Stock code：2347

Synnex Technology International Corporation

2014 Annual Review

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Linkuo logistics center
No.15, Dinghu 9th St., Guishan Township, Taoyuan County, Taiwan, R.O.C
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Taichung logistics center (Taichung branch)
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China logistics center
China: Shanghai, Beijing, Nanjing, Chengdu, Shenyang, Hangzhou, Tianjin, Xi'an, Qingdao, Guangzhou, Suzhou, Wuhan, Zhengzhou, Hefei, Xiamen, Nanchang

Australia logistics center
Australia: Melbourne, Sydney

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Stock Affairs Department of Chinatrust Commercial Bank
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CPA for the latest financial statement
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Luxembourg Stock Exchange
For your convenience, please check London Stock Exchange for GDR trading information.
(website: www.londonstockexchange.com)
Ticker symbol: SYXZF

SYNNEX 聯強國際
www.synnex-grp.com

Important Notice:

This Annual Review is a “short form” overview. It is designed to provide a concise summary of Synnex’s activities and financial position for the year ending December 31, 2014. This Annual Review does not represent or summarize all publicly available information about Synnex. There is other publicly available information from Synnex’s Annual Report (only Chinese version), information that has been notified to the Taiwan Stock Exchange Corp. and Securities And Futures Bureau, Financial Supervisory Commission, Executive Yuan, R.O.C., and other information publicly released by Synnex.

Synnex's statements of its current expectations are forward-looking. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially, including possible fluctuations in the demand for products and services, possible fluctuations in economic conditions affecting the industry and its customers, Synnex's ability to provide new products and services and to gain consumer acceptance for them, Synnex's ability to compete with existing and new competitors, and Synnex's ability to control its expenses and cash usage. Synnex undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the issuance of Synnex's statements.

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Synnex……The stagecoach that never stops

Leading distribution services provider

The leading 3C logistics and distribution services provider in Asia Pