	<u>\$ 311,720,096</u>	<u>\$ 155,518,940</u>	<u>(\$ 42,688,616)</u>	<u>\$ 424,550,420</u>
Segment profit	<u>\$ 7,859,903</u>	<u>\$ 1,277,633</u>	<u>\$ -</u>	<u>\$ 9,137,536</u>
Segment assets	<u>\$ 185,118,751</u>	<u>\$ 36,377,566</u>	<u>\$ -</u>	<u>\$ 221,496,317</u>

Year ended December 31, 2021

	IT/Telecom business	Component business	Reconciliation	Total
Revenue from external customers	\$ 290,006,170	\$ 118,805,442	\$ -	\$ 408,811,612
Inter-segment revenue	44,240,521	10,131,742	( 54,372,263)	-
Segment revenue	<u>\$ 334,246,691</u>	<u>\$ 128,937,184</u>	<u>(\$ 54,372,263)</u>	<u>\$ 408,811,612</u>
Segment profit	<u>\$ 7,285,899</u>	<u>\$ 2,047,063</u>	<u>\$ -</u>	<u>\$ 9,332,962</u>
Segment assets	<u>\$ 170,050,244</u>	<u>\$ 31,633,462</u>	<u>\$ -</u>	<u>\$ 201,683,706</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:

	Years ended December 31,	
	2022	2021
Reportable segment profit	\$ 9,137,536	\$ 9,332,962
Total non-operating income and expenses	11,137,259	13,898,980
Income before tax	<u>\$ 20,274,795</u>	<u>\$ 23,231,942</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.

(5) Information on products and services

The Group is primarily engaged in 3C and semiconductor product sales and maintenance, warehouse, logistics and other services, the details on revenue balance are shown as follows:

	Years ended December 31,	
	2022	2021
Sales revenue	\$ 422,971,310	\$ 407,269,345
Service revenue	1,579,110	1,542,267
	<u>\$ 424,550,420</u>	<u>\$ 408,811,612</u>

(6) Geographical information

The external revenue is grouped according to the locations of the customers, and the non-current assets are grouped according to the locations of the non-current assets. Breakdown of revenue and non-current assets by geographic area is as follows:

	Years ended December 31,			
	2022		2021	
	Revenue	Non-current assets (Note)	Revenue	Non-current assets (Note)
Taiwan	\$ 78,957,648	\$ 4,135,270	\$ 65,864,259	\$ 4,223,194
China and Hong Kong	247,903,073	5,073,388	250,436,277	5,097,429
Australia, New Zealand and Indonesia	97,689,699	3,447,223	92,511,076	3,037,369
	<u>\$ 424,550,420</u>	<u>\$ 12,655,881</u>	<u>\$ 408,811,612</u>	<u>\$ 12,357,992</u>

Note: Non-current assets do not include financial assets and deferred income assets.

(7) Major customer information

The Group has no customer accounting for more than 10% of operating revenue for the years ended December 31, 2022 and 2021.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to others  
Year ended December 31, 2022

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 year ended December 31, 2022	Balance at December 31, 2022	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 8 )								Item	Value			
0	Synnex Technology International Corporation	Seper Technology Corporation	Other receivables	Y	\$ 1,000,000	\$ 1,000,000	\$ 153,948	1.08%~1.81%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 29,025,375	\$ 29,025,375	(Note 2)
0	Synnex Technology International Corporation	Synnex Global Ltd.	Other receivables	Y	3,226,500	3,076,000	-	0%~1.64%	(Note 1)	-	Operating turnover	-	-	-	29,025,375	29,025,375	(Note 2)
1	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Other receivables	Y	1,072,450	1,045,050	-	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex New Zealand Ltd.	Other receivables	Y	894,240	876,870	379,977	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex China Holdings Ltd.	Other receivables	Y	3,258,765	3,106,760	3,033,338	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Syntech Asia Ltd.	Other receivables	Y	18,456,000	18,456,000	11,197,347	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Leveltech Ltd.	Other receivables	Y	1,613,250	1,538,000	173,979	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	16,132,500	12,304,000	4,456,632	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex Technology International Corporation	Other receivables	Y	9,228,000	9,228,000	2,506,940	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
2	Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Other receivables	Y	251,467	251,467	206,026	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Other receivables	Y	234,270	229,408	224,600	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Other receivables	Y	306,354	299,996	290,510	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex(Changsha) Ltd.	Other receivables	Y	234,270	229,408	213,526	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Other receivables	Y	599,192	586,756	503,816	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	8,109,360	7,941,060	3,970,530	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Other receivables	Y	155,429	152,204	151,321	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Other receivables	Y	28,676	28,676	27,573	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Other receivables	Y	42,799	41,911	39,705	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (ZhenZhou) Ltd.	Other receivables	Y	36,042	35,294	33,970	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)



No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	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 8 )								Item	Value			
2	Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Other receivables	Y	\$ 22,526	\$ 22,059	\$ 13,235	1.65%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 13,935,467	\$ 13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Other receivables	Y	9,010	-	-	-	(Note 1)	-	Operating turnover	-	-	-	5,574,187	5,574,187	(Note 4)
3	Trade Vanguard Global Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	19,126,400	18,970,310	11,338,069	-	(Note 1)	-	Operating turnover	-	-	-	44,145,160	44,145,160	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	4,505,200	4,411,700	3,081,277	-	(Note 1)	-	Operating turnover	-	-	-	44,145,160	44,145,160	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Investments (China) Ltd.	Other receivables	Y	3,604,160	3,529,360	2,999,956	-	(Note 1)	-	Operating turnover	-	-	-	44,145,160	44,145,160	(Note 5)
4	E-Fan Investments CO., LTD.	Synnex Technology International Corporation	Other receivables	Y	112,000	112,000	112,000	1.37%~1.81%	(Note 1)	-	Operating turnover	-	-	-	115,874	115,874	(Note 6)

Note 1: Short-term financing.

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

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

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

- Ceiling on loans granted to parties whose shares held by the Company over 80% is 40% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 40% of the aforementioned net assets value. The audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 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. The audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 for the year ended December 31, 2022.
- 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 audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 for the year ended December 31, 2022.
- 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 audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 for the year ended December 31, 2022.

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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 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. The audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.
- 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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.

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 \$20,065,982 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. The audited net assets value of Trade Vanguard Global Ltd. amounted to \$20,065,982 for the year ended December 31, 2022.
- 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 \$20,065,982 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 audited net assets value of E-Fan Investments CO., LTD. amounted to \$289,685 for the year ended December 31, 2022.
- 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. The audited net assets value of E-Fan Investments CO., LTD. amounted to \$289,685 for the year ended December 31, 2022.
- Ceiling on loans granted to non-Taiwanese companies whose voting rights are directly and indirectly held by the Company is 220% 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 220% of the aforementioned net assets value. The audited net assets value of E-Fan Investments CO., LTD. amounted to \$289,685 for the year ended December 31, 2022.

Note 7: Translated into New Taiwan Dollars using the exchange rate of US: NT=1:30.76.

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2022

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 December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	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.	\$ 72,563,437	\$ 27,163,000	\$ 25,992,200	\$ 1,432,061	\$ -	36%	\$ 145,126,874	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.	72,563,437	10,498,456	10,498,456	6,317,522	-	14%	145,126,874	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.	72,563,437	16,822,971	16,038,264	6,692,208	-	22%	145,126,874	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.	72,563,437	1,761,409	1,216,288	1,005,885	-	2%	145,126,874	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.	72,563,437	2,400,000	2,400,000	388,369	-	3%	145,126,874	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.	72,563,437	21,418,188	21,418,188	14,136,745	-	30%	145,126,874	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.	72,563,437	2,484,405	2,368,520	1,158,538	-	3%	145,126,874	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.	72,563,437	580,770	430,640	183,969	-	1%	145,126,874	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.	72,563,437	1,613,250	1,538,000	-	-	2%	145,126,874	Y	N	N	(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.	13,935,467	2,647,020	2,647,020	2,205,850	-	19%	13,935,467	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.	1,571,000	1,018,924	1,018,924	-	1,018,924	649%	1,571,000	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 \$13,935,467 for the year ended December 31, 2022.

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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.

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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.

Note 3: Endorser/ guarantor: Golden Thinking Ltd.. The audited net assets value of Golden Thinking Ltd. amounted to \$157,100 for the year ended December31, 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 \$157,100 for the year ended December31, 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 \$157,100 for the year ended December31, 2022.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
Holding of marketable securities at the end of the period (not including subsidiaries, associates, and joint ventures)  
December 31, 2022

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 December 31, 2022				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>\$ 108,733</u>	0.15%	<u>\$ 108,733</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	\$ 938,292	5.09%	\$ 938,292	
"	Mitac Information Technology Corporation	The issuer's director is the same as the Company's chairperson	"	8,262,486	99,749	5.51%	99,749	
"	Tong Da Investment Corporation	The issuer's chairperson is the same as the Company's chairperson	"	4,848,125	108,598	19.99%	108,598	
"	Mitac Incorporated	The issuer's chairperson is the same as the Company's chairperson	"	74,763,853	4,180,170	18.39%	4,180,170	
"	Harbinger Venture Capital Corporation	The issuer's director is the same as the Company's chairperson	"	25,848	-	13.05%	-	
"	Harbinger III Venture Capital Corporation	The issuer's chairperson is the same as the Company's director	"	19,000	422	19.00%	422	
"	Lien Yuan Investment Corp.	The issuer's chairperson is the same as the Company's chairperson	"	9,217,196	115,215	19.99%	115,215	
"	Taiwan Paging Network Inc.	-	"	1,450,000	-	3.58%	-	
"	Digitimes Inc.	The Company is the issuer's director	"	504,000	7,852	2.56%	7,852	
"	Harbinger Capital Management Co., Ltd.	The issuer's chairperson is the same as the Company's chairperson	"	862,922	<u>15,954</u>	19.99%	<u>15,954</u>	
Synnex Technology International Corporation			Total non-current financial assets at fair value through other comprehensive income		<u>\$ 5,466,252</u>		<u>\$ 5,466,252</u>	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				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	\$ 168,584	8.34%	\$ 168,584	
"	Inforcom Technology Inc.	Bestcom Infotech Corp. is the issuer's director	"	1,765,424	24,438	10.01%	24,438	
Bestcom Infotech Corp.			Total non-current financial assets at fair value through other comprehensive income		<u>\$ 193,022</u>		<u>\$ 193,022</u>	
Synnex Global Ltd.	Budworth Investment Ltd.	-	Non-current financial assets at fair value through other comprehensive income	125,807	\$ -	13.83%	\$ -	
"	Pilot View Ltd.	-	"	84,457	-	1.21%	-	
Synnex Global Ltd.			Total non-current financial assets at fair value through other comprehensive income		<u>\$ -</u>		<u>\$ -</u>	
King's Eye Investments Ltd.	Hi Food Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,150,000	<u>\$ 23,963</u>	10.00%	<u>\$ 23,963</u>	
"	Listed common stock	-	Current financial assets at fair value through profit or loss	-	<u>\$ 71,939</u>	0.51%	<u>\$ 71,939</u>	
Peer Developments Ltd.	TD Synnex Corporation	-	Current financial assets at fair value through other comprehensive income	3,859,888	\$ 11,244,933	4.08%	\$ 11,244,933	
"	Concentrix Corporation	-	"	3,545,840	14,523,766	6.94%	14,523,766	
Peer Developments Ltd.			Total current financial assets at fair value through other comprehensive income		<u>\$ 25,768,699</u>		<u>\$ 25,768,699</u>	

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty (Note 1)	Relationship with the investor (Note 1)	Transaction currency	Balance as at January 1, 2022		Addition		Disposal			Gain (loss) on disposal	Other Amount	Balance as at December 31, 2022		Footnote
						Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value			Number of shares	Amount	
Synnex Investments (China) Ltd.	Tianli Express Net Worth and Win-win Stable Day-day Profit	Current financial assets at fair value through profit or loss	-	-	RMB	-	\$ 197,721	-	\$ 6,545,439	-	\$ 6,741,983	\$ 6,741,983	\$ - (Note 2)	(\$ 1,177) (Note 3)	-	\$ -	
Laser International Trading (Shanghai) Company Ltd.	Tianli Express Net Worth and Chao Zhao Jin No.7007	"	-	-	RMB	-	466,812	-	2,095,570	-	2,568,982	2,568,982	- (Note 2)	6,600 (Note 3)	-	-	
Synnex Distributions (China) Ltd.	Tianli Express Net Worth and Win-win Stable Day-day Profit	"	-	-	RMB	-	-	-	4,634,537	-	4,644,004	4,644,004	- (Note 2)	9,467 (Note 3)	-	-	
Synnex (Shanghai) Ltd.	Chao Zhao Jin No.7007	"	-	-	RMB	-	846,863	-	1,791,168	-	2,660,983	2,660,983	- (Note 2)	22,952 (Note 3)	-	-	
Synnex (Harbing) Ltd.	Chao Zhao Jin No.7007	"	-	-	RMB	-	1,736	-	441,174	-	444,539	444,539	- (Note 2)	1,628 (Note 3)	-	-	
Jifu Intelligent Logistics Corporation	Win-win Stable Day-day Profit	"	-	-	RMB	-	230,027	-	237,572	-	474,909	474,909	- (Note 2)	7,310 (Note 3)	-	-	
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia	Investments accounted for under equity method	King's Eye Investments Ltd.	A second-tier subsidiary held by the Company	USD	-	-	150,000	2,228,511	-	-	-	-	124,931 (Note 4)	150,000	2,353,442	Note 5
Synnex Technology International Corporation	Redington (India) Ltd.	"	Synnex Mauritius Ltd.	A second-tier subsidiary held by the Company	USD	-	-	188,591,880	6,221,218	-	-	-	-	337,620 (Note 4)	188,591,880	5,883,598	Note 5

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

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

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

Note 4: They are investment income, accumulated translation adjustment and related effects of shareholders' equity interest.

Note 5: All of counterparties were companies in the Group, and only one side of transactions is disclosed.

## 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

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Synnex Technology International Corporation	Syntech Asia Ltd.	Direct wholly-owned subsidiary	(Sales)	(\$ 4,947,171)	(7%)	60 days	Standard selling price and collection terms	Insignificant difference	\$ 68,789	1%	
Synnex Technology International Corporation	Syntech Asia Ltd.	Direct wholly-owned subsidiary	Purchases	11,512,607	17%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 43,048)	(1%)	
Synnex Technology International Corporation	Seper Technology Corporation	Direct wholly-owned subsidiary	Purchases	1,783,594	3%	30 days	Standard purchasing price and payment terms	Insignificant difference	( 27,865)	(1%)	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Direct wholly-owned subsidiary	Purchases	498,688	1%	30 days	Standard purchasing price and payment terms	Insignificant difference	( 36,007)	(1%)	
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Direct wholly-owned subsidiary	(Sales)	( 280,036)	-	30 days	Standard selling price and collection terms	Insignificant difference	39,695	-	
Synnex Technology International Corporation	Bestcom Infotech Corp.	Direct wholly-owned subsidiary	(Sales)	( 182,899)	-	60 days	Standard selling price and collection terms	Insignificant difference	42,075	-	
Synnex Technology International Corporation	Mitac Computing Technology Corporation	Other related party	(Sales)	( 108,630)	-	90 days	Standard selling price and collection terms	Insignificant difference	43,171	-	
Synnex Technology International Corporation	Getac Technology Corporation	Other related party	(Sales)	( 127,527)	-	50 days	Standard selling price and collection terms	Insignificant difference	19,914	-	
Synnex Technology International Corporation	Jetwell Computer Co., Ltd.	Other related party	(Sales)	( 166,828)	-	60 days	Standard selling price and collection terms	Insignificant difference	41,789	-	
Seper Technology Corporation	Synnex Technology International Corporation	Parent company	(Sales)	( 1,783,594)	(30%)	30 days	Standard selling price and collection terms	Insignificant difference	27,865	6%	
Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Parent company	(Sales)	( 498,688)	(55%)	30 days	Standard selling price and collection terms	Insignificant difference	36,007	78%	
Bestcom Infotech Corp.	Synnex Technology International Corporation	Parent company	Purchases	182,899	2%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 42,075)	(4%)	

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)	
Bestcom Infotech Corp.	Mitac Information Technology Corporation	Other related party	(Sales)	\$ 290,244)	(2%)	75 days	Standard selling price and collection terms	Insignificant difference	\$ 154,848	5%	
Bestcom Infotech Corp.	Jetwell Computer Co., Ltd.	Other related party	(Sales)	( 200,556)	(2%)	60 days	Standard selling price and collection terms	Insignificant difference	15,434	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Technology International Corporation	Parent company	Purchases	\$ 280,036	-	30 days	Standard purchasing price and payment terms	Insignificant difference	(\$ 39,695)	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	(Sales)	( 9,484,062)	(15%)	90 days after receipt of goods	Standard selling price and collection terms	Insignificant difference	1,592,056	15%	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	Purchases	110,350	-	30 days	Standard purchasing price and payment terms	Insignificant difference	-	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	An affiliate	(Sales)	( 6,206,494)	(10%)	30 days	Standard selling price and collection terms	Insignificant difference	491,260	5%	
Syntech Asia Ltd.	Synnex Technology International Corporation	Parent company	(Sales)	( 11,512,607)	(9%)	60 days	Standard selling price and collection terms	Insignificant difference	43,048	-	
Syntech Asia Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	( 236,336)	-	60 days	Standard selling price and collection terms	Insignificant difference	86,387	1%	
Syntech Asia Ltd.	Synnex Technology International Corporation	Parent company	Purchases	4,947,171	4%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 68,789)	(1%)	
Syntech Asia Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases	6,206,494	5%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 491,260)	(6%)	
Syntech Asia Ltd.	Mitac Computing Technology Corporation	Other related party	(Sales)	( 317,195)	-	120 days	Standard selling price and collection terms	Insignificant difference	120,236	1%	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	(Sales)	( 110,350)	-	30 days	Standard selling price and collection terms	Insignificant difference	-	-	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases	9,484,062	11%	90 days after receipt of goods	Standard purchasing price and payment terms	Insignificant difference	( 1,592,056)	(36%)	
Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Direct wholly-owned subsidiary	(Sales)	( 476,760)	(1%)	30 days	Standard selling price and collection terms	Insignificant difference	-	-	
Synnex Technology Development (Beijing) Ltd.	Synnex Distributions (China) Ltd.	Parent company	Purchases	476,760	63%	30 days	Standard purchasing price and payment terms	Insignificant difference	-	-	

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)			
PT. Synnex Metrodata Indonesia	PT. Mitra Integrasi Informatika	Other related party	(Sales)	(\$	939,664)	(3%)	30 days	Standard selling price and collection terms	Insignificant difference	\$	14,235	-	
Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	(	437,799)	(97%)	90 days	Standard selling price and collection terms	Insignificant difference		-	-	
LianXiang Technology (Shenzhen) Ltd.	Synnex (Shanghai) Ltd.	An affiliate	Purchases	\$	437,799	17%	90 days	Standard purchasing price and payment terms	Insignificant difference	\$	-	-	
LianXiang Technology (Shenzhen) Ltd.	Syntech Asia Ltd.	An affiliate	Purchases		236,336	9%	60 days	Standard purchasing price and payment terms	Insignificant difference	(	86,387)	(56%)	



SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
December 31, 2022

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Direct wholly-owned subsidiary	\$ 144,229	9.06	\$ -	-	\$ 144,479	\$ -
Synnex Technology International Corporation	Seper Technology Corporation	Direct wholly-owned subsidiary	158,427	-	-	-	-	-
Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Indirect wholly-owned subsidiary	141,991	-	-	-	-	-
Bestcom Infotech Corp.	Mitac Information Technology Corporation	Other related party	154,848	3.00	-	-	78,263	-
Synnex Global Ltd.	Synnex Australia Pty. Ltd	Indirect wholly-owned subsidiary	245,769	-	-	-	-	-
Synnex Global Ltd.	King's Eye Investments Ltd.	Direct wholly-owned subsidiary	290,295	-	-	-	3,708	-
Syntech Asia Ltd.	Mitac Computing Technology Corporation	Other related party	120,236	9.52	-	-	88,134	-
Synnex Australia Pty. Ltd.	Golden Thinking Ltd.	An affiliate	275,198	-	-	-	14,307	-
Laser Computer (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	289,871	-	-	-	-	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	An affiliate	499,302	4.00	-	-	499,302	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	4,220,785	4.00	-	-	3,831,698	-
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Direct wholly-owned subsidiary	657,350	-	-	-	-	-
Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	217,221	-	-	-	217,221	-
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	1,209,640	-	-	-	-	-
Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	An affiliate	246,431	-	-	-	193,943	-
Synnex Mauritius Ltd.	Synnex Technology International Corporation	Indirect wholly-owned subsidiary	11,995,229	-	-	-	11,995,229	-

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

Year ended December 31, 2022

Table 7

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	\$ 4,947,171	The same with third parties	1%
0	Synnex Technology International Corporation	Bestcom Infotech Corp.	Parent company to directly wholly-owned subsidiary	Sales	182,899	The same with third parties	-
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Parent company to indirectly wholly-owned subsidiary	Other receivables	141,991	Note 4	-
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	141,991	Note 4	-
0	Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Parent company to directly wholly-owned subsidiary	Other income	116,812	Note 4 and 7	-
0	Synnex Technology International Corporation	Synnex Australia Pty. Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	238,436	Note 4	-
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to directly wholly-owned subsidiary	Other income	220,356	Note 4	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Other income	104,333	Note 4	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Sales	280,036	The same with third parties	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Other receivables	104,534	Note 4	-
1	Seper Technology Corporation	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	1,783,594	The same with third parties	-
2	Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	498,688	The same with third parties	-
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	245,769	Note 4	-
3	Synnex Global Ltd.	King's Eye Investments Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	290,295	Note 8	-
4	Syntech Asia Ltd.	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	11,512,607	The same with third parties	3%
4	Syntech Asia Ltd.	LianXiang Technology (Shenzhen) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	236,336	The same with third parties	-
5	Synnex Australia Pty. Ltd.	Golden Thinking Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	275,198	-	-

Number (Note 1)	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets (Note 2)
				General ledger account	Amount	Transaction terms	
6	Laser Computer (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	\$ 289,871	-	-
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	9,484,062	The same with third parties	2%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	1,592,056	The same with third parties	1%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	2,628,630	-	1%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Directly wholly-owned subsidiary to directly wholly-owned subsidiary	Sales	6,206,494	The same with third parties	3%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Directly wholly-owned subsidiary to directly wholly-owned subsidiary	Accounts receivable	491,260	The same with third parties	-
8	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	657,350	-	-
9	Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	437,799	The same with third parties	-
9	Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	217,221	-	-
10	Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	476,760	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	110,350	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	1,209,640	-	1%
10	Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	246,431	-	-
11	Synnex Mauritius Ltd.	Synnex Technology International Corporation	Indirectly wholly-owned subsidiary to parent company	Other receivables	11,995,229	Note 8	5%

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: It was the Company’s lease income from related parties.

Note 8: It was transfer price of the Group’s internal reorganisation.

## SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees  
Year ended December 31, 2022

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	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	\$ 120,735,984	\$ 16,339,605	\$ 16,339,605	
Synnex Technology International Corporation	Bestcom Infotech Corp.	Taiwan	Sales of 3C products	1,677,762	1,656,818	103,203,296	100.00	2,264,419	383,347	381,220	
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Taiwan	Investment holding	1,145,384	1,145,384	22,500,000	100.00	289,685	8,231	8,231	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Taiwan	Warehouse and logistics services	50,000	50,000	5,000,000	100.00	207,638	113,312	113,312	
Synnex Technology International Corporation	Seper Technology Corporation	Taiwan	Sales of 3C products	1,426	1,426	100,000	100.00	85,129	81,698	81,698	
Synnex Technology International Corporation	Synergy Technology Services Corporation	Taiwan	Maintenance and technical services	1,000	1,000	100,000	100.00	987 (	3) (	3)	
Synnex Technology International Corporation	Syntech Asia Ltd.	Hong Kong	Sales of semiconductor products	43,474	-	300,000	100.00	274,820	1,370,812	224,672	Note 1
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Hong Kong	Sales of 3C products	290,107	-	60,000,000	100.00	467,809	171,994	172,899	Note 1
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia	Indonesia	Sales of 3C products	2,228,511	-	150,000	50.00	2,353,442	1,158,252	147,937	Note 1
Synnex Technology International Corporation	Redington (India) Ltd.	India	Sales of 3C products	6,221,218	-	188,591,880	24.13	5,883,598	5,441,197	-	Note 1
Synnex Global Ltd.	King's Eye Investments Ltd.	British Virgin Islands	Investment holding	1,921,793	1,921,793	62,477,000	100.00	10,049,146	4,095,302	-	Note 2
Synnex Global Ltd.	Synnex China Holdings Ltd.	British Virgin Islands	Investment holding	3,082,152	3,082,152	100,200,000	100.00	10,902,129	2,269,570	-	Note 2
Synnex Global Ltd.	Synnex Mauritius Ltd.	Mauritius	Investment holding	738,240	738,240	24,000,000	100.00	11,274,148	1,287,083	-	Note 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Synnex Global Ltd.	Peer Developments Ltd.	British Virgin Islands	Investment holding	\$ 962,788	\$ 962,788	30,200,001	100.00	\$ 26,086,633	\$ 8,905,161	\$ -	Note 2
Synnex Global Ltd.	Trade Vanguard Global Ltd.	British Virgin Islands	Investment holding	19,994,000	13,534,400	650,000,000	100.00	20,065,980	( 16,311)	-	Note 2
Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	5,225,355	5,590,630	-	-	5,225,355	-	-	Note 3
Synnex Global Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	194,865	210,398	-	-	194,865	-	-	Note 3
Synnex Global Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	1,061,792	1,136,016	-	-	1,061,792	-	-	Note 3
Synnex Global Ltd.	Synnex Investments (China) Ltd.	China	Investment holding	9,907,796	9,907,796	-	-	9,907,796	-	-	Note 3
Synnex Global Ltd.	Synnex Distributions (China) Ltd.	China	Sales of 3C products	4,721,660	4,721,660	-	-	4,721,660	-	-	Note 3
Synnex Global Ltd.	Synnex (Shanghai) Ltd.	China	Sales of semiconductor products and warehouse and logistics services	1,015,080	1,015,080	-	-	1,015,080	-	-	Note 3
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	British Virgin Islands	Investment holding	1,133,414	1,133,414	36,850,001	100.00	595,351	676,994	-	Note 2
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	913,111	913,111	233,250,000	100.00	6,000,464	774,381	-	Note 2
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	31,437	31,437	1,500,000	100.00	171,884	10,732	-	Note 2
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Hong Kong	Sales of semiconductor products	9,228	9,228	299,999	100.00	-	( 67)	-	Note 2
King's Eye Investments Ltd.	Syntech Asia Ltd.	Hong Kong	Sales of semiconductor products	-	9,228	-	-	-	1,370,812	-	Note 1
King's Eye Investments Ltd.	Synnex (Thailand) Public Company Ltd.	Thailand	Sales of 3C products	272,684	272,684	338,939,513	40.00	1,443,353	696,745	-	Note 2
King's Eye Investments Ltd.	Synnex FPT Joint Stock Company	Vietnam	Sales of 3C products	907,114	907,114	55,854,748	47.36	1,608,478	876,033	-	Note 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia	Indonesia	Sales of 3C products	\$ -	\$ 295,296	-	-	\$ -	\$ 1,158,252	\$ -	Note 1
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Hong Kong	Real estate	57,204	57,204	14,500,000	100.00	218,527	20,563	-	Note 2
King's Eye Investments Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	110,463	110,463	28,000,000	100.00	157,100	32,914	-	Note 2
Synnex China Holdings Ltd.	Leveltech Ltd.	Hong Kong	Sales of semiconductor products	-	9,228	-	-	-	27,776	-	Note 1
Peer Developments Ltd.	Synergy Intellingent Logistics (HK) Corporation	Hong Kong	Warehouse and logistics services	-	400	-	-	-	546	-	Note 1
Synnex Mauritius Ltd.	Redington (India) Ltd.	India	Sales of 3C products	-	631,749	-	-	-	5,441,197	-	Note 1
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Hong Kong	Sales of 3C products	-	236,706	-	-	-	171,994	-	Note 1
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Taiwan	Wholesale and retailing of computer software and hardware. Accreditaion and consulting services.	19,940	19,940	2,000,000	100.00	39,422	15,859	-	Note 2
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	29,244	8,257	-	Note 2
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 2
E-Fan Investments CO., LTD.	Leveltech Ltd.	Hong Kong	Sales of semiconductor products	15,407	-	300,000	100.00	23,272	27,776	-	Note 2
Synergy Intelligent Logistics Corporation	Synergy Intellingent Logistics (HK) Corporation	Hong Kong	Warehouse and logistics services	7,338	-	1,500,000	100.00	7,361	546	-	Note 2

Note 1: Investment income (loss) before the Group's investment restructuring 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: 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 3: The investment amount is an amount for long-term investment.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2022

Table 9

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 of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 (Note 10)		Accumulated amount of remittance from Taiwan to Mainland China	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 3)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022		Footnote
				as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	as of December 31, 2022							
Laser International Trading (Shanghai) Company Ltd.	International trade	\$ 30,760	2	\$ 30,760	\$ -	\$ -	\$ 30,760	\$ 48,996	100.00	\$ 48,996	\$ 101,453	\$ -		(Note 2)
Hi Food (Shanghai) Co., Ltd.	Manufacture and sales of food	615,200	2	55,368	-	-	55,368	-	10.00	-	55,368	-		(Note 4) (Note 2)
Synnex Investments (China) Ltd.	Investment holding	6,152,000	2	6,152,000	-	-	6,152,000	690,069	100.00	690,069	13,935,467	-		(Note 5) (Note 2)
Synnex Distributions (China) Ltd.	Sales of 3C products	10,150,800	2	10,150,800	-	-	10,150,800	1,017,752	100.00	1,017,752	15,567,386	-		(Note 6) (Note 2)
Synnex (Shanghai) Ltd.	Sales of semiconductor products and warehouse and logistics services	676,720	2	676,720	-	-	676,720	114,638	100.00	114,638	1,094,942	-		(Note 6) (Note 2)
Synnex (Beijing) Ltd.	Warehouse and logistics services	276,840	2	276,840	-	-	276,840	( 7,872)	100.00	( 7,872)	232,063	-		(Note 2) (Note 6)
Synnex (Nanjing) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	12,403	100.00	12,403	184,255	-		(Note 2) (Note 6)
Synnex (Chengdu) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	4,836	100.00	4,836	174,552	-		(Note 2) (Note 6)
Synnex (Shenyang) Ltd.	Warehouse and logistics services	92,280	2	92,280	-	-	92,280	( 2,212)	100.00	( 2,212)	108,602	-		(Note 2) (Note 6)
Synnex (Tianjin) Ltd.	Warehouse and logistics services	138,420	2	138,420	-	-	138,420	( 5,359)	100.00	( 5,359)	84,384	-		(Note 2) (Note 6)
Synnex (Hangzhou) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	7,077	100.00	7,077	162,848	-		(Note 2) (Note 6)
Synnex (Qingdao) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	398	100.00	398	136,428	-		(Note 2) (Note 6)
Synnex (Guangzhou) Ltd.	Warehouse and logistics services	369,120	2	369,120	-	-	369,120	4,941	100.00	4,941	351,314	-		(Note 2) (Note 6)
Synnex (Xi'an) Ltd.	Warehouse and logistics services	123,040	2	123,040	-	-	123,040	16,785	100.00	16,785	138,144	-		(Note 2) (Note 6)
Synnex (Suzhou) Ltd.	Warehouse and logistics services	184,560	2	184,560	-	-	184,560	367	100.00	367	166,444	-		(Note 2) (Note 6)
Synnex (Wuhan) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	4,326	100.00	4,326	147,794	-		(Note 2) (Note 6)
Synnex (Jinan) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	4,949	100.00	4,949	186,155	-		(Note 2) (Note 6)
Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	( 29)	100.00	( 29)	136,574	-		(Note 2) (Note 6)
Synnex (Changsha) Ltd.	Warehouse and logistics services	123,040	2	123,040	-	-	123,040	( 3,485)	100.00	( 3,485)	63,311	-		(Note 2) (Note 6)
Synnex (Hefei) Ltd.	Warehouse and logistics services	187,636	2	187,636	-	-	187,636	13,930	100.00	13,930	125,023	-		(Note 2) (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 as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 (Note 10)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 3)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Synnex (Nanchang) Ltd.	Warehouse and logistics services	\$ 123,040	2	\$ 123,040	\$ -	\$ -	\$123,040	(\$15,143)	100.00	(\$15,143)	\$ 3,784	\$ -	(Note 2) (Note 6)
Synnex (Harbing) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	\$1,284	100.00	1,284	6,537	-	(Note 2) (Note 6)
Synnex (Xiamen) Ltd.	Warehouse and logistics services	184,560	2	184,560	-	-	184,560	9,368	100.00	9,368	138,378	-	(Note 2) (Note 6)
Synnex Technology Development (Beijing) Ltd.	Sales of 3C products	224,999	2	-	-	-	-	41,209	100.00	41,209	285,851	-	(Note 2) (Note 7)
LianXiang Technology (Shenzhen) Ltd.	Sales of semiconductor products	6,152	2	6,152	-	-	6,152	16,128	100.00	16,128	185,253	-	(Note 2) (Note 8)
Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	10,588	2	-	-	-	-	12,212	97.96	11,963	69	-	(Note 2) (Note 6) (Note 12)
Jifu Intelligent Logistics Corporation	Warehouse and logistics services	220,587	2	220,587	-	-	220,587	11,105	100.00	11,105	233,741	-	(Note 6) (Note 11)
				\$ 20,325,323	\$ -	\$ -	\$ 20,325,323						

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:  
(1) Directly invest in a company in Mainland China.  
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.  
(3) Others.

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

Note 3: Investment income (loss) were recognised based on the financial statements audited by independent auditors.

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

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

Note 6: Synnex Investments (China) Ltd. is a 100% owned subsidiary of Synnex China Holdings Ltd. Synnex China Holdings Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US\$200,000 thousand. Additionally, Synnex Investments (China) Ltd. reinvested in other subsidiaries in Mainland China. Total membership contribution is translated into New Taiwan Dollars using the exchange rate of US\$1:NT\$30.76.

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

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

Note 9: Synnex Distributions (China) Ltd. is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD\$100,000 thousand.

Note 10: Translated into New Taiwan Dollars using the exchange rates of US\$1:NT\$30.76 and RMB\$1:NT\$4.4117.

Note 11: Jifu Intelligent Logistics Corporation is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is RMB\$50,000 thousand.

Note 12: The Company's subsidiary, Yude (Shanghai) Warehouse Co., Ltd., has been deregistered on December 29, 2022.

Company name	as of December 31, 2022	Accumulated amount of remittance from Taiwan to Mainland China	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
		as of December 31, 2022		
Synnex Technology International Corporation(Note)	\$ 20,325,323	\$ 24,934,056	\$ 44,958,621	

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



## SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

## Major shareholders information

December 31, 2022

Table 10

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	94,354,000	5.65%

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".

## **II. Individual financial report and independent auditor's report**

**SYNNEX TECHNOLOGY INTERNATIONAL  
CORPORATION  
PARENT COMPANY ONLY FINANCIAL  
STATEMENTS AND INDEPENDENT AUDITORS'  
REPORT  
DECEMBER 31, 2022 AND 2021**

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

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000463

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

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Synnex Technology International Corporation (the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (see information disclosed in the *Other Matter* section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

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

Key audit matters in relation to the parent company only financial statements for the year ended December 31, 2022 are stated as follows:

### ***Assessment of allowance for uncollectible accounts***

#### **Description**

Please refer to Notes 4(9) and (10) for accounting policies adopted for accounts receivable. Please refer to Note 5(2), for critical accounting estimates and key sources of assumption uncertainty of loss allowance for accounts receivable. Please refer to Note 6(5) for details of accounts receivable.

The Company is primarily engaged in the sale of communication products, consumer electronic products, electronic products and semiconductor products. The Company manages the collection of accounts receivable from customers and bears the associated credit risk. The Company assesses impairment of accounts receivable in accordance with IFRS 9, 'Financial instruments'. The management categorized the accounts receivable assessment into individual provision and group provision. For individually assessed accounts receivable, allowance is recognised on a case by case basis. The assessment process is affected by management's judgment on various factors: customers' financial conditions, internal credit ratings, historical transaction records, and current economic conditions, etc. For group assessed accounts receivable, assessment process is affected by management's judgment on historical uncollectibility records, current economic conditions and the forecastable information to assess the default possibility of uncollectible accounts.

As management's judgment on determining allowance for uncollectible accounts is relatively subjective and the estimated amount is material to the financial statements, therefore, we indicated that the assessment of allowance for uncollectible accounts as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained an understanding of the credit quality of the Company's customers, assessed the reasonableness of classification of accounts receivable, the policies and the procedures applied in loss allowance provision.
2. For individually assessed accounts, selected and verified samples of managements' impairment evaluation. Discussed with management the assessment results and evaluated the adequacy of the provision.
3. For accounts assessed as a group, considered historical uncollectibility records and the management's forecastable adjustment information to determine whether the provision ratio of allowance for uncollectible accounts is reasonable. For significant accounts, examined subsequent collections after balance sheet date.

#### ***Assessment of allowance for valuation of inventory***

##### Description

Please refer to Note 4(13) for description of accounting policies on allowance for inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty. Please refer to Note 6(7) for details of inventory items.

The Company is primarily engaged in the sale of communication products, consumer electronic products, electronic products and semiconductor products. For the purpose of meeting diverse customer needs, the Company applied a multi-brand and multi-product strategy. However, due to rapid changes in technology, the short life cycle of electronic products, and the price highly affected by market fluctuation, there is a high risk of incurring inventory valuation losses. The Company's inventory policy on inventory valuation is based on the lower of cost or net realisable value. The net realisable value of inventory was identified on an item-by-item basis. The Company then applied the lower of cost or net realisable value method for recognizing loss on decline in market value.

As management's judgment on determining net realisable value of inventory is relatively subjective and the valuation amount is material to the financial statements, therefore, we indicated that the assessment of allowance for valuation of inventory as one of the key audit matters.

### How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained the policy applied to the assessment of allowance for valuation of inventory loss. Assessed whether the allowance recognition policy is applied in a manner consistent between comparative and current periods of the financial statements.
2. Obtained net realisable value report for inventory items and verified that a consistent systematic logic was applied to the calculation. First, tested the assumptions such as: sources of sales or purchases data and relevant supporting estimation documents. Second, recalculated net realisable value item-by-item, then applied the lower of cost or net realisable value method for valuation and examined whether reasonable allowance was recognised.
3. Compared current and previous years' rate of allowance for valuation of inventory. Reviewed each period's days sales of inventory in order to assess the adequacy and reasonableness of allowance recognised.

### ***Assessment of purchase rebate***

#### Description

Please refer to Note 4(13) for accounting policies adopted for the recognition of purchase rebate. Please refer to Note 5(2) for critical accounting estimates and assumptions applied in the accounting policy for the recognition of purchase rebate.

The Company is primarily engaged in the sale of communication products, consumer electronic products, electronic products and semiconductor products. The Company engages in various purchase contracts for different items with different suppliers. There are various types of rebate programs including incentives for certain purchase volume from vendors, purchase discounts and allowances, participations in special purchase promotions, and subsidies for marketing. The Company estimates rebates that shall be recognised in accordance with the percentage of achievement of the rebate contract terms.

There are various types of rebate programs, complicated calculations and transactions with different suppliers as well as the manual process involved in the verification and calculation of rebates. All of these aforementioned factors add to the complexity of assessing purchasing rebate. Thus, we indicated that the assessment of purchase rebate as one of the key audit matters.

#### How our audit addressed the matter

We performed the following audit procedures in relation to the key audit matter:

1. Obtained an understanding and tested the effectiveness of internal control over the estimation of purchase rebate. Tested the appropriate controls over contractual terms regarding rebates. Checked whether the recognition of rebate amount has been approved by the proper authority.
2. Selected samples of details of purchase rebate estimation, reviewed the inventory items and obtained the supporting documents in order to recalculate the rebate amount and assess the reasonableness of estimation.
3. Sampled details of purchase rebate estimation without notice from suppliers that has been recognised as of the balance sheet date and obtained debit notes or other supporting documents that were received from suppliers after the balance sheet date to evaluate the reasonableness of estimation. In addition, after balance sheet date, examined whether there were significant new rebates that should be recognised as of the balance sheet date.
4. Selected samples of significant outstanding rebate receivable accounts and obtained the original vouchers or supporting documents or tested subsequent collections after the balance sheet date.

#### ***Other matter – Reference to report of other auditors***

We did not audit the financial statements of certain investments accounted for using equity method which were included in the parent company only financial statements of the Company and were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the investments accounted for using equity method and the amounts and the information disclosed in Note 13 included in these financial statements, is based solely on the reports of the other auditors. Additionally, we did not audit the financial statements of certain investees for the year ended December 31, 2021 which were prepared under a different framework for financial reporting. We have performed necessary audit procedures for the adjustments of these reports in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Therefore, our opinion expressed regarding the amounts before adjustments in the aforementioned investees' financial statements is based solely on the reports of the other auditors.

As of December 31, 2022 and 2021, the balance of investments accounted for using equity method of certain subsidiaries was NT\$7,702,578 thousand and NT\$11,352,268 thousand, respectively, constituting 5% and 9% of the parent company only total assets, respectively. For the years ended

December 31, 2022 and 2021, the recognised net profit of investments accounted for using equity method was NT\$1,645,136 thousand and NT\$2,254,173 thousand, respectively, constituting 10% and 13% of the parent company only net profits, respectively; for the years ended December 31, 2022 and 2021, the recognised comprehensive income of investments accounted for using equity method was NT\$1,932,529 thousand and NT\$2,092,634 thousand, respectively, constituting 11% and 14% of the parent company only comprehensive income, respectively.

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

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

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

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

***Auditors' responsibilities for the audit of the parent company only financial statements***

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



As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh, Tsui Miao

Liang, Yi Chang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' 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**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 711,178	1	\$ 760,454	1
1110	Current financial assets at fair value through profit or loss	6(2) and 12(3)	108,733	-	127,945	-
1136	Current financial assets at amortised cost	6(4)	1,050	-	-	-
1150	Notes receivable, net	6(5)	191,984	-	223,914	-
1170	Accounts receivable, net	6(5)(6) and 12(2)	8,761,226	6	5,212,184	4
1180	Accounts receivable - related parties, net	6(5) and 7(2)	264,348	-	305,612	-
1200	Other receivables		639,323	-	741,001	1
1210	Other receivables - related parties	7(2)	437,569	-	629,444	1
1220	Current income tax assets		-	-	5,217	-
130X	Inventories	6(7)	5,809,692	4	4,924,427	4
1410	Prepayments		125,085	-	91,923	-
11XX	Total current assets		17,050,188	11	13,022,121	11
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3) and 12(3)	5,466,252	3	6,402,661	5
1535	Non-current financial assets at amortised cost	6(4) and 8	802,156	1	729,589	1
1550	Investments accounted for under equity method	6(8)	132,563,511	83	97,863,528	80
1600	Property, plant and equipment	6(9)	3,524,766	2	3,550,547	3
1755	Right-of-use assets	6(10)	48,872	-	99,515	-
1780	Intangible assets		71,515	-	81,894	-
1840	Deferred income tax assets	6(29)	77,537	-	84,695	-
1900	Other non-current assets	6(5)	28,212	-	29,117	-
15XX	Total non-current assets		142,582,821	89	108,841,546	89
1XXX	Total assets		\$ 159,633,009	100	\$ 121,863,667	100

(Continued)

**SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Liabilities and Equity			December 31, 2022		December 31, 2021					
			Notes	AMOUNT	%	AMOUNT	%			
Current liabilities										
2100	Short-term borrowings	6(12)	\$	40,280,000	25	\$	33,770,000	28		
2110	Short-term notes and bills payable	6(13)		4,030,000	3		11,580,000	9		
2150	Notes payable			235,880	-		329,029	-		
2170	Accounts payable			3,651,609	3		4,456,841	4		
2180	Accounts payable - related parties	7(2)		80,865	-		74,211	-		
2200	Other payables	6(14)		973,433	1		924,138	1		
2220	Other payables - related parties	7(2)		14,626,177	9		625,136	1		
2230	Current income tax liabilities	6(29)		396,650	-		302,134	-		
2280	Current lease liabilities			49,199	-		50,581	-		
2300	Other current liabilities	6(15)		385,744	-		443,104	-		
21XX	Total current liabilities			64,709,557	41		52,555,174	43		
Non-current liabilities										
2540	Long-term borrowings	6(16)		15,900,000	10		1,500,000	1		
2570	Deferred income tax liabilities	6(29)		6,318,709	4		3,848,853	3		
2580	Non-current lease liabilities			-	-		49,198	-		
2600	Other non-current liabilities	6(17)		141,306	-		299,878	1		
25XX	Total non-current liabilities			22,360,015	14		5,697,929	5		
2XXX	Total liabilities			87,069,572	55		58,253,103	48		
Equity										
	Share capital	6(18)								
3110	Share capital - ordinary share			16,679,470	10		16,679,470	14		
	Capital surplus	6(19)								
3200	Capital surplus			13,505,904	8		14,199,960	12		
	Retained earnings	6(20)								
3310	Legal reserve			11,368,673	7		9,673,477	8		
3320	Special reserve			8,247,113	5		6,336,545	5		
3350	Unappropriated retained earnings			28,800,686	18		24,968,224	20		
	Other equity interest	6(21)								
3400	Other equity interest		(	6,038,409)	(	3)	(	8,247,112)	(	7)
3XXX	Total equity			72,563,437	45		63,610,564	52		
	Significant contingent liabilities and unrecognized contract commitments	9								
	Significant events after the balance sheet date	11								
3X2X	Total liabilities and equity		\$	159,633,009	100	\$	121,863,667	100		

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

**SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(22) and 7(2)	\$ 67,860,595	100	\$ 54,070,857	100
5000	Operating costs	6(7) and 7(2)	( 65,067,250)	( 96)	( 51,491,954)	( 95)
5950	Net operating margin		<u>2,793,345</u>	<u>4</u>	<u>2,578,903</u>	<u>5</u>
	Operating expenses	6(27)(28) and 7(2)				
6100	Selling expenses		( 1,125,893)	( 2)	( 1,024,371)	( 2)
6200	General and administrative expenses		( 986,613)	( 1)	( 1,123,107)	( 2)
6450	Impairment loss (Impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	( 16,092)	-	1,367	-
6000	Total operating expenses		( 2,128,598)	( 3)	( 2,146,111)	( 4)
6900	Operating profit		<u>664,747</u>	<u>1</u>	<u>432,792</u>	<u>1</u>
	Non-operating income and expenses					
7100	Interest income	6(23) and 7(2)	10,075	-	4,763	-
7010	Other income	6(24) and 7(2)	1,205,668	2	1,094,441	2
7020	Other gains and losses	6(25)	( 6,846)	-	8,583	-
7050	Finance costs	6(26)	( 643,928)	( 1)	( 338,755)	( 1)
7070	Share of profit of subsidiaries, associates, and joint ventures accounted for using equity method	6(8)	<u>17,469,572</u>	<u>25</u>	<u>20,238,826</u>	<u>38</u>
7000	Total non-operating income and expenses		<u>18,034,541</u>	<u>26</u>	<u>21,007,858</u>	<u>39</u>
7900	Profit before income tax		<u>18,699,288</u>	<u>27</u>	<u>21,440,650</u>	<u>40</u>
7950	Income tax expense	6(29)	( 2,950,464)	( 4)	( 4,169,090)	( 8)
8200	Profit for the year		<u>\$ 15,748,824</u>	<u>23</u>	<u>\$ 17,271,560</u>	<u>32</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(17)	\$ 29,861	-	\$ 7,360	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	( 938,062)	( 1)	1,325,336	2
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		( 2,023,514)	( 3)	( 1,290,151)	( 2)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	( 5,972)	-	( 1,472)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		( 2,937,687)	( 4)	41,073	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	4,733,411	7	( 2,172,410)	( 4)
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		<u>136,572</u>	<u>-</u>	<u>( 110,304)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		<u>4,869,983</u>	<u>7</u>	<u>( 2,282,714)</u>	<u>( 4)</u>
8300	Other comprehensive (loss) income		<u>\$ 1,932,296</u>	<u>3</u>	<u>( \$ 2,241,641)</u>	<u>( 4)</u>
8500	Total comprehensive income for the year		<u>\$ 17,681,120</u>	<u>26</u>	<u>\$ 15,029,919</u>	<u>28</u>
	Earnings per share	6(30)				
9750	Basic earnings per share		\$ 9.44		\$ 10.35	
9850	Diluted earnings per share		\$ 9.44		\$ 10.35	

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Retained Earnings				Other equity interest		
							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	Financial statements translation differences of foreign operations		Total equity
<u>Year ended December 31, 2021</u>								
Balance at January 1, 2021	\$ 16,679,470	\$ 14,709,395	\$ 8,855,413	\$ 7,295,010	\$ 13,380,084	(\$ 8,690,313 )	\$ 2,353,767	\$ 54,582,826
Profit	-	-	-	-	17,271,560	-	-	17,271,560
Other comprehensive income (loss)	6(21)	-	-	-	474	( 2,282,714 )	40,599	( 2,241,641 )
Total comprehensive income (loss)		-	-	-	17,272,034	( 2,282,714 )	40,599	15,029,919
Appropriations of 2020 earnings	6(20)							
Legal reserve	-	-	818,064	-	( 818,064 )	-	-	-
Special reserve	-	-	-	( 958,465 )	958,465	-	-	-
Cash dividends	-	-	-	-	( 5,504,225 )	-	-	( 5,504,225 )
Changes in equity of associates and joint ventures accounted for using equity method	6(19)	-	29,158	-	( 157,342 )	-	-	( 128,184 )
Difference between consideration and carrying amount of subsidiaries acquired	6(31)	-	1,472	-	-	-	-	1,472
Capital surplus transferred from unclaimed dividends	6(19)	-	480	-	-	-	-	480
Disposal of investments accounted for using equity method	6(19)	-	( 540,545 )	-	( 162,728 )	331,549	-	( 371,724 )
Balance at December 31, 2021	<u>\$ 16,679,470</u>	<u>\$ 14,199,960</u>	<u>\$ 9,673,477</u>	<u>\$ 6,336,545</u>	<u>\$ 24,968,224</u>	<u>(\$ 10,641,478 )</u>	<u>\$ 2,394,366</u>	<u>\$ 63,610,564</u>
<u>Year ended December 31, 2022</u>								
Balance at January 1, 2022	\$ 16,679,470	\$ 14,199,960	\$ 9,673,477	\$ 6,336,545	\$ 24,968,224	(\$ 10,641,478 )	\$ 2,394,366	\$ 63,610,564
Profit	-	-	-	-	15,748,824	-	-	15,748,824
Other comprehensive income (loss)	6(21)	-	-	-	29,679	4,869,983	( 2,967,366 )	1,932,296
Total comprehensive income (loss)		-	-	-	15,778,503	4,869,983	( 2,967,366 )	17,681,120
Appropriations of 2021 earnings	6(20)							
Legal reserve	-	-	1,695,196	-	( 1,695,196 )	-	-	-
Special reserve	-	-	-	1,910,568	( 1,910,568 )	-	-	-
Cash dividends	-	-	-	-	( 8,339,735 )	-	-	( 8,339,735 )
Changes in equity of associates and joint ventures accounted for using equity method	6(19)	-	121,504	-	1,110	-	-	122,614
Difference between consideration and carrying amount of subsidiaries acquired	6(31)	-	2,085	-	-	-	-	2,085
Capital surplus transferred from unclaimed dividends	6(19)	-	594	-	-	-	-	594
Disposal of investments accounted for using equity method		-	( 5,350 )	-	-	304,434	-	299,084
Disposal of equity instruments at fair value through other comprehensive income	6(19)	-	-	-	( 1,652 )	-	1,652	-
Effect of reorganisations		-	( 812,889 )	-	-	-	-	( 812,889 )
Balance at December 31, 2022	<u>\$ 16,679,470</u>	<u>\$ 13,505,904</u>	<u>\$ 11,368,673</u>	<u>\$ 8,247,113</u>	<u>\$ 28,800,686</u>	<u>(\$ 5,467,061 )</u>	<u>(\$ 571,348 )</u>	<u>\$ 72,563,437</u>

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 18,699,288	\$ 21,440,650
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6(27)	53,047	52,795
Depreciation charges on right-of-use assets	6(27)	50,643	51,234
Amortization charges on intangible assets	6(27)	27,944	24,598
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	16,092	( 1,367 )
Net loss (gain) on financial assets at fair value through profit or loss	6(25)	19,212	( 47,897 )
Loss on decline in (gain on reversal of) market value and obsolete and slow-moving inventories	6(7)	32,571	( 11,685 )
Interest expense	6(26)	643,928	338,755
Interest income	6(23)	( 10,075 )	( 4,763 )
Dividend income	6(24)	( 212,941 )	( 173,073 )
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(8)	( 17,469,572 )	( 20,238,826 )
Gain on disposal of property, plant and equipment	6(25)	( 1,397 )	( 6,274 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts and notes receivable		( 3,492,573 )	( 174,166 )
Inventories		( 917,836 )	( 1,920,217 )
Other receivables		401,400	9,452
Prepayments		( 33,162 )	( 12,804 )
Long-term notes and overdue receivables		1,710	4,393
Changes in operating liabilities			
Accounts and notes payable		( 891,727 )	848,662
Other payables		3,535	235,383
Other current liabilities		( 57,360 )	108,426
Accrued pension liabilities		( 128,171 )	( 123 )
Cash (outflow) inflow generated from operations		( 3,265,444 )	523,153
Dividends received from investments accounted for under equity method		582,335	770,813
Interest paid		( 643,928 )	( 338,755 )
Interest received		10,075	4,763
Dividends received		212,941	173,073
Income tax paid		( 379,689 )	( 25,072 )
Net cash flows (used in) from operating activities		( 3,483,710 )	1,107,975

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other receivables due from related parties	7(2)	( \$ 107,847 )	\$ 1,038,039
Increase in time deposits maturing over three months		( 1,050 )	-
Increase in restricted time deposits		( 72,567 )	( 9,537 )
Acquisition of investments accounted for using equity method	6(32)	( 3,393,392 )	( 53,792 )
Acquisition of property, plant and equipment	6(9)	( 30,913 )	( 27,391 )
Proceeds from disposal of property, plant and equipment		6,754	8,377
Acquisition of intangible assets		( 17,565 )	( 10,782 )
Decrease in refundable deposits		400	1,170
Increase in other non-current assets		( 2,282 )	( 49,972 )
Net cash flows (used in) from investing activities		( 3,618,462 )	896,112
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(33)	6,510,000	3,330,000
Decrease in short-term notes and bills payable	6(33)	( 7,550,000 )	( 1,570,000 )
Increase in long-term borrowings	6(33)	14,400,000	1,500,000
Decrease in guarantee deposits received	6(33)	( 540 )	-
Increase in other payables to related parties	7(2)	2,083,751	535,189
Repayments of principal portion of lease liabilities	6(33)	( 50,580 )	( 50,754 )
Payments of cash dividends	6(33)	( 8,339,735 )	( 5,504,225 )
Net cash flows from (used in) financing activities		7,052,896	( 1,759,790 )
Net (decrease) increase in cash and cash equivalents		( 49,276 )	244,297
Cash and cash equivalents at beginning of year		760,454	516,157
Cash and cash equivalents at end of year		\$ 711,178	\$ 760,454

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



SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Synnex Technology International Corporation (the “Company”) was incorporated in September 1988 under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is 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 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 8, 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 that came into effect as endorsed by FSC and became effective from 2022 are as follows:

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

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

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

New standards, interpretations and amendments that came into effect as endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (1) Compliance statement

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

##### (2) Basis of preparation

- A. Except for the following items, these parent company only 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 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

##### (3) Foreign currency translation

Items included in the parent company only financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional 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 Company 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 Company 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 Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

**(4) Classification of current and non-current items**

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;

- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

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

(7) Financial assets at 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 Company 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. The Company initially recognises the financial assets at fair value plus transaction costs and 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 Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

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

(9) Accounts and notes receivable

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

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

(12) Leasing arrangements (lessor) — operating leases

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

(13) Inventories

- A. Cost of inventory purchases includes purchasing price, import taxes and all the related costs involved in the process of obtaining inventory. Discounts, allowances and etc. shall be deducted from the cost of inventory purchases.
- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted moving average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealised gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Associates are all entities over which the Company 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.
- E. The Company'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 Company's share of losses in an associate

equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

- F. 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 Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- G. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company'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 Company.
- H. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company'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 Company'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.
- I. When the Company 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.
- J. When the Company 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.
- K. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the non-consolidated financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.



(15) Property, plant and equipment

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

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	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

(16) 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 Company. 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 Company 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 and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(17) Intangible assets

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

(18) Impairment of non-financial assets

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

(19) Borrowings

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.

(20) Accounts and notes 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 accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

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

(22) 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.

(23) Provisions

Provisions (mainly warranty provisions) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. 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 recognized for future operating losses.

(24) 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 Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of 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.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company'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 Company 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 Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates 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 income 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 parent company only balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realised or the deferred income tax liability is settled.

- D. Deferred income 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 income 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 income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

#### (26) 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.

#### (27) 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.

#### (28) Revenue recognition

##### A. Sales of goods

- (a) The Company 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. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.
- (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 60 days after the receipt of shipment and 20 to 150 days after monthly billings. For those contracts which the Company 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 Company does not adjust the transaction price to reflect the time value of money.
- (d) The Company'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 Company 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.

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

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

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

##### Revenue recognition on a net/gross basis

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

is transferred to a customer. The Company 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 Company controls the good or service before it is provided to a customer include the following:

- A. The Company is primarily responsible for the provision of goods or services;
- B. The Company 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 Company 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 Company 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, Company'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 Company 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 realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market value on balance sheet date, and writes down the cost of inventories to the net realisable 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>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and revolving funds	\$ 159	\$ 227
Checking accounts and demand deposits	711,019	760,227
	<u>\$ 711,178</u>	<u>\$ 760,454</u>

- A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. 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 at fair value through profit or loss

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 18,806	\$ 18,806
Valuation adjustment	89,927	109,139
	<u>\$ 108,733</u>	<u>\$ 127,945</u>

- A. Refer to Note 6(25) for details of the Company's net gain (loss) on financial assets at fair value through profit or loss for the years ended December 31, 2022 and 2021.
- B. The Company has no financial assets at fair value through profit or loss pledged to others.
- C. Information relating to credit risk is provided in Note 12(2).

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 798,693	\$ 798,693
Non-listed (TSE and OTC) stocks	1,952,125	1,952,125
	2,750,818	2,750,818
Valuation adjustment	2,715,434	3,651,843
	<u>\$ 5,466,252</u>	<u>\$ 6,402,661</u>

- A. The Company has elected to classify share investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments as of December 31, 2022 and 2021 is listed in the table above.



- 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 Company 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

	December 31, 2022	December 31, 2021
Current items:		
Time deposits maturing over three months	\$ 1,050	\$ -
Non-current items:		
Pledged time deposits	\$ 802,156	\$ 729,589
A. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.		
B. The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.		

(5) Notes, accounts and overdue receivable

	December 31, 2022	December 31, 2021
Notes receivable	\$ 192,369	\$ 223,990
Less: Allowance for uncollectible accounts	( 385)	( 76)
	<u>\$ 191,984</u>	<u>\$ 223,914</u>
Accounts receivable	8,779,476	5,214,018
Accounts receivable due from related parties	264,348	305,612
Less: Allowance for uncollectible accounts	( 18,250)	( 1,834)
	<u>9,025,574</u>	<u>5,517,796</u>
Overdue receivables (recorded as other non-current assets)	\$ 18,787	\$ 20,496
Less: Allowance for uncollectible accounts	( 15,680)	( 16,313)
	<u>3,107</u>	<u>4,183</u>
	<u>\$ 9,028,681</u>	<u>\$ 5,521,979</u>

Overdue receivables consist primarily of amounts due from customers under bankruptcy proceedings and are stated at their estimated net realizable value. As of December 31, 2022 and 2021, the Company 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:

	December 31, 2022			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 190,093	\$ 8,426,194	\$ -	\$ 8,616,287
Up to 60 days past due	2,276	341,989	277	344,542
61-120 days past due	-	274,300	881	275,181
121-180 days past due	-	428	150	578
More than 181 days past due	-	913	17,479	18,392
	<u>\$ 192,369</u>	<u>\$ 9,043,824</u>	<u>\$ 18,787</u>	<u>\$ 9,254,980</u>
	December 31, 2021			
	Notes receivable	Accounts receivable	Overdue receivables	Total
Not past due	\$ 222,113	\$ 5,166,817	\$ -	\$ 5,388,930
Up to 60 days past due	1,877	350,258	-	352,135
61-120 days past due	-	756	202	958
121-180 days past due	-	221	-	221
More than 181 days past due	-	1,578	20,294	21,872
	<u>\$ 223,990</u>	<u>\$ 5,519,630</u>	<u>\$ 20,496</u>	<u>\$ 5,764,116</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to \$5,594,344.

C. 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 Company entered into factoring agreements with banks to sell its accounts receivable. Under the agreements, the Company 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 Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognised the factored accounts receivable, and the related information is as follows:

(Unit: USD thousand)

December 31, 2022			
Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced
\$ 571,103 (USD 18,491)	\$ 571,103 (USD 18,491)	US\$57,500	\$ 571,103 (USD 18,491)

(Unit: USD thousand)

December 31, 2021			
Accounts receivable transferred	Amount derecognised	Facilities	Amount advanced
\$ 529,170 (USD 18,980)	\$ 529,170 (USD 18,980)	US\$57,500	\$ 529,170 (USD 18,980)

- A. The counterparties of the Company's accounts receivable factoring mainly were Chang Hwa Bank, CTBC Bank, Taishin International Bank and other financial institutions. As of December 31, 2022 and 2021, the interest rate of amount advanced was 3.83%~5.18% and 0.64%~0.71%, respectively.
- B. As of December 31, 2022 and 2021, the commercial papers issued for accounts receivable factoring amounted to USD38,000 thousand and USD38,000 thousand, respectively.

(7) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 5,877,020	(\$ 67,328)	\$ 5,809,692

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Merchandise inventories	\$ 4,959,184	(\$ 34,757)	\$ 4,924,427

- A. Inventories were not pledged to others as collateral.
- B. The cost of inventories recognised as expense for the period:

	Years ended December 31,	
	2022	2021
Cost of inventories sold	\$ 65,034,679	\$ 51,503,639
Loss on decline in (gain on reversal of) market value	32,571	(11,685)
	\$ 65,067,250	\$ 51,491,954

Gain on reversal of valuation loss and obsolescence arose after the inventories were scrapped or sold.

(8) Investments accounted for using equity method

A. The details are as follows:

	December 31, 2022		December 31, 2021	
	Balance	Percentage ownership	Balance	Percentage ownership
Subsidiaries:				
Synnex Global Ltd.	\$ 120,735,984	100.00%	\$ 95,052,110	100.00%
Bestcom Infotech Corp.	2,264,419	100.00%	2,168,921	98.93%
E-Fan Investments CO., LTD.	289,685	100.00%	281,798	100.00%
Seper Technology Corporation	85,129	100.00%	79,891	100.00%
Synergy Intelligent Logistics Corporation	207,638	100.00%	279,819	100.00%
Synergy Technology Services Corporation	987	100.00%	989	100.00%
Synnex Technology International (HK) Ltd.	467,809	100.00%	-	-
Syntech Asia Ltd.	274,820	100.00%	-	-
PT. Synnex Metrodata Indonesia	2,353,442	50.00%	-	-
Associates:				
Redington (India) Ltd.	5,883,598	24.00%	-	-
	<u>\$ 132,563,511</u>		<u>\$ 97,863,528</u>	

B. The above investments accounted for under the equity method are profit/(loss) of associates and subsidiaries recognised based on financial statements that were audited by the investees' auditors for the years ended December 31, 2022 and 2021. Details are as follows:

	Profit/(loss) of subsidiaries and associates	
	Years ended December 31,	
	2022	2021
Synnex Global Ltd.	\$ 16,339,605	\$ 19,602,501
Bestcom Infotech Corp.	381,220	353,259
E-Fan Investments CO., LTD.	8,231	548
Seper Technology Corporation	81,698	76,460
Synergy Intelligent Logistics Corporation	113,313	206,058
Synergy Technology Services Corporation (	2)	-
Synnex Technology International (HK) Ltd.	172,899	-
Syntech Asia Ltd.	224,671	-
PT. Synnex Metrodata Indonesia	147,937	-
	<u>\$ 17,469,572</u>	<u>\$ 20,238,826</u>

## C. Subsidiaries

### (a) Synnex Global Ltd.

We did not audit the financial statements of investees accounted for using equity method of Synnex Global Ltd. which were audited by other auditors. The financial statements of certain investees were prepared using a different framework for financial reporting for the year ended December 31, 2021. Therefore, the Company changed the framework for preparation of the investees' financial statements to the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The investment profits amounting to \$ 1,645,136 and \$2,254,173 as well as other comprehensive income (loss) amounting to \$ 287,393 and (\$161,539) for the years ended December 31, 2022 and 2021, respectively, were recognised based on the investees' financial statements audited by other auditors. As of December 31, 2022 and 2021, the related investments were stated at \$1,818,980 and \$11,352,268, respectively.

### (b) Bestcom Infotech Corp

Information relating to acquisition of equity interest in a subsidiary is provided in Note 6(31).

### (c) To cooperate with the Group's investment restructuring, some subsidiaries which were formerly and indirectly invested through Synnex Global Ltd. were changed to be directly invested by the Company. 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 the former equity holder would be adjusted in shareholders' equity interest account.

#### i. Synnex Technology International (HK) Ltd.

On December 20, 2022, 100% of equity interests in Synnex Technology International (HK) Ltd. that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of HKD 73,437 thousand, equivalent to NT\$ 290,107.

#### ii. Syntech Asia Ltd.

On November 30, 2022, 100% of equity interests in Syntech Asia Ltd. that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of USD 1,405 thousand, equivalent to NT\$ 43,374.

#### iii. PT. Synnex Metrodata Indonesia

On November 23, 2022, 50% of equity interests in PT. Synnex Metrodata Indonesia that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of IDR 1,522,500,000 thousand, equivalent to NT\$ 3,038,867.

#### D. Associates

(a) Redington (India) Ltd.

To cooperate with the Group's investment restructuring, on December 26, 2022, an associate that was previously indirectly held by the Company through Synnex Global 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 a reorganisation, 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 the former equity holder was adjusted in shareholders' equity interest account. As of December 31, 2022, the share subscriptions payable of the aforementioned transactions had not been paid and was shown as other payables. It has been paid at full amount after February 24, 2023 in the subsequent period.

In addition, the Company's auditors did not audit the financial statements of those associates which were audited by other auditors, and the balance of investments accounted for using the equity method for the year ended December 31, 2022 was \$5,883,598.

(b) The Company had no material associates as of December 31, 2022 and 2021.

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

As of December 31, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$5,883,598, and \$0, respectively.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Redington (India) Ltd.	<u>\$ 12,673,374</u>	<u>\$ -</u>

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(9) Property, plant and equipment

	Land	Buildings and structures	Utilities equipment	Computer equipment	Transportation equipment	Furniture and fixtures	Tools	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2022</u>									
Cost	\$ 570,340	\$ 644,921	\$ 5,533	\$ 212,588	\$ 25,646	\$ 711	\$ 49,455	\$ 2,547,581	\$ 4,056,775
Accumulated depreciation	-	( 352,484)	( 3,426)	( 121,696)	( 18,630)	( 419)	( 9,573)	-	( 506,228)
	<u>\$ 570,340</u>	<u>\$ 292,437</u>	<u>\$ 2,107</u>	<u>\$ 90,892</u>	<u>\$ 7,016</u>	<u>\$ 292</u>	<u>\$ 39,882</u>	<u>\$ 2,547,581</u>	<u>\$ 3,550,547</u>
<u>2022</u>									
Opening net book amount as at January 1	\$ 570,340	\$ 292,437	\$ 2,107	\$ 90,892	\$ 7,016	\$ 292	\$ 39,882	\$ 2,547,581	\$ 3,550,547
Additions	-	-	175	2,896	-	-	2,289	25,553	30,913
Reclassifications	-	-	-	-	-	-	1,710	-	1,710
Disposals	( 1,529)	-	( 14)	-	( 3,814)	-	-	-	( 5,357)
Depreciation charge	-	( 17,726)	( 728)	( 29,691)	( 1,443)	( 103)	( 3,356)	-	( 53,047)
Closing net book amount as at December 31	<u>\$ 568,811</u>	<u>\$ 274,711</u>	<u>\$ 1,540</u>	<u>\$ 64,097</u>	<u>\$ 1,759</u>	<u>\$ 189</u>	<u>\$ 40,525</u>	<u>\$ 2,573,134</u>	<u>\$ 3,524,766</u>
<u>At December 31, 2022</u>									
Cost	\$ 568,811	\$ 640,820	\$ 4,653	\$ 162,623	\$ 12,983	\$ 323	\$ 52,236	\$ 2,573,134	\$ 4,015,583
Accumulated depreciation	-	( 366,108)	( 3,113)	( 98,527)	( 11,224)	( 134)	( 11,711)	-	( 490,817)
	<u>\$ 568,811</u>	<u>\$ 274,712</u>	<u>\$ 1,540</u>	<u>\$ 64,096</u>	<u>\$ 1,759</u>	<u>\$ 189</u>	<u>\$ 40,525</u>	<u>\$ 2,573,134</u>	<u>\$ 3,524,766</u>

	Land	Buildings and structures	Utilities equipment	Computer equipment	Transportation equipment	Furniture and fixtures	Tools	Construction in progress and equipment to be inspected	Total
<u>At January 1, 2021</u>									
Cost	\$ 570,340	\$ 645,301	\$ 38,623	\$ 190,531	\$ 51,012	\$ 1,012	\$ 63,054	\$ 2,526,827	\$ 4,086,700
Accumulated depreciation	-	( 334,987)	( 35,558)	( 107,907)	( 39,336)	( 645)	( 21,463)	-	( 539,896)
	<u>\$ 570,340</u>	<u>\$ 310,314</u>	<u>\$ 3,065</u>	<u>\$ 82,624</u>	<u>\$ 11,676</u>	<u>\$ 367</u>	<u>\$ 41,591</u>	<u>\$ 2,526,827</u>	<u>\$ 3,546,804</u>
<u>2021</u>									
Opening net book amount as at January 1	\$ 570,340	\$ 310,314	\$ 3,065	\$ 82,624	\$ 11,676	\$ 367	\$ 41,591	\$ 2,526,827	\$ 3,546,804
Additions	-	-	-	5,035	-	88	1,514	20,754	27,391
Reclassifications	-	-	-	31,250	-	-	-	-	31,250
Disposals	- ( 18)	-	-	- ( 2,072)	- ( 13)	-	-	-	( 2,103)
Depreciation charge	- ( 17,859)	( 958)	( 28,017)	( 2,588)	( 163)	( 3,210)	-	( 52,795)	
Closing net book amount as at December 31	<u>\$ 570,340</u>	<u>\$ 292,437</u>	<u>\$ 2,107</u>	<u>\$ 90,892</u>	<u>\$ 7,016</u>	<u>\$ 292</u>	<u>\$ 39,882</u>	<u>\$ 2,547,581</u>	<u>\$ 3,550,547</u>
<u>At December 31, 2021</u>									
Cost	\$ 570,340	\$ 644,921	\$ 5,533	\$ 212,588	\$ 25,646	\$ 711	\$ 49,455	\$ 2,547,581	\$ 4,056,775
Accumulated depreciation	-	( 352,484)	( 3,426)	( 121,696)	( 18,630)	( 419)	( 9,573)	-	( 506,228)
	<u>\$ 570,340</u>	<u>\$ 292,437</u>	<u>\$ 2,107</u>	<u>\$ 90,892</u>	<u>\$ 7,016</u>	<u>\$ 292</u>	<u>\$ 39,882</u>	<u>\$ 2,547,581</u>	<u>\$ 3,550,547</u>

Note 1: The Company's property in Nangang District, Taipei City has been under construction since February 2020 and was shown under construction in progress. Thus, for the years ended December 31, 2022 and 2021, 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:

	Years ended December 31,	
	2022	2021
Amount capitalised	\$ 23,172	\$ 20,754
Range of the interest rates for capitalisation	0.82%~1.79%	0.80%~0.83%

Note 2: The Company had no property, plant and equipment pledged to others as collateral as of December 31, 2022 and 2021.

Note 3: Property, plant and equipment were acquired for self-use and leasing to the Group subsidiaries.



(10) Leasing arrangements — lessee

- A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The book value of the right-of-use assets and the depreciation expense recognized are as follows:

	<u>Buildings</u>
January 1, 2022	\$ 99,515
Depreciation charge	( 50,643)
December 31, 2022	<u>\$ 48,872</u>
	<u>Buildings</u>
January 1, 2021	\$ 150,749
Depreciation charge	( 51,234)
December 31, 2021	<u>\$ 99,515</u>

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

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 625	\$ 1,052
Expense on short-term lease contracts	3,913	2,072
Expense on leases of low-value assets	1,616	1,440

- D. Apart from the cash outflow relating to the lease expense mentioned above in Note 6(10)C, the Company's cash outflow arising from the payments of lease liabilities for the years ended December 31, 2022 and 2021 is provided in Note 6(32).

(11) Leasing arrangements — lessor

- A. The Company leases various assets including warehouses. Rental contracts are typically made for periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required.
- B. Refer to Note 6(24) for details of the Company's rent income arising from operating lease agreements.

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

	December 31, 2022	December 31, 2021
Within 1 year	\$ 87,439	\$ 55,221
1~5 years	-	7,764
	<u>\$ 87,439</u>	<u>\$ 62,985</u>

(12) Short-term borrowings

	December 31, 2022	December 31, 2021
Bank borrowings		
Unsecured borrowings	<u>\$ 40,280,000</u>	<u>\$ 33,770,000</u>
Interest rate range	<u>1.37%~2.40%</u>	<u>0.72%~0.90%</u>
Collateral	None	None

(13) Short-term notes and bills payable

	December 31, 2022	December 31, 2021
Commercial paper payable	<u>\$ 4,030,000</u>	<u>\$ 11,580,000</u>
Interest rate range	<u>1.86%~1.94%</u>	<u>0.82%~0.90%</u>

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

(14) Other payables

	December 31, 2022	December 31, 2021
Salary and bonus payable	\$ 339,587	\$ 349,510
Temporary receipt of suppliers' payment	408,157	390,478
Accrued expenses - others	203,581	171,202
Other payables - others	22,108	12,948
	<u>\$ 973,433</u>	<u>\$ 924,138</u>

(15) Other current liabilities

	December 31, 2022	December 31, 2021
Refund liability - dealers' rebates payable	<u>\$ 385,744</u>	<u>\$ 443,104</u>

(16) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
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 (November 25, 2022).	1.79%~1.81%	None	11,400,000
Syndicated Loans-Tranche B	Five years from the date of first drawdown (August 1, 2022).	1.78%~1.80%	None	
				<u>3,000,000</u>
				15,900,000
Less: current portion				<u>-</u>
				<u>\$ 15,900,000</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2021</u>
Unsecured borrowings	Borrowing period is from December 30, 2021 to December 30, 2024; principal is repayable in full at maturity; interest is repayable monthly.	1.06%	None	\$ 1,500,000
Less: current portion				<u>-</u>
				<u>\$ 1,500,000</u>

A. As of December 31, 2022, the terms of syndicated borrowing agreement are as follow:

(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 corporate 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 corporate 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. Refer to Note 6(26) for details of the Company's interest expenses recognised in profit or loss.

C. Information relating to liquidity risk is provided in Note 12.

(17) Pensions

A. Defined benefit plan

- (a) The Company has 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.

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

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	(\$ 322,351)	(\$ 345,050)
Fair value of plan assets	181,870	46,538
Net defined benefit liability (recorded as other non-current liabilities)	(\$ 140,481)	(\$ 298,512)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2022			
Balance at January 1	(\$ 345,050)	\$ 46,538	(\$ 298,512)
Current service cost	( 1,078)	-	( 1,078)
Interest (expense) income	( 2,070)	279	( 1,791)
	( 348,198)	46,817	( 301,381)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,014	4,014
Change in financial assumptions	17,264	-	17,264
Experience adjustments	8,583	-	8,583
	25,847	4,014	29,861
Pension fund contribution	-	131,039	131,039
Paid pension	-	-	-
Balance at December 31	(\$ 322,351)	\$ 181,870	(\$ 140,481)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Year ended December 31, 2021			
Balance at January 1	(\$ 369,504)	\$ 63,509	(\$ 305,995)
Current service cost	( 1,515)	-	( 1,515)
Interest (expense) income	( 1,109)	191	( 918)
	( 372,128)	63,700	( 308,428)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,202	1,202
Change in demographic assumptions	( 252)	-	( 252)
Change in financial assumptions	8,194	-	8,194
Experience adjustments	( 1,784)	-	( 1,784)
	6,158	1,202	7,360
Pension fund contribution	-	2,556	2,556
Paid pension	20,920	( 20,920)	-
Balance at December 31	(\$ 345,050)	\$ 46,538	(\$ 298,512)

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

- (e) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2022	2021
Discount rate	1.30%	0.60%
Future salary increases	4.00%	4.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	\$ 6,229	(\$ 6,490)	(\$ 6,167)	\$ 6,020
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	\$ 6,401	(\$ 6,598)	(\$ 5,577)	\$ 5,449

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

The method and assumptions used for the preparation of sensitivity analysis during 2022 and 2021 are the same, except the actuarial assumption of discount rate and future salary increases.

- (f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to \$3,289.
- (g) As of December 31, 2022, the weighted average duration of the retirement plan is 8 years.

#### B. Defined contribution plan

- (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021 were \$36,373 and \$34,898, respectively.

(18) Share capital

A. As of December 31, 2022, the Company's authorised capital was \$24,000,000 (including \$500,000 reserved for the conversion of employees' stock options which have not been issued). The total number of ordinary shares, at \$10 (in dollars) par value per share, issued and outstanding, was 1,667,946,968 shares. Shares yet to be issued can be issued several times by the Board of Directors depending on the demand, and some of them can be distributed in the form of preferred shares. All proceeds from shares issued have been collected.

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

	2022	2021
At January 1 (At December 31)	\$ 1,667,946,968	\$ 1,667,946,968

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 December 31, 2022 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 GDRs.

(c) Dividends

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

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be 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.



2022						
	Share premium	Treasury share transactions	Changes in equity 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	-	-	121,504	-	-	121,504
Difference between consideration and carrying amount of subsidiaries acquired	-	-	2,085	-	-	2,085
Disposal of investments accounted for using equity method	-	-	( 5,350)	-	-	( 5,350)
Unclaimed dividends	-	-	-	-	594	594
Effect of reorganisations	( 812,889)	-	-	-	-	( 812,889)
At December 31	<u>\$ 12,814,051</u>	<u>\$ 340,678</u>	<u>\$ 118,239</u>	<u>\$ 228,445</u>	<u>\$ 4,491</u>	<u>\$ 13,505,904</u>
2021						
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures	Stock options	Others	Total
At January 1	\$ 13,626,940	\$ 340,678	\$ 509,915	\$ 228,445	\$ 3,417	\$ 14,709,395
Changes in equity of associates and joint ventures	-	-	29,158	-	-	29,158
Difference between consideration and carrying amount of subsidiaries acquired	-	-	1,472	-	-	1,472
Disposal of investments accounted for using equity method	-	-	( 540,545)	-	-	( 540,545)
Unclaimed dividends	-	-	-	-	480	480
At December 31	<u>\$ 13,626,940</u>	<u>\$ 340,678</u>	<u>\$ -</u>	<u>\$ 228,445</u>	<u>\$ 3,897</u>	<u>\$ 14,199,960</u>

(20) Retained earnings / Events after the balance sheet date

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 the 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 Company's appropriation of earnings

- (a) The appropriation of 2021 and 2020 earnings had been proposed at the Board of Directors' meeting on May 30, 2022 and resolved at the shareholders' meeting on July 20, 2021, respectively. Details are summarized below:

	Years ended December 31,			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Provision for legal reserve	\$1,695,196		\$ 818,064	
Provision for (reversal of) special reserve	1,910,568		( 958,465)	
Cash dividends	8,339,735	\$ 5.00	5,504,225	\$ 3.30

Note: The cash dividend from the distribution of 2021 and 2020 earnings was resolved by the Board of Directors on March 8, 2022 and March 12, 2021, respectively, and then reported to the shareholders.

- (b) The appropriation of 2022 earnings had been proposed at the Board of Directors' meeting on March 8, 2023. Details are summarized below:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Provision for legal reserve	\$ 1,577,796	
Reversal of special reserve	( 2,208,704)	
Cash dividends	5,837,814	\$ 3.50

C. For information relating to employees' remuneration (bonus) and directors' remuneration, please refer to Note 6(28).

(21) Other equity items

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2022	(\$ 10,641,478)	\$ 2,394,366	(\$ 8,247,112)
Revaluation:			
-The Company	-	( 938,062)	( 938,062)
-Subsidiaries and associates	-	( 2,029,304)	( 2,029,304)
Revaluation transferred to retained earnings:			
-Group	-	1,652	1,652
Currency translation differences:			
-Group	4,733,411	-	4,733,411
-Associates	441,006	-	441,006
At December 31, 2022	(\$ 5,467,061)	(\$ 571,348)	(\$ 6,038,409)

	Currency translation	Unrealised gains (losses) on valuation	Total
At January 1, 2021	(\$ 8,690,313)	\$ 2,353,767	(\$ 6,336,546)
Revaluation:			
-The Company	-	1,325,336	1,325,336
-Subsidiaries and associates	-	( 1,284,737)	( 1,284,737)
Currency translation differences:			
-Group	( 2,172,410)	-	( 2,172,410)
-Associates	221,245	-	221,245
At December 31, 2021	(\$ 10,641,478)	\$ 2,394,366	(\$ 8,247,112)

(22) Operating revenue

Disaggregation of revenue from contracts with customers

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

		Years ended December 31,	
		2022	2021
Revenue from 3C and semiconductor products	Timing of revenue		
	At a point in time	\$ 67,541,486	\$ 53,783,875
Others	Over time	319,109	286,982
		<u>\$ 67,860,595</u>	<u>\$ 54,070,857</u>

(23) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	\$ 401	\$ 30
Interest income from financial assets measured at amortised	4,788	2,856
Other interest income	4,886	1,877
	<u>\$ 10,075</u>	<u>\$ 4,763</u>

(24) Other income

	Years ended December 31,	
	2022	2021
Rental income	\$ 88,696	\$ 87,559
Dividend income	212,941	173,073
Management services	900,962	821,214
Others	3,069	12,595
	<u>\$ 1,205,668</u>	<u>\$ 1,094,441</u>

(25) Other gains and losses

	Years ended December 31,	
	2022	2021
Net gains (losses) on financial assets at fair value through profit or loss	(\$ 19,212)	\$ 47,897
Net currency exchange gains (losses)	17,306	( 24,161)
Gains on disposal of property, plant and equipment	1,397	6,274
Others	( 6,337)	( 21,427)
	<u>(\$ 6,846)</u>	<u>\$ 8,583</u>

(26) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense on bank borrowings	\$ 525,960	\$ 249,533
Interest expense on short-term notes and bills payable	133,417	108,110
Interest expense on lease liabilities	625	1,052
Other interest expense	7,098	814
Less: Capitalisation of qualifying assets	( 23,172)	( 20,754)
	<u>\$ 643,928</u>	<u>\$ 338,755</u>

(27) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	\$ 1,094,378	\$ 1,073,685
Depreciation charges on property, plant and equipment	\$ 53,047	\$ 52,795
Depreciation charges on right-of-use assets	\$ 50,643	\$ 51,234
Amortisation charges on intangible assets	\$ 27,944	\$ 24,598

(28) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	\$ 941,144	\$ 929,133
Employee social security expense	69,249	68,658
Pension costs	39,242	37,331
Directors' remuneration	7,900	7,500
Other personnel expenses	36,843	31,063
	<u>\$ 1,094,378</u>	<u>\$ 1,073,685</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 years ended December 31, 2022 and 2021, employees' compensation (bonus) was accrued at \$2,000 and \$2,100, respectively; directors' remuneration was accrued at \$7,900 and \$7,500, respectively. The aforementioned amounts were recognized in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on 0.01% and 0.04% of distributable profit of current year for the year ended December 31, 2022. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$2,000 and \$8,168, and will be distributed in the form of cash.

For 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$2,200 and \$7,900, respectively. The differences between the amounts resolved by the Board of Directors and the amounts of \$2,100 and \$7,500 recognised in the 2021 financial statements had been adjusted in the profit or loss of 2022.

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

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax liabilities	\$ 396,650	\$ 302,134
Prior year income tax overestimation (underestimation)	( 6,815)	( 3,148)
Prepaid income tax	89,587	17,166
Tax on undistributed earnings	( 266,327)	( 140,841)
Total current tax	<u>213,095</u>	<u>175,311</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>2,471,042</u>	<u>3,852,938</u>
Total deferred tax	<u>2,471,042</u>	<u>3,852,938</u>
Others:		
Tax on undistributed earnings	<u>266,327</u>	<u>140,841</u>
Income tax expense	<u>\$ 2,950,464</u>	<u>\$ 4,169,090</u>

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

	Years ended December 31,	
	2022	2021
Remeasurement of defined benefit obligations	<u>(\$ 5,972)</u>	<u>(\$ 1,472)</u>

(c) For the years ended December 31, 2022 and 2021, the Company has no income tax charged or credited directly to equity.

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B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31,	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	\$ 3,739,857	\$ 4,288,130
Effects from items disallowed by tax regulation	( 38,473)	( 44,195)
Tax-exempt on domestic investment income	( 116,892)	( 127,265)
Temporary differences not recognised as deferred tax liabilities	( 3,377,022)	( 3,920,500)
Income tax on foreign investment income	1,834,226	3,835,227
Tax on undistributed earnings	266,327	140,841
Prior year income tax overestimation (underestimation)	( 6,815)	( 3,148)
Other	649,256	-
Income tax expense	<u>\$ 2,950,464</u>	<u>\$ 4,169,090</u>

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

	Year ended December 31, 2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive	December 31
Deferred tax assets:				
-Temporary differences:				
Unrealised bad debts	\$ 1,132	(\$ 273)	\$ -	\$ 859
Unrealised loss on decline in inventory value	6,953	6,514	-	13,467
Repair and warranty expenses	4,609	( 333)	-	4,276
Unused compensated absences	2,374	78	-	2,452
Accrued pensions	59,702	( 25,634)	( 5,972)	28,096
Unrealised exchange loss	-	18,462	-	18,462
Unrealised impairment loss on financial assets	9,925	-	-	9,925
Subtotal	<u>84,695</u>	<u>( 1,186)</u>	<u>( 5,972)</u>	<u>77,537</u>
Deferred tax liabilities:				
Unrealised exchange gain	(\$ 13,626)	\$ 13,626	\$ -	\$ -
Investment income	( 3,835,227)	( 1,834,226)	-	( 5,669,453)
Others	-	( 649,256)	-	( 649,256)
Subtotal	<u>( 3,848,853)</u>	<u>( 2,469,856)</u>	<u>-</u>	<u>( 6,318,709)</u>
Total	<u>(\$ 3,764,158)</u>	<u>(\$ 2,471,042)</u>	<u>(\$ 5,972)</u>	<u>(\$ 6,241,172)</u>



	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive	December 31
Deferred tax assets:				
-Temporary differences:				
Unrealised bad debts	\$ 1,132	\$ -	\$ -	\$ 1,132
Unrealised loss on decline in inventory value	9,289	( 2,336)	-	6,953
Repair and warranty expenses	4,176	433	-	4,609
Unused compensated absences	2,388	( 14)	-	2,374
Accrued pensions	61,199	( 25)	( 1,472)	59,702
Unrealised exchange loss	2,143	( 2,143)	-	-
Unrealised impairment loss on financial assets	9,925	-	-	9,925
Subtotal	90,252	( 4,085)	( 1,472)	84,695
Deferred tax liabilities:				
Unrealised exchange gain	\$ -	(\$ 13,626)	\$ -	(\$ 13,626)
Investment income	-	( 3,835,227)	-	( 3,835,227)
Subtotal	-	( 3,848,853)	-	( 3,848,853)
Total	\$ 90,252	(\$ 3,852,938)	(\$ 1,472)	(\$ 3,764,158)

- D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows: None.
- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary difference unrecognised as deferred tax liabilities were \$14,956,268 thousands and \$11,653,719 thousands, respectively.
- F. The Company's income tax returns through 2018 and 2020 have been assessed and approved by the Tax Authority.

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(30) Earnings per share

Year ended December 31, 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	\$ 15,748,824	1,667,947	\$ 9.44
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	15,748,824	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	39	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 15,748,824	1,667,986	\$ 9.44
Year ended December 31, 2021			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 17,271,560	1,667,947	\$ 10.35
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	17,271,560	1,667,947	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	35	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 17,271,560	1,667,982	\$ 10.35

(31) Acquisition of ownership interests in subsidiaries

Acquisition of additional equity interest in a subsidiary

The Company acquired an additional 1.07% and 3.10% shares of Bestcom Infotech Corp. for a cash consideration of \$20,944 and \$53,792 in the years of 2022 and 2021, respectively. The effect of changes in interests in Bestcom Infotech Corp. on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Years ended December 31,	
	2022	2021
Consideration paid to non-controlling interest	(\$ 20,944)	(\$ 53,792)
Decrease in carrying amount of non-controlling interest	23,029	55,264
Capital surplus - difference between consideration and carrying amount of subsidiary acquired	<u>\$ 2,085</u>	<u>\$ 1,472</u>

(32) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Increase in investments accounted for under equity method	\$ 15,357,036	\$ -
Add: Opening balance of payables for investments	-	-
Less: Ending balance of payables for investments	( 11,963,644)	-
Cash paid during the year	<u>\$ 3,393,392</u>	<u>\$ -</u>

(33) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Other payables -related parties	Long-term borrowings	Current/ Non-current lease liabilities	Guarantee deposits received	Cash dividends payable
At January 1, 2022	\$ 33,770,000	\$ 11,580,000	\$ 535,189	\$ 1,500,000	\$ 99,779	\$ 1,366	\$ -
Increase in other payables to related parties	-	-	2,083,751	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	8,339,735
Cash dividends paid	-	-	-	-	-	-	( 8,339,735)
Increase in short-term borrowings	6,510,000	-	-	-	-	-	-
Decrease in short-term notes and bills payable	-	( 7,550,000)	-	-	-	-	-
Increase in long-term borrowings	-	-	-	14,400,000	-	-	-
Payments of lease liabilities	-	-	-	-	( 50,580)	-	-
Decrease in guarantee deposits received	-	-	-	-	-	( 540)	-
At December 31, 2022	<u>\$ 40,280,000</u>	<u>\$ 4,030,000</u>	<u>\$2,618,940</u>	<u>\$15,900,000</u>	<u>\$ 49,199</u>	<u>\$ 826</u>	<u>\$ -</u>

	Short-term borrowings	Short-term notes and bills payable	Other payables -related parties	Long-term borrowings	Current/ Non-current lease liabilities	Guarantee deposits received	Cash dividends payable
At January 1, 2021	\$ 30,440,000	\$ 13,150,000	\$ -	\$ -	\$ 150,533	\$ 1,366	\$ -
Increase in other payables to related parties	-	-	535,189	-	-	-	-
Cash dividends declared	-	-	-	-	-	-	5,504,225
Cash dividends paid	-	-	-	-	-	-	( 5,504,225)
Increase in short-term borrowings	3,330,000	-	-	-	-	-	-
Decrease in short-term notes and bills payable	-	( 1,570,000)	-	-	-	-	-
Increase in long-term borrowings	-	-	-	1,500,000	-	-	-
Payments of lease liabilities	-	-	-	-	( 50,754)	-	-
At December 31, 2021	<u>\$ 33,770,000</u>	<u>\$ 11,580,000</u>	<u>\$ 535,189</u>	<u>\$ 1,500,000</u>	<u>\$ 99,779</u>	<u>\$ 1,366</u>	<u>\$ -</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and relationship

Names of related parties	Relationship with the Company
<u>Subsidiaries:</u>	
E-Fan Investments CO., LTD.	Subsidiary wholly owned by the Company
Seper Technology Corporation	Subsidiary wholly owned by the Company
Synergy Intelligent Logistics Corporation	Subsidiary wholly owned by the Company
Synnex Global Ltd.(Synnex Global)	Subsidiary wholly owned by the Company
Syntech Asia Ltd.(SAL)	Subsidiary wholly owned by the Company
Synnex Australia Pty. Ltd. (Synnex Australia)	Indirect subsidiary wholly owned by the Company
Synnex New Zealand Ltd. (Synnex New Zealand)	Indirect subsidiary wholly owned by the Company
Leveltech Ltd.	Indirect subsidiary wholly owned by the Company
Synnex (Shanghai) Ltd.	Indirect subsidiary wholly owned by the Company
Synnex Distributions (China) Ltd.	Indirect subsidiary wholly owned by the Company
LianXiang Technology (Shenzhen) Ltd.	Indirect subsidiary wholly owned by the Company
Synnex Technology International (HK) Ltd. and its subsidiaries (Synnex HK)	Subsidiary wholly owned by the Company
Bestcom Infotech Corp.	Subsidiary wholly owned by the Company
Bizwave Tech Co., Ltd.	Subsidiary wholly owned by the Company's subsidiary Bestcom Infotech Corp.
Synnex Mauritius Ltd.(Mauritius)	Indirect subsidiary wholly owned by the Company
King's Eye Investments Ltd.(KINGS)	Indirect subsidiary wholly owned by the Company
<u>Associates:</u>	
Synnex (Thailand) Public Company Ltd. and its Subsidiaries (Synnex Thailand)	King's Eye's investee accounted for using equity method
Synnex FPT Joint Stock Company(Synnex FPT)	King's Eye's investee accounted for using equity method

Names of related parties	Relationship with the Company
<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
Lien Hwa Industrial Corporation	The Company's chairperson is the related party's chairperson
Union Petrochemical Corporation	The Company's chairperson is the related party's chairperson
Mitac Computing Technology Corporation	The Company's chairperson is the related party's director
Getac Holdings Corporation	The Company's chairperson is the related party's director
(Originally named: Getac Technology Corporation)	
Getac Technology Corporation	Subsidiary wholly owned by the Getac Holdings Corporation
(Originally named: Getac Corporation)	
Atemitech Corporation	Subsidiary wholly owned by the Getac Holdings Corporation
Mitac Communication Co., Ltd.	The related party's director is the second-degree relative of the Company's chairperson
Tong Da Investment Corporation (Tong Da)	The Company's director is the related party's chairperson
Digitimes Corp.	The Company is the related party's director
Lien Yuan Investment Corp.	The Company's director is the related party's chairperson
Jetwell Computer Co., Ltd.	The Company's subsidiary, Bestcom Infotech Corp., is the related party's director

## (2) Significant related party transactions and balances

### A. Sales transaction

#### (a) Operating revenue

	Years ended December 31,	
	2022	2021
Sales of goods:		
— Subsidiaries	\$ 5,160,150	\$ 6,107,109
— Associates	3,027	-
— Other related parties	490,137	656,535
	<u>\$ 5,653,314</u>	<u>\$ 6,763,644</u>

Goods are sold based on the price lists in force and terms that would be available to third parties. The collection term for related parties is within 30~75 days of the date of billing statement. The collection term for third parties is within 7~60 days after receipt of goods or 20~150 days of the date of billing statement.

(b) Accounts receivable

The Company's details of accounts receivable from the above-mentioned related parties transactions are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
— Subsidiaries	\$ 150,700	\$ 123,014
— Other related parties	113,648	182,598
	<u>\$ 264,348</u>	<u>\$ 305,612</u>

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

B. Purchases of goods transaction

(a) Operating cost

	<u>Years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Purchases of goods:		
— Subsidiaries		
SAL	\$ 11,512,607	\$ 3,480,858
Others	1,864,351	1,820,091
	13,376,958	5,300,949
— Other related parties	104	9,608
	<u>\$ 13,377,062</u>	<u>\$ 5,310,557</u>

The payment term for related parties is within 30~90 days of the date of billing statement. The payment term for third parties is within 1~90 days after receipt of goods or 7~90 days of the date of billing statement.

(b) Accounts payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
— Subsidiaries		
SAL	\$ 42,848	\$ 41,198
Others	38,017	33,001
	80,865	74,199
— Other related parties	-	12
	<u>\$ 80,865</u>	<u>\$ 74,211</u>

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

C. Other transactions

The details of other receivables, other payments on behalf of others, dividend receivables, rental income, and dividend income arising from management services and endorsement guarantees that the Company provides to related parties are as follows:

	December 31, 2022		December 31, 2021	
	Other receivables	Other payables	Other receivables	Other payables
— Subsidiaries	\$ 283,452	\$ 41,052	\$ 583,343	\$ 70,064
— Other related parties	169	391	-	436
	<u>\$ 283,621</u>	<u>\$ 41,443</u>	<u>\$ 583,343</u>	<u>\$ 70,500</u>

	Years ended December 31,	
	2022	2021
Other income		
— Subsidiaries		
Synnex Global	\$ 61,924	\$ -
Synnex Australia	238,436	223,141
SAL	220,356	183,715
Synnex Distributions (China) Ltd.	141,991	161,400
Synergy Intelligent Logistics Corporation	116,812	112,533
Synnex Technology International (HK) Ltd. and its subsidiaries	104,333	82,577
Others	97,566	138,314
	<u>981,418</u>	<u>901,680</u>
— Other related parties	214,066	174,001
	<u>\$ 1,195,484</u>	<u>\$ 1,075,681</u>

Aforementioned other income included dividend income, management services income, rental income and other income.

	Years ended December 31,	
	2022	2021
Operating expenses		
— Subsidiaries		
Synergy Intelligent Logistics Corporation	\$ 498,688	\$ 618,870
Others	1,808	2,906
	<u>\$ 500,496</u>	<u>\$ 621,776</u>

Aforementioned operating expenses mainly comprised payments of warehousing, delivery and maintaining service fees.

D. Financing activities

(a) Receivables from related parties (recorded in 'Other receivables-related parties')

	December 31, 2022	December 31, 2021
Subsidiaries		
Seper Technology Corporation	\$ 153,948	\$ 46,101

Other information on loans to others is provided in Note 13, table 1.

(b) Payables to related parties (recorded in 'Other payables-related parties')

	December 31, 2022	December 31, 2021
Subsidiaries		
E-Fan Investments CO., LTD.	\$ 112,000	\$ -
Synnex Global	2,506,940	535,189
	\$ 2,618,940	\$ 535,189

Other information on loans to others is provided in Note 13, table 1.

(c) Interest income

	Years ended December 31,	
	2022	2021
Subsidiaries		
Seper Technology Corporation	\$ 1,752	\$ 1,286
Synnex Global	3,133	591
	\$ 4,885	\$ 1,877

For the years ended December 31, 2022 and 2021, interests arising from loans to subsidiaries were received based on annual interest rate ranged between 0.79% and 2.13%.

E. Related parties provide endorsement guarantee

Information on financing and purchasing guarantees provided for subsidiaries' bank borrowings is provided in Note 13, table 2.

F. Property transactions

(a) Acquisition of property, plant and equipment

	Years ended December 31,	
	2022	2021
Subsidiaries	\$ 2,086	\$ 48,937

As of December 31, 2022 and 2021, the Company's other payables (recorded in 'Other payables-related parties') arising from above transactions amounted to \$2,150 and \$19,447, respectively.



(b) Acquisition of financial assets

Counterparty	Assets acquired	Accounts	No. of shares (thousand shares)	Objects	Years ended December 31, 2022
					Consideration
KINGS	SMI	Investments accounted for using equity method	300	Ordinary share	\$ 3,038,867
KINGS	SAL	Investments accounted for using equity method	300	Ordinary share	43,347
KINGS	Synnex HK	Investments accounted for using equity method	60,000	Ordinary share	290,107
Mauritius	Redington	Investments accounted for using equity method	188,592	Ordinary share	11,963,644
					<u>\$ 15,335,965</u>

As of December 31, 2022 and 2021, the Company's other payables (recorded in 'Other payables-related parties') arising from above transactions amounted to \$11,963,644 and \$0, respectively.

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Short-term employee benefits	\$ 127,720	\$ 120,414
Post-employment benefits (Note)	4,716	5,088
Total	<u>\$ 132,436</u>	<u>\$ 125,502</u>

Note: Benefits are provisions that are not actually distributed.

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2022	December 31, 2021	
Non-current financial assets at amortised cost:			
Pledged time deposits	<u>\$ 802,156</u>	<u>\$ 729,589</u>	Guarantees for purchases

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Significant contingent liabilities

None.

### (2) Significant unrecognized contract commitments

A. As of December 31, 2022 and 2021, the Company issued promissory notes to guarantee the suppliers' credit limit amounting to \$2,954,076 and \$1,570,406, respectively, for inventory purchases.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	<u>\$ 2,441,582</u>	<u>\$ 2,441,582</u>

The above refers to the contract commitment of the Company to acquire the property located in Nangang Dist., Taipei City.

## 10. SIGNIFICANT DISASTER LOSS

None.

## 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On March 8, 2023, the Board of Directors resolved the distribution of earnings for the year of 2022. Please refer to Note 6(20).

## 12. OTHERS

### (1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the net borrowing ratio. This ratio is calculated as net borrowings divided by shareholders' equity. Net borrowings are calculated as all amounts of short-term borrowings and short-term notes and bills payable less all amounts of cash and cash equivalents and time deposits maturing over three months as shown in the balance sheet. Shareholders' equity is calculated as total equity as shown in the balance sheet.

The net borrowing ratios as of December 31, 2022 and 2021 were 60% and 71%, respectively.

## (2) Financial instruments

### A. Financial instruments by category

Refer to the Company's balance sheets and related information in Note 6 for the Company's financial assets (cash and cash equivalents, current financial assets at fair value through profit or loss, current financial assets at amortised cost, notes receivable, accounts receivable, accounts receivable-related parties, other receivables, other receivables-related parties, non-current financial asset at fair value through other comprehensive income, non-current financial assets at amortised cost, other non-current assets - guarantee deposits paid, other non-current assets - long-term notes and overdue receivables) and financial liabilities (short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, accounts payable-related parties, other payables, other payables-related parties, long-term borrowings, other non-current liabilities - guarantee deposits received, current lease liabilities and non-current lease liabilities).

### B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates, and hedges financial risks in close co-operation with the Company'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 Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require company to manage their foreign exchange risk against their functional currency. The company is required to hedge their entire foreign exchange risk exposure with the company treasury.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 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
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 3,934,031	30.76	\$ 121,010,804
HKD:NTD	118,580	3.945093	467,809
IDR:NTD	1,195,247,334	0.001969	2,353,442
INR:NTD	15,830,039	0.371673	5,883,598
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 125,172	30.76	\$ 3,850,291
December 31, 2021			
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 78,872	27.73	\$ 2,187,121
<u>Investments accounted for using equity method</u>			
USD:NTD	\$ 3,427,772	27.73	\$ 95,052,110
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 63,616	27.73	\$ 1,764,072

- iv. For the total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, please refer to Note 6(25).
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 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%	\$ 45,445	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 38,503)	\$ -

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 21,871	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	(\$ 17,641)	\$ -

#### Price risk

- i. The Company'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 Company diversifies its portfolio in accordance with the limits set by the Company.
- ii. The Company 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 investments had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$1,087 and \$1,279, 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 \$54,663 and \$64,027, 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 Company's interest rate risk arises mainly from short-term borrowings and long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the years ended December 31, 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rates had increased/decreased by 0.25% with all other variables held constant, interest expense for the years ended December 31, 2022 and 2021 would have decreased/increased by \$137,423 and \$113,375, 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 Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages its credit risk taking into consideration the entire company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings by the Management. 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 customer.
- v. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the modified approach using loss rate method to estimate expected credit loss.
- vi. The Company will continue executing the recourse procedures to secure its rights on

those defaulted financial assets. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure its rights.

- vii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties), and overdue receivables. As of December 31, 2022 and 2021, the assessment is as follows:

		Individual provision				
	Group provision	Group A	Group B	Group C	Group D	Total
<u>2022</u>						
Expected loss rate	0.2%	15%	50%	75%	100%	
Total book value	\$ 9,236,193	\$ 2,975	\$ 470	\$ 1,373	\$ 13,969	\$ 9,254,980
Loss allowance	\$ 18,635	\$ 446	\$ 235	\$ 1,030	\$ 13,969	\$ 34,315
		Individual provision				
	Group provision	Group A	Group B	Group C	Group D	Total
<u>2021</u>						
Expected loss rate	0.03%~0.3%	15%	50%	75%	100%	
Total book value	\$ 5,743,620	\$ 3,377	\$ 1,089	\$ 3,073	\$ 12,957	\$ 5,764,116
Loss allowance	\$ 1,910	\$ 507	\$ 544	\$ 2,305	\$ 12,957	\$ 18,223

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

	Year ended December 31, 2022			
	Notes receivable	Accounts receivable	Overdue receivables	Total
At January 1	\$ 76	\$ 1,834	\$ 16,313	\$ 18,223
Provision for (reversal of) impairment loss	309	16,416	( 633)	16,092
At December 31	<u>\$ 385</u>	<u>\$ 18,250</u>	<u>\$ 15,680</u>	<u>\$ 34,315</u>
	Year ended December 31, 2021			
	Notes receivable	Accounts receivable	Overdue receivables	Total
At January 1	\$ 13	\$ 439	\$ 19,138	\$ 19,590
Provision for (reversal of) impairment loss	63	1,395	( 2,825)	( 1,367)
At December 31	<u>\$ 76</u>	<u>\$ 1,834</u>	<u>\$ 16,313</u>	<u>\$ 18,223</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the departments of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Surplus cash held by the departments over and above balance required for working capital management is transferred to the Company treasury. Company 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 Company's derivative and non-derivative financial liabilities are classified into relevant maturity groups based on the remaining period from the balance sheet date to the contractual maturity date. Except for those maturing within a year whose contractual undiscounted cash flows approximate the amounts presented in the balance sheet, the remaining contractual undiscounted cash flows of non-derivative financial liabilities are disclosed in the table below:

Non-derivative financial liabilities:

	Less than 1 year	Over 1 year	Total
December 31, 2022			
Lease liabilities	\$ 49,199	\$ -	\$ 49,199
Guarantee deposit received	-	826	826
Long-term borrowings	14,456,592	1,529,864	15,986,456

Non-derivative financial liabilities:

	Less than 1 year	Over 1 year	Total
December 31, 2021			
Lease liabilities	\$ 51,206	\$ 49,406	\$ 100,612
Guarantee deposit received	-	1,366	1,366

- iv. The Company 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 Company'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 Company'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 Company's investment in equity instruments without active market is included in Level 3.

**B. Financial instruments not measured at fair value**

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

**C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:**

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

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 108,733	\$ -	\$ -	\$ 108,733
Non-current financial assets at fair value through other comprehensive income				
Equity securities	938,291	108,598	4,419,363	5,466,252
Total	<u>\$1,047,024</u>	<u>\$ 108,598</u>	<u>\$ 4,419,363</u>	<u>\$5,574,985</u>

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 127,945	\$ -	\$ -	\$ 127,945
Non-current financial assets at fair value through other comprehensive income				
Equity securities	<u>1,490,228</u>	<u>167,600</u>	<u>4,744,833</u>	<u>6,402,661</u>
Total	<u>\$1,618,173</u>	<u>\$ 167,600</u>	<u>\$ 4,744,833</u>	<u>\$6,530,606</u>

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

- i. For the instruments the Company 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 balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, such as model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments in the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- v. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

- D. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022	2021
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	\$ 4,744,833	\$ 3,641,656
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	( 325,470)	1,103,177
At December 31	<u>\$ 4,419,363</u>	<u>\$ 4,744,833</u>

- F. For the years ended December 31, 2022 and 2021 there was no transfer into or out from Level 3.
- G. 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.
- H. 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:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
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	4,319,614	Net asset value	Not applicable	-	Not applicable
	<u>\$ 4,419,363</u>				
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares \$	105,457	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	4,639,376	Net asset value	Not applicable	-	Not applicable
	<u>\$ 4,744,833</u>				

- I. The Company 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:

		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%	\$ -	\$ -	\$ 9,975	(\$ 9,975)	
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 43,196	(\$ 43,196)	
		December 31, 2021					
		Recognised in profit or loss		Recognised in other comprehensive income			
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets							
Equity instrument	Discount for lack of marketability	± 10%	\$ -	\$ -	\$ 10,546	(\$ 10,546)	
Equity instrument	Net asset value	± 1%	\$ -	\$ -	\$ 46,394	(\$ 46,394)	

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 4.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2) in the Company's consolidated financial statements for the year ended December 31, 2022.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

#### (2) Information on investees

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

#### (3) Information on investments in Mainland China

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

#### (4) Major shareholders information

Major shareholders information: Please refer to table 10.

### 14. SEGMENT INFORMATION

Not applicable.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to others

Year ended December 31, 2022

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 year ended December 31, 2022 ( Note 8 )	Balance at December 31, 2022	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
													Item	Value			
0	Synnex Technology International Corporation	Seper Technology Corporation	Other receivables	Y	\$ 1,000,000	\$ 1,000,000	\$ 153,948	1.08%~1.81%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 29,025,375	\$ 29,025,375	(Note 2)
0	Synnex Technology International Corporation	Synnex Global Ltd.	Other receivables	Y	3,226,500	3,076,000	-	0%~1.64%	(Note 1)	-	Operating turnover	-	-	-	29,025,375	29,025,375	(Note 2)
1	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Other receivables	Y	1,072,450	1,045,050	-	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex New Zealand Ltd.	Other receivables	Y	894,240	876,870	379,977	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex China Holdings Ltd.	Other receivables	Y	3,258,765	3,106,760	3,033,338	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Syntech Asia Ltd.	Other receivables	Y	18,456,000	18,456,000	11,197,347	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Leveltech Ltd.	Other receivables	Y	1,613,250	1,538,000	173,979	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	16,132,500	12,304,000	4,456,632	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
1	Synnex Global Ltd.	Synnex Technology International Corporation	Other receivables	Y	9,228,000	9,228,000	2,506,940	-	(Note 1)	-	Operating turnover	-	-	-	84,515,189	120,735,984	(Note 3)
2	Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Other receivables	Y	251,467	251,467	206,026	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Other receivables	Y	234,270	229,408	224,600	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Harbing) Ltd.	Other receivables	Y	306,354	299,996	290,510	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex(Changsha) Ltd.	Other receivables	Y	234,270	229,408	213,526	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Beijing) Ltd.	Other receivables	Y	599,192	586,756	503,816	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	8,109,360	7,941,060	3,970,530	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Other receivables	Y	155,429	152,204	151,321	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Other receivables	Y	28,676	28,676	27,573	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Other receivables	Y	42,799	41,911	39,705	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Synnex (ZhenZhou) Ltd.	Other receivables	Y	36,042	35,294	33,970	1.65%	(Note 1)	-	Operating turnover	-	-	-	13,935,467	13,935,467	(Note 4)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	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 8 )								Item	Value			
2	Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Other receivables	Y	\$ 22,526	\$ 22,059	\$ 13,235	1.65%	(Note 1)	\$ -	Operating turnover	\$ -	-	\$ -	\$ 13,935,467	\$ 13,935,467	(Note 4)
2	Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Other receivables	Y	9,010	-	-	-	(Note 1)	-	Operating turnover	-	-	-	5,574,187	5,574,187	(Note 4)
3	Trade Vanguard Global Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	19,126,400	18,970,310	11,338,069	-	(Note 1)	-	Operating turnover	-	-	-	44,145,160	44,145,160	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Technology International (HK) Ltd.	Other receivables	Y	4,505,200	4,411,700	3,081,277	-	(Note 1)	-	Operating turnover	-	-	-	44,145,160	44,145,160	(Note 5)
3	Trade Vanguard Global Ltd.	Synnex Investments (China) Ltd.	Other receivables	Y	3,604,160	3,529,360	2,999,956	-	(Note 1)	-	Operating turnover	-	-	-	44,145,160	44,145,160	(Note 5)
4	E-Fan Investments CO., LTD.	Synnex Technology International Corporation	Other receivables	Y	112,000	112,000	112,000	1.37%~1.81%	(Note 1)	-	Operating turnover	-	-	-	115,874	115,874	(Note 6)

Note 1: Short-term financing.

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

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

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

- Ceiling on loans granted to parties whose shares held by the Company over 80% is 40% of the net assets value per the latest audited or reviewed financial statements of the Company. Limit on loans granted to a single party is 40% of the aforementioned net assets value. The audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 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. The audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 for the year ended December 31, 2022.
- 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 audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 for the year ended December 31, 2022.
- 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 audited net assets value of Synnex Global Ltd. amounted to \$120,735,984 for the year ended December 31, 2022.

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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 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. The audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.
- 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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.

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 \$20,065,982 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. The audited net assets value of Trade Vanguard Global Ltd. amounted to \$20,065,982 for the year ended December 31, 2022.
- 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 \$20,065,982 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 audited net assets value of E-Fan Investments CO., LTD. amounted to \$289,685 for the year ended December 31, 2022.
- 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. The audited net assets value of E-Fan Investments CO., LTD. amounted to \$289,685 for the year ended December 31, 2022.
- Ceiling on loans granted to non-Taiwanese companies whose voting rights are directly and indirectly held by the Company is 220% 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 220% of the aforementioned net assets value. The audited net assets value of E-Fan Investments CO., LTD. amounted to \$289,685 for the year ended December 31, 2022.

Note 7: Translated into New Taiwan Dollars using the exchange rate of US: NT=1:30.76.

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2022

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 December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	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.	\$ 72,563,437	\$ 27,163,000	\$ 25,992,200	\$ 1,432,061	\$ -	36%	\$ 145,126,874	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.	72,563,437	10,498,456	10,498,456	6,317,522	-	14%	145,126,874	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.	72,563,437	16,822,971	16,038,264	6,692,208	-	22%	145,126,874	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.	72,563,437	1,761,409	1,216,288	1,005,885	-	2%	145,126,874	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.	72,563,437	2,400,000	2,400,000	388,369	-	3%	145,126,874	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.	72,563,437	21,418,188	21,418,188	14,136,745	-	30%	145,126,874	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.	72,563,437	2,484,405	2,368,520	1,158,538	-	3%	145,126,874	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.	72,563,437	580,770	430,640	183,969	-	1%	145,126,874	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.	72,563,437	1,613,250	1,538,000	-	-	2%	145,126,874	Y	N	N	(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.	13,935,467	2,647,020	2,647,020	2,205,850	-	19%	13,935,467	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.	1,571,000	1,018,924	1,018,924	-	1,018,924	649%	1,571,000	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 \$13,935,467 for the year ended December 31, 2022.

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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.

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 audited net assets value of Synnex Investments (China) Ltd. amounted to \$13,935,467 for the year ended December 31, 2022.

Note 3: Endorser/ guarantor: Golden Thinking Ltd.. The audited net assets value of Golden Thinking Ltd. amounted to \$157,100 for the year ended December31, 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 \$157,100 for the year ended December31, 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 \$157,100 for the year ended December31, 2022.



SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
Holding of marketable securities at the end of the period (not including subsidiaries, associates, and joint ventures)  
December 31, 2022

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 December 31, 2022				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>\$ 108,733</u>	0.15%	<u>\$ 108,733</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	\$ 938,292	5.09%	\$ 938,292	
"	Mitac Information Technology Corporation	The issuer's director is the same as the Company's chairperson	"	8,262,486	99,749	5.51%	99,749	
"	Tong Da Investment Corporation	The issuer's chairperson is the same as the Company's chairperson	"	4,848,125	108,598	19.99%	108,598	
"	Mitac Incorporated	The issuer's chairperson is the same as the Company's chairperson	"	74,763,853	4,180,170	18.39%	4,180,170	
"	Harbinger Venture Capital Corporation	The issuer's director is the same as the Company's chairperson	"	25,848	-	13.05%	-	
"	Harbinger III Venture Capital Corporation	The issuer's chairperson is the same as the Company's director	"	19,000	422	19.00%	422	
"	Lien Yuan Investment Corp.	The issuer's chairperson is the same as the Company's chairperson	"	9,217,196	115,215	19.99%	115,215	
"	Taiwan Paging Network Inc.	-	"	1,450,000	-	3.58%	-	
"	Digitimes Inc.	The Company is the issuer's director	"	504,000	7,852	2.56%	7,852	
"	Harbinger Capital Management Co., Ltd.	The issuer's chairperson is the same as the Company's chairperson	"	862,922	<u>15,954</u>	19.99%	<u>15,954</u>	
Synnex Technology International Corporation			Total non-current financial assets at fair value through other comprehensive income		<u>\$ 5,466,252</u>		<u>\$ 5,466,252</u>	

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				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	\$ 168,584	8.34%	\$ 168,584	
"	Inforcom Technology Inc.	Bestcom Infotech Corp. is the issuer's director	"	1,765,424	24,438	10.01%	24,438	
Bestcom Infotech Corp.			Total non-current financial assets at fair value through other comprehensive income		<u>\$ 193,022</u>		<u>\$ 193,022</u>	
Synnex Global Ltd.	Budworth Investment Ltd.	-	Non-current financial assets at fair value through other comprehensive income	125,807	\$ -	13.83%	\$ -	
"	Pilot View Ltd.	-	"	84,457	-	1.21%	-	
Synnex Global Ltd.			Total non-current financial assets at fair value through other comprehensive income		<u>\$ -</u>		<u>\$ -</u>	
King's Eye Investments Ltd.	Hi Food Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	2,150,000	<u>\$ 23,963</u>	10.00%	<u>\$ 23,963</u>	
"	Listed common stock	-	Current financial assets at fair value through profit or loss	-	<u>\$ 71,939</u>	0.51%	<u>\$ 71,939</u>	
Peer Developments Ltd.	TD Synnex Corporation	-	Current financial assets at fair value through other comprehensive income	3,859,888	\$ 11,244,933	4.08%	\$ 11,244,933	
"	Concentrix Corporation	-	"	3,545,840	14,523,766	6.94%	14,523,766	
Peer Developments Ltd.			Total current financial assets at fair value through other comprehensive income		<u>\$ 25,768,699</u>		<u>\$ 25,768,699</u>	

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital  
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty (Note 1)	Relationship with the investor (Note 1)	Transaction currency	Balance as at January 1, 2022		Addition		Disposal			Gain (loss) on disposal	Other Amount	Balance as at December 31, 2022		Footnote
						Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value			Number of shares	Amount	
Synnex Investments (China) Ltd.	Tianli Express Net Worth and Win-win Stable Day-day Profit	Current financial assets at fair value through profit or loss	-	-	RMB	-	\$ 197,721	-	\$ 6,545,439	-	\$ 6,741,983	\$ 6,741,983	\$ - (Note 2)	(\$ 1,177) (Note 3)	-	\$ -	
Laser International Trading (Shanghai) Company Ltd.	Tianli Express Net Worth and Chao Zhao Jin No.7007	"	-	-	RMB	-	466,812	-	2,095,570	-	2,568,982	2,568,982	- (Note 2)	6,600 (Note 3)	-	-	
Synnex Distributions (China) Ltd.	Tianli Express Net Worth and Win-win Stable Day-day Profit	"	-	-	RMB	-	-	-	4,634,537	-	4,644,004	4,644,004	- (Note 2)	9,467 (Note 3)	-	-	
Synnex (Shanghai) Ltd.	Chao Zhao Jin No.7007	"	-	-	RMB	-	846,863	-	1,791,168	-	2,660,983	2,660,983	- (Note 2)	22,952 (Note 3)	-	-	
Synnex (Harbing) Ltd.	Chao Zhao Jin No.7007	"	-	-	RMB	-	1,736	-	441,174	-	444,539	444,539	- (Note 2)	1,628 (Note 3)	-	-	
Jifu Intelligent Logistics Corporation	Win-win Stable Day-day Profit	"	-	-	RMB	-	230,027	-	237,572	-	474,909	474,909	- (Note 2)	7,310 (Note 3)	-	-	
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia	Investments accounted for under equity method	King's Eye Investments Ltd.	A second-tier subsidiary held by the Company	USD	-	-	150,000	2,228,511	-	-	-	-	124,931 (Note 4)	150,000	2,353,442	Note 5
Synnex Technology International Corporation	Redington (India) Ltd.	"	Synnex Mauritius Ltd.	A second-tier subsidiary held by the Company	USD	-	-	188,591,880	6,221,218	-	-	-	-	337,620 (Note 4)	188,591,880	5,883,598	Note 5

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

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

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

Note 4: They are investment income, accumulated translation adjustment and related effects of shareholders' equity interest.

Note 5: All of counterparties were companies in the Group, and only one side of transactions is disclosed.

## 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

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Synnex Technology International Corporation	Syntech Asia Ltd.	Direct wholly-owned subsidiary	(Sales)	(\$ 4,947,171)	(7%)	60 days	Standard selling price and collection terms	Insignificant difference	\$ 68,789	1%	
Synnex Technology International Corporation	Syntech Asia Ltd.	Direct wholly-owned subsidiary	Purchases	11,512,607	17%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 43,048)	(1%)	
Synnex Technology International Corporation	Seper Technology Corporation	Direct wholly-owned subsidiary	Purchases	1,783,594	3%	30 days	Standard purchasing price and payment terms	Insignificant difference	( 27,865)	(1%)	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Direct wholly-owned subsidiary	Purchases	498,688	1%	30 days	Standard purchasing price and payment terms	Insignificant difference	( 36,007)	(1%)	
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Direct wholly-owned subsidiary	(Sales)	( 280,036)	-	30 days	Standard selling price and collection terms	Insignificant difference	39,695	-	
Synnex Technology International Corporation	Bestcom Infotech Corp.	Direct wholly-owned subsidiary	(Sales)	( 182,899)	-	60 days	Standard selling price and collection terms	Insignificant difference	42,075	-	
Synnex Technology International Corporation	Mitac Computing Technology Corporation	Other related party	(Sales)	( 108,630)	-	90 days	Standard selling price and collection terms	Insignificant difference	43,171	-	
Synnex Technology International Corporation	Getac Technology Corporation	Other related party	(Sales)	( 127,527)	-	50 days	Standard selling price and collection terms	Insignificant difference	19,914	-	
Synnex Technology International Corporation	Jetwell Computer Co., Ltd.	Other related party	(Sales)	( 166,828)	-	60 days	Standard selling price and collection terms	Insignificant difference	41,789	-	
Seper Technology Corporation	Synnex Technology International Corporation	Parent company	(Sales)	( 1,783,594)	(30%)	30 days	Standard selling price and collection terms	Insignificant difference	27,865	6%	
Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Parent company	(Sales)	( 498,688)	(55%)	30 days	Standard selling price and collection terms	Insignificant difference	36,007	78%	
Bestcom Infotech Corp.	Synnex Technology International Corporation	Parent company	Purchases	182,899	2%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 42,075)	(4%)	

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)	
Bestcom Infotech Corp.	Mitac Information Technology Corporation	Other related party	(Sales)	(\$ 290,244)	(2%)	75 days	Standard selling price and collection terms	Insignificant difference	\$ 154,848	5%	
Bestcom Infotech Corp.	Jetwell Computer Co., Ltd.	Other related party	(Sales)	( 200,556)	(2%)	60 days	Standard selling price and collection terms	Insignificant difference	15,434	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Technology International Corporation	Parent company	Purchases	\$ 280,036	-	30 days	Standard purchasing price and payment terms	Insignificant difference	(\$ 39,695)	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	(Sales)	( 9,484,062)	(15%)	90 days after receipt of goods	Standard selling price and collection terms	Insignificant difference	1,592,056	15%	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	Purchases	110,350	-	30 days	Standard purchasing price and payment terms	Insignificant difference	-	-	
Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	An affiliate	(Sales)	( 6,206,494)	(10%)	30 days	Standard selling price and collection terms	Insignificant difference	491,260	5%	
Syntech Asia Ltd.	Synnex Technology International Corporation	Parent company	(Sales)	( 11,512,607)	(9%)	60 days	Standard selling price and collection terms	Insignificant difference	43,048	-	
Syntech Asia Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	( 236,336)	-	60 days	Standard selling price and collection terms	Insignificant difference	86,387	1%	
Syntech Asia Ltd.	Synnex Technology International Corporation	Parent company	Purchases	4,947,171	4%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 68,789)	(1%)	
Syntech Asia Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases	6,206,494	5%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 491,260)	(6%)	
Syntech Asia Ltd.	Mitac Computing Technology Corporation	Other related party	(Sales)	( 317,195)	-	120 days	Standard selling price and collection terms	Insignificant difference	120,236	1%	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	(Sales)	( 110,350)	-	30 days	Standard selling price and collection terms	Insignificant difference	-	-	
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	Purchases	9,484,062	11%	90 days after receipt of goods	Standard purchasing price and payment terms	Insignificant difference	( 1,592,056)	(36%)	
Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Direct wholly-owned subsidiary	(Sales)	( 476,760)	(1%)	30 days	Standard selling price and collection terms	Insignificant difference	-	-	
Synnex Technology Development (Beijing) Ltd.	Synnex Distributions (China) Ltd.	Parent company	Purchases	476,760	63%	30 days	Standard purchasing price and payment terms	Insignificant difference	-	-	

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)	
PT. Synnex Metrodata Indonesia	PT. Mitra Integrasi Informatika	Other related party	(Sales)	(\$ 939,664)	(3%)	30 days	Standard selling price and collection terms	Insignificant difference	\$ 14,235	-	
Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	(Sales)	( 437,799)	(97%)	90 days	Standard selling price and collection terms	Insignificant difference	-	-	
LianXiang Technology (Shenzhen) Ltd.	Synnex (Shanghai) Ltd.	An affiliate	Purchases	\$ 437,799	17%	90 days	Standard purchasing price and payment terms	Insignificant difference	\$ -	-	
LianXiang Technology (Shenzhen) Ltd.	Syntech Asia Ltd.	An affiliate	Purchases	236,336	9%	60 days	Standard purchasing price and payment terms	Insignificant difference	( 86,387)	(56%)	

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES  
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more  
December 31, 2022

Table 6

Expressed in thousands of NTD  
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Direct wholly-owned subsidiary	\$ 144,229	9.06	\$ -	-	\$ 144,479	\$ -
Synnex Technology International Corporation	Seper Technology Corporation	Direct wholly-owned subsidiary	158,427	-	-	-	-	-
Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Indirect wholly-owned subsidiary	141,991	-	-	-	-	-
Bestcom Infotech Corp.	Mitac Information Technology Corporation	Other related party	154,848	3.00	-	-	78,263	-
Synnex Global Ltd.	Synnex Australia Pty. Ltd	Indirect wholly-owned subsidiary	245,769	-	-	-	-	-
Synnex Global Ltd.	King's Eye Investments Ltd.	Direct wholly-owned subsidiary	290,295	-	-	-	3,708	-
Syntech Asia Ltd.	Mitac Computing Technology Corporation	Other related party	120,236	9.52	-	-	88,134	-
Synnex Australia Pty. Ltd.	Golden Thinking Ltd.	An affiliate	275,198	-	-	-	14,307	-
Laser Computer (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	289,871	-	-	-	-	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	An affiliate	499,302	4.00	-	-	499,302	-
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	An affiliate	4,220,785	4.00	-	-	3,831,698	-
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Direct wholly-owned subsidiary	657,350	-	-	-	-	-
Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	An affiliate	217,221	-	-	-	217,221	-
Synnex Distributions (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	An affiliate	1,209,640	-	-	-	-	-
Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	An affiliate	246,431	-	-	-	193,943	-
Synnex Mauritius Ltd.	Synnex Technology International Corporation	Indirect wholly-owned subsidiary	11,995,229	-	-	-	11,995,229	-

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

Year ended December 31, 2022

Table 7

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	\$ 4,947,171	The same with third parties	1%
0	Synnex Technology International Corporation	Bestcom Infotech Corp.	Parent company to directly wholly-owned subsidiary	Sales	182,899	The same with third parties	-
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Parent company to indirectly wholly-owned subsidiary	Other receivables	141,991	Note 4	-
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	141,991	Note 4	-
0	Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Parent company to directly wholly-owned subsidiary	Other income	116,812	Note 4 and 7	-
0	Synnex Technology International Corporation	Synnex Australia Pty. Ltd.	Parent company to indirectly wholly-owned subsidiary	Other income	238,436	Note 4	-
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to directly wholly-owned subsidiary	Other income	220,356	Note 4	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Other income	104,333	Note 4	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Sales	280,036	The same with third parties	-
0	Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Parent company to directly wholly-owned subsidiary	Other receivables	104,534	Note 4	-
1	Seper Technology Corporation	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	1,783,594	The same with third parties	-
2	Synergy Intelligent Logistics Corporation	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	498,688	The same with third parties	-
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	245,769	Note 4	-
3	Synnex Global Ltd.	King's Eye Investments Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	290,295	Note 8	-
4	Syntech Asia Ltd.	Synnex Technology International Corporation	Directly wholly-owned subsidiary to parent company	Sales	11,512,607	The same with third parties	3%
4	Syntech Asia Ltd.	LianXiang Technology (Shenzhen) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	236,336	The same with third parties	-
5	Synnex Australia Pty. Ltd.	Golden Thinking Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	275,198	-	-



Number (Note 1)	Company name	Counterparty	Relationship	Transaction			Percentage of consolidated total operating revenues or total assets (Note 2)
				General ledger account	Amount	Transaction terms	
6	Laser Computer (China) Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	\$ 289,871	-	-
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	9,484,062	The same with third parties	2%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	1,592,056	The same with third parties	1%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China) Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	2,628,630	-	1%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Directly wholly-owned subsidiary to directly wholly-owned subsidiary	Sales	6,206,494	The same with third parties	3%
7	Synnex Technology International (HK) Ltd. and its subsidiaries	Syntech Asia Ltd.	Directly wholly-owned subsidiary to directly wholly-owned subsidiary	Accounts receivable	491,260	The same with third parties	-
8	Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	657,350	-	-
9	Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	437,799	The same with third parties	-
9	Synnex (Shanghai) Ltd.	LianXiang Technology (Shenzhen) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	217,221	-	-
10	Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	476,760	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	110,350	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	1,209,640	-	1%
10	Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	246,431	-	-
11	Synnex Mauritius Ltd.	Synnex Technology International Corporation	Indirectly wholly-owned subsidiary to parent company	Other receivables	11,995,229	Note 8	5%

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: It was the Company’s lease income from related parties.

Note 8: It was transfer price of the Group’s internal reorganisation.

## SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees  
Year ended December 31, 2022

Table 8

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	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	\$ 120,735,984	\$ 16,339,605	\$ 16,339,605	
Synnex Technology International Corporation	Bestcom Infotech Corp.	Taiwan	Sales of 3C products	1,677,762	1,656,818	103,203,296	100.00	2,264,419	383,347	381,220	
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Taiwan	Investment holding	1,145,384	1,145,384	22,500,000	100.00	289,685	8,231	8,231	
Synnex Technology International Corporation	Synergy Intelligent Logistics Corporation	Taiwan	Warehouse and logistics services	50,000	50,000	5,000,000	100.00	207,638	113,312	113,312	
Synnex Technology International Corporation	Seper Technology Corporation	Taiwan	Sales of 3C products	1,426	1,426	100,000	100.00	85,129	81,698	81,698	
Synnex Technology International Corporation	Synergy Technology Services Corporation	Taiwan	Maintenance and technical services	1,000	1,000	100,000	100.00	987 (	3) (	3)	
Synnex Technology International Corporation	Syntech Asia Ltd.	Hong Kong	Sales of semiconductor products	43,474	-	300,000	100.00	274,820	1,370,812	224,672	Note 1
Synnex Technology International Corporation	Synnex Technology International (HK) Ltd. and its subsidiaries	Hong Kong	Sales of 3C products	290,107	-	60,000,000	100.00	467,809	171,994	172,899	Note 1
Synnex Technology International Corporation	PT. Synnex Metrodata Indonesia	Indonesia	Sales of 3C products	2,228,511	-	150,000	50.00	2,353,442	1,158,252	147,937	Note 1
Synnex Technology International Corporation	Redington (India) Ltd.	India	Sales of 3C products	6,221,218	-	188,591,880	24.13	5,883,598	5,441,197	-	Note 1
Synnex Global Ltd.	King's Eye Investments Ltd.	British Virgin Islands	Investment holding	1,921,793	1,921,793	62,477,000	100.00	10,049,146	4,095,302	-	Note 2
Synnex Global Ltd.	Synnex China Holdings Ltd.	British Virgin Islands	Investment holding	3,082,152	3,082,152	100,200,000	100.00	10,902,129	2,269,570	-	Note 2
Synnex Global Ltd.	Synnex Mauritius Ltd.	Mauritius	Investment holding	738,240	738,240	24,000,000	100.00	11,274,148	1,287,083	-	Note 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Synnex Global Ltd.	Peer Developments Ltd.	British Virgin Islands	Investment holding	\$ 962,788	\$ 962,788	30,200,001	100.00	\$ 26,086,633	\$ 8,905,161	\$ -	Note 2
Synnex Global Ltd.	Trade Vanguard Global Ltd.	British Virgin Islands	Investment holding	19,994,000	13,534,400	650,000,000	100.00	20,065,980 (	16,311)	-	Note 2
Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	5,225,355	5,590,630	-	-	5,225,355	-	-	Note 3
Synnex Global Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	194,865	210,398	-	-	194,865	-	-	Note 3
Synnex Global Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	1,061,792	1,136,016	-	-	1,061,792	-	-	Note 3
Synnex Global Ltd.	Synnex Investments (China) Ltd.	China	Investment holding	9,907,796	9,907,796	-	-	9,907,796	-	-	Note 3
Synnex Global Ltd.	Synnex Distributions (China) Ltd.	China	Sales of 3C products	4,721,660	4,721,660	-	-	4,721,660	-	-	Note 3
Synnex Global Ltd.	Synnex (Shanghai) Ltd.	China	Sales of semiconductor products and warehouse and logistics services	1,015,080	1,015,080	-	-	1,015,080	-	-	Note 3
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	British Virgin Islands	Investment holding	1,133,414	1,133,414	36,850,001	100.00	595,351	676,994	-	Note 2
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Australia	Sales of 3C products	913,111	913,111	233,250,000	100.00	6,000,464	774,381	-	Note 2
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	New Zealand	Sales of 3C products	31,437	31,437	1,500,000	100.00	171,884	10,732	-	Note 2
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Hong Kong	Sales of semiconductor products	9,228	9,228	299,999	100.00	- (	67)	-	Note 2
King's Eye Investments Ltd.	Syntech Asia Ltd.	Hong Kong	Sales of semiconductor products	-	9,228	-	-	-	1,370,812	-	Note 1
King's Eye Investments Ltd.	Synnex (Thailand) Public Company Ltd.	Thailand	Sales of 3C products	272,684	272,684	338,939,513	40.00	1,443,353	696,745	-	Note 2
King's Eye Investments Ltd.	Synnex FPT Joint Stock Company	Vietnam	Sales of 3C products	907,114	907,114	55,854,748	47.36	1,608,478	876,033	-	Note 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia	Indonesia	Sales of 3C products	\$ -	\$ 295,296	-	-	\$ -	\$ 1,158,252	\$ -	Note 1
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Hong Kong	Real estate	57,204	57,204	14,500,000	100.00	218,527	20,563	-	Note 2
King's Eye Investments Ltd.	Golden Thinking Ltd.	Hong Kong	Real estate	110,463	110,463	28,000,000	100.00	157,100	32,914	-	Note 2
Synnex China Holdings Ltd.	Leveltech Ltd.	Hong Kong	Sales of semiconductor products	-	9,228	-	-	-	27,776	-	Note 1
Peer Developments Ltd.	Synergy Intellingent Logistics (HK) Corporation	Hong Kong	Warehouse and logistics services	-	400	-	-	-	546	-	Note 1
Synnex Mauritius Ltd.	Redington (India) Ltd.	India	Sales of 3C products	-	631,749	-	-	-	5,441,197	-	Note 1
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd. and its subsidiaries	Hong Kong	Sales of 3C products	-	236,706	-	-	-	171,994	-	Note 1
Bestcom Infotech Corp.	Bizwave Tech Co., Ltd.	Taiwan	Wholesale and retailing of computer software and hardware. Accreditaion and consulting services.	19,940	19,940	2,000,000	100.00	39,422	15,859	-	Note 2
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	29,244	8,257	-	Note 2
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 2
E-Fan Investments CO., LTD.	Leveltech Ltd.	Hong Kong	Sales of semiconductor products	15,407	-	300,000	100.00	23,272	27,776	-	Note 2
Synergy Intelligent Logistics Corporation	Synergy Intellingent Logistics (HK) Corporation	Hong Kong	Warehouse and logistics services	7,338	-	1,500,000	100.00	7,361	546	-	Note 2

Note 1: Investment income (loss) before the Group's investment restructuring 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: 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 3: The investment amount is an amount for long-term investment.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2022

Table 9

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 of remittance from Taiwan to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 (Note 10)		Accumulated amount of remittance from Taiwan to Mainland China	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 3)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022		Footnote
				as of January 1, 2022	Remitted to Mainland China	Remitted back to Taiwan	as of December 31, 2022							
Laser International Trading (Shanghai) Company Ltd.	International trade	\$ 30,760	2	\$ 30,760	\$ -	\$ -	\$ 30,760	\$ 48,996	100.00	\$ 48,996	\$ 101,453	\$ -		(Note 2)
Hi Food (Shanghai) Co., Ltd.	Manufacture and sales of food	615,200	2	55,368	-	-	55,368	-	10.00	-	55,368	-		(Note 4) (Note 2)
Synnex Investments (China) Ltd.	Investment holding	6,152,000	2	6,152,000	-	-	6,152,000	690,069	100.00	690,069	13,935,467	-		(Note 5) (Note 2)
Synnex Distributions (China) Ltd.	Sales of 3C products	10,150,800	2	10,150,800	-	-	10,150,800	1,017,752	100.00	1,017,752	15,567,386	-		(Note 6) (Note 2)
Synnex (Shanghai) Ltd.	Sales of semiconductor products and warehouse and logistics services	676,720	2	676,720	-	-	676,720	114,638	100.00	114,638	1,094,942	-		(Note 6) (Note 2)
Synnex (Beijing) Ltd.	Warehouse and logistics services	276,840	2	276,840	-	-	276,840	( 7,872)	100.00	( 7,872)	232,063	-		(Note 2) (Note 6)
Synnex (Nanjing) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	12,403	100.00	12,403	184,255	-		(Note 2) (Note 6)
Synnex (Chengdu) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	4,836	100.00	4,836	174,552	-		(Note 2) (Note 6)
Synnex (Shenyang) Ltd.	Warehouse and logistics services	92,280	2	92,280	-	-	92,280	( 2,212)	100.00	( 2,212)	108,602	-		(Note 2) (Note 6)
Synnex (Tianjin) Ltd.	Warehouse and logistics services	138,420	2	138,420	-	-	138,420	( 5,359)	100.00	( 5,359)	84,384	-		(Note 2) (Note 6)
Synnex (Hangzhou) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	7,077	100.00	7,077	162,848	-		(Note 2) (Note 6)
Synnex (Qingdao) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	398	100.00	398	136,428	-		(Note 2) (Note 6)
Synnex (Guangzhou) Ltd.	Warehouse and logistics services	369,120	2	369,120	-	-	369,120	4,941	100.00	4,941	351,314	-		(Note 2) (Note 6)
Synnex (Xi'an) Ltd.	Warehouse and logistics services	123,040	2	123,040	-	-	123,040	16,785	100.00	16,785	138,144	-		(Note 2) (Note 6)
Synnex (Suzhou) Ltd.	Warehouse and logistics services	184,560	2	184,560	-	-	184,560	367	100.00	367	166,444	-		(Note 2) (Note 6)
Synnex (Wuhan) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	4,326	100.00	4,326	147,794	-		(Note 2) (Note 6)
Synnex (Jinan) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	4,949	100.00	4,949	186,155	-		(Note 2) (Note 6)
Synnex (Zhengzhou) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	( 29)	100.00	( 29)	136,574	-		(Note 2) (Note 6)
Synnex (Changsha) Ltd.	Warehouse and logistics services	123,040	2	123,040	-	-	123,040	( 3,485)	100.00	( 3,485)	63,311	-		(Note 2) (Note 6)
Synnex (Hefei) Ltd.	Warehouse and logistics services	187,636	2	187,636	-	-	187,636	13,930	100.00	13,930	125,023	-		(Note 2) (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 as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 (Note 10)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 3)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Synnex (Nanchang) Ltd.	Warehouse and logistics services	\$ 123,040	2	\$ 123,040	\$ -	\$ -	\$123,040	(\$15,143)	100.00	(\$15,143)	\$ 3,784	\$ -	(Note 2) (Note 6)
Synnex (Harbing) Ltd.	Warehouse and logistics services	153,800	2	153,800	-	-	153,800	\$1,284	100.00	1,284	6,537	-	(Note 2) (Note 6)
Synnex (Xiamen) Ltd.	Warehouse and logistics services	184,560	2	184,560	-	-	184,560	9,368	100.00	9,368	138,378	-	(Note 2) (Note 6)
Synnex Technology Development (Beijing) Ltd.	Sales of 3C products	224,999	2	-	-	-	-	41,209	100.00	41,209	285,851	-	(Note 2) (Note 7)
LianXiang Technology (Shenzhen) Ltd.	Sales of semiconductor products	6,152	2	6,152	-	-	6,152	16,128	100.00	16,128	185,253	-	(Note 2) (Note 8)
Yude (Shanghai) Warehouse Co., Ltd.	Warehouse and logistics services	10,588	2	-	-	-	-	12,212	97.96	11,963	69	-	(Note 2) (Note 6) (Note 12)
Jifu Intelligent Logistics Corporation	Warehouse and logistics services	220,587	2	220,587	-	-	220,587	11,105	100.00	11,105	233,741	-	(Note 6) (Note 11)
				<u>\$ 20,325,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,325,323</u>						

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:  
 (1) Directly invest in a company in Mainland China.  
 (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.  
 (3) Others.

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

Note 3: Investment income (loss) were recognised based on the financial statements audited by independent auditors.

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

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

Note 6: Synnex Investments (China) Ltd. is a 100% owned subsidiary of Synnex China Holdings Ltd. Synnex China Holdings Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US\$200,000 thousand. Additionally, Synnex Investments (China) Ltd. reinvested in other subsidiaries in Mainland China. Total membership contribution is translated into New Taiwan Dollars using the exchange rate of US\$1:NT\$30.76.

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

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

Note 9: Synnex Distributions (China) Ltd. is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD\$100,000 thousand.

Note 10: Translated into New Taiwan Dollars using the exchange rates of US\$1:NT\$30.76 and RMB\$1:NT\$4.4117.

Note 11: Jifu Intelligent Logistics Corporation is a 100% owned subsidiary of Synnex Investments (China) Ltd. Synnex Investments (China) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is RMB\$50,000 thousand.

Note 12: The Company's subsidiary, Yude (Shanghai) Warehouse Co., Ltd., has been deregistered on December 29, 2022.

Company name	as of December 31, 2022	Accumulated amount of remittance from Taiwan to Mainland China	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
		as of December 31, 2022		
Synnex Technology International Corporation(Note)	\$ 20,325,323	\$ 24,934,056	\$ 44,958,621	

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

## SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

## Major shareholders information

December 31, 2022

Table 10

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	94,354,000	5.65%

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".

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Tabel 1

Item	Summary	Amount
Petty cash		\$ 159
Cash in banks		
Checking deposits		484,460
Demand deposits		
- Foreign currency deposits	USD \$3,559 thousand, conversion rate 30.76	99,815
- Foreign currency deposits	HKD \$12,705 thousand, conversion rate 3.95	45,489
- NTD deposits		81,255
		<u>\$ 711,178</u>

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF ACCOUNTS RECEIVABLE  
DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Tabel 2

Customer name	Summary	Amount	Note
General customer -			
Hp Inc.	\$	1,557,429	
Leo Systems, Inc.		845,201	
Momo.com Inc.		627,669	
Wiwynn International Corporation		622,260	
			The balance of each customer has not exceeded 5% of total accounts receivable
Others		5,126,917	
Less: Allowance for uncollectible accounts	(	18,250)	
Subtotal from non-related parties		8,761,226	
Related party -			
Syntech Asia Ltd.	\$	68,789	
Mitac Computing Technology Corporation		43,171	
Bestcom Infotech Corp.		42,075	
Synnex Technology International (HK) Ltd.		39,695	
Mitac Information Technology Corporation		25,516	
Jetwell Computer Co., Ltd.		25,032	
Getac Technology Corporation		19,914	
			The balance of each customer has not exceeded 5% of total accounts receivable
Others		156	
Subtotal from related parties		264,348	
	\$	9,025,574	

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF INVENTORIES  
DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Tabel 3

Item	Amount		Note
	Cost	Market price	
Goods inventories	\$ 5,877,020	<u>\$ 5,925,999</u>	Use the net realisable value to be the market price
Less: Allowance for inventory valuation losses	( 67,328)		
	<u>\$ 5,809,692</u>		

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**SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION**  
**DETAILS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Tabel 4

Name	Opening balance		Additions		Investment (loss) gain	Cumulative translation adjustment	Other adjustment	Reductions		Ending Balance		Net equity		Pledged to others as collateral
	Number of shares (share in thousands)	Amount	Number of shares (share in thousands)	Amount				Number of shares (share in thousands)	Amount	Number of shares (share in thousands)	Amount	Unit Price (in dollars)	Total price	
Seper Technology Corporation	100	\$ 79,891	-	\$ -	\$ 81,698	\$ -	\$ -	-	(\$ 76,460) (Note 1)	100	\$ 85,129	\$ 851.29	\$ 85,129	None
Bestcom Infotech Corp.	102,104	2,168,921	1,100	20,944 (Note 4)	381,220	-	13,264 (Note 2)	-	( 319,930) (Note 1)	103,204	2,264,419	21.94	2,264,419	"
E-Fan Investments CO., Ltd.	22,500	281,798	-	-	8,231	149	-	-	( 493) (Note 1)	22,500	289,685	12.87	289,685	"
Synergy Intelligent Logistics Corporation	5,000	279,819	-	-	113,313	( 42)	-	-	( 185,452) (Note 1)	5,000	207,638	41.53	207,638	"
Synergy Technology Services Corporation	100	989	-	-	( 2)	-	-	-	-	100	987	9.87	987	"
Synnex Global Ltd.	548,250	95,052,110	-	-	16,339,605	6,265,842	3,078,427 (Note 2、3)	-	-	548,250	120,735,984	220.22	120,735,984	"
Syntech Asia Ltd.	-	-	300	43,474 (Note 5)	224,671	6,675	-	-	-	300	274,820	916.07	274,820	"
Synnex Technology International (HK) Ltd.	-	-	60,000	290,107 (Note 5)	172,899	4,803	-	-	-	60,000	467,809	7.80	467,809	"
PT. Synnex Metrodata Indonesia	-	-	300	2,228,511 (Note 5)	147,937	( 24,115)	1,109 (Note 3)	-	-	300	2,353,442	7,844.81	2,353,442	"
Redington (India) Ltd.	-	-	188,592	6,208,997 (Note 5)	-	( 283,302)	( 42,097) (Note 3)	-	-	188,592	5,883,598	31.20	5,883,598	"
		<u>\$ 97,863,528</u>		<u>\$ 8,792,033</u>	<u>\$ 17,469,572</u>	<u>\$ 5,970,010</u>	<u>\$ 3,050,703</u>		<u>(\$ 582,335)</u>		<u>\$ 132,563,511</u>			

Note 1: The reductions were caused by receiving cash dividends from Seper Technology Corporation, Bestcom Infotech Corp., E-Fan Investments CO. LTD., and Synergy Intelligent Logistics Corporation.

Note 2: The changes were caused by the Company recognising unrealised gains (losses) on financial assets of investees.

Note 3: The changes were caused by the effects of changes in proportion to its interest to the investees, disposals of investments accounted for using equity method and effects from organisation structure adjustment.

Note 4: The Company acquired an additional 1.07% shares of Bestcom Infotech Corp. for a cash consideration of \$20,944 in the year of 2022. The shareholding ratio was increased from 98.93% to 100%.

Note 5: The Company's group investment restructuring transactions were accounted for using the book value method, and the details were as follows:

A. On November 30, 2022, 100% of equity interests in Syntech Asia Ltd. that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of USD 1,405 thousand, equivalent to NT\$ 43,374.

B. On December 20, 2022, 100% of equity interests in Synnex Technology International (HK) Ltd. that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of HKD 73,437 thousand, equivalent to NT\$290,107.

C. On November 23, 2022, 50% of equity interests in PT. SYNNEX METRODATA INDONESIA that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of IDR 1,522,500,000 thousand, equivalent to difference of \$2,228,511 between the consideration paid by the Company and the book value of investments accounted for using the equity method held by the former equity holder was adjusted in shareholders' equity interest account.

D. On December 26, 2022, the associate, Redington (India) Ltd. that was previously indirectly held by the Company was changed to be directly held by the Company through a transaction at a price of INR 32,145,486 thousand, equivalent to NT\$11,995,229. The difference of consideration paid by the Company and the book value of investments accounted for using the equity method held by the former equity holder was adjusted in shareholders' equity interest account.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF ACCOUNTS PAYABLE  
DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Table 5

Vendor name	Summary	Amount	Note
General supplier -			
Intel Semiconductor (US) LLC.		\$ 518,175	
Asus Technology Incorporation		419,123	
Microsoft Corporation		411,800	
Ite Tech. Inc.		308,796	
Adata Technology Co., Ltd.		295,001	
Microsoft Taiwan Corporation		292,927	
Giga-byte Technology Co., Ltd.		201,728	
Others		<u>1,204,059</u>	The balance of each vendor has not exceeded 5% of total accounts payable
Subtotal from non-related parties		<u>3,651,609</u>	
Related party -			
Syntech Asia Ltd.		42,848	
Seper Technology Corporation		27,865	
Bestcom Infotech Corp.		<u>10,152</u>	
Subtotal from related parties		<u>80,865</u>	
		<u>\$ 3,732,474</u>	

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF OTHER PAYABLES  
DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Tabel 6

Vendor name	Summary	Amount	Note
General supplier -			
Temporary receipt of		\$ 408,157	
suppliers' payment			
Salary and bonus payable		339,587	
			The balance of each vendor has not exceeded 5% of total accounts payable
Others		<u>225,689</u>	
Subtotal from non-related parties		<u>973,433</u>	
Related party -			
Investments payable		11,963,644	
Financing payables		2,618,940	
			The balance of each vendor has not exceeded 5% of total accounts payable
Others		<u>43,593</u>	
Subtotal from related parties		<u>14,626,177</u>	
		<u>\$ 15,599,610</u>	

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF LONG-TERM BORROWINGS  
DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Tabel 7

Creditor	Summary	Amount	Contract Period	Interest Rate	Collateral or Security	Note
MUFG Bank	Unsecured borrowings	\$ 1,500,000	Borrowing period is from December 30, 2021 to December 30, 2024.	1.99%	None	
Mega International Commercial Bank	Syndicated loans-tranche A	11,400,000	Five years from the date of first drawdown(November 25, 2022).	1.79%~1.81%	None	
Mega International Commercial Bank	Syndicated loans-tranche B	<u>3,000,000</u>	Five years from the date of first drawdown(August 1, 2022).	1.78%~1.80%	None	
		<u>\$ 15,900,000</u>				
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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Tabel 8

Item	Amount	Note
Net sales revenue	\$ 67,541,486	
Repairs and maintenance revenue	232,316	
Others	86,793	
Other operating revenue	319,109	
	<u>\$ 67,860,595</u>	

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF OPERATING COST  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Table 9

Items	Amount	Note
Inventory at beginning of year	\$ 4,959,184	
Add: Purchased during the year	66,138,150	
Less: Inventory at end of year	( 5,877,020)	
Reclassification to operating expenses	( 174,281)	
Others	( 9,824)	
Cost of sales	65,036,209	
Loss on decline in market value	32,571	
Others	( 1,530)	
	<u>\$ 65,067,250</u>	

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF OPERATING EXPENSE  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Table 10

Items	Selling expense	Administrative expense	Expected credit loss	Total	Note
Wages and salaries	\$ 497,797	\$ 443,347	\$ -	\$ 941,144	
Warehousing expense	91,297	81,311	-	172,608	
Material used	154,062	137,211	-	291,273	
Freight	119,452	106,386	-	225,838	
Impairment loss	-	-	16,092	16,092	
Other expenses	263,285	218,358	-	481,643	The balance of each item has not exceeded 5% of total expenses.
	<u>\$ 1,125,893</u>	<u>\$ 986,613</u>	<u>\$ 16,092</u>	<u>\$ 2,128,598</u>	

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SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF CURRENT EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES SUMMARIZED BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Table 11

	Years ended December 31,					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit						
Wages and salaries	\$ -	\$ 941,144	\$ 941,144	\$ -	\$ 929,133	\$ 929,133
Employee social security	-	69,249	69,249	-	68,659	68,659
Pension	-	39,242	39,242	-	37,331	37,331
Directors' remuneration	-	7,900	7,900	-	7,500	7,500
Other employee benefit	-	36,843	36,843	-	31,063	31,063
	<u>\$ -</u>	<u>\$ 1,094,378</u>	<u>\$ 1,094,378</u>	<u>\$ -</u>	<u>\$ 1,073,686</u>	<u>\$ 1,073,686</u>
Depreciation	\$ -	\$ 103,690	\$ 103,690	\$ -	\$ 104,029	\$ 104,029
Amortisation	\$ -	\$ 27,944	\$ 27,944	\$ -	\$ 24,598	\$ 24,598

1. As of December 31, 2022 and 2021, the Company had 746 and 776 employees, including 6 and 5 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:
  - (1) Average employee benefit expense in current year was \$1,468 ((Total employee benefit expense in current year-Total directors' compensation in current year)/(Number of employees in current year-Number of non-employee directors in current year)).  
Average employee benefit expense in previous year was \$1,383 ((Total employee benefit expense in previous year-Total directors' compensation in previous year)/(Number of employees in previous year-Number of non-employee directors in previous year)).
  - (2) Average employee salary in current year was \$1,272 (Total employee salaries in current year / (Number of employees in current year-Number of non-employee directors in current year)).  
Average employee salary in previous year was \$1,205 (Total employee salaries in previous year/(Number of employees in previous year-Number of non-employee directors in previous year)).

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION  
DETAILS OF CURRENT EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES SUMMARIZED BY FUNCTION (Cont.)  
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Table 11

- (3) Adjustment of average employee salary was 5.56% ((Average employee salary in current year-Average employee salary in previous year)/Average employee salary in previous year).
- (4) The Company has independent directors; thus, there is no remuneration for supervisors.
- (5) The Company's policies for remuneration payments:
  - A. Directors: Under the Article 38 of the Company's Articles of Incorporation, a ratio of distributable profit of the current year shall be distributed as directors' remuneration. The ratio shall not be higher than 1%. The Company established a remuneration committee. The remuneration committee shall provide recommendations for directors' remuneration after taking into consideration the related regulations and the Company's annual operating profit. The directors' remuneration shall be proposed to the Board of Directors for approval and be reported at the shareholders' meeting.
  - B. Managerial officers: The Company established a remuneration committee. Performance assessments and compensation levels of managerial officers shall take into account the general pay levels in the industry. Also, to be evaluated are the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure.
  - C. Employees: The Company concentrates on providing a harmonious work environment, a lifelong development opportunity to employees and a long-term promise in relation to joint development with the Company. The Company reviews the standard salary level in the market on a regular basis to ensure its salary level is reasonable and competitive. The Company offers a competitive and differential salary standard along with the differential contribution in order to encourage productive employees to earn a good compensation in comparison, and salary is correlated with the ability and performance of employees.

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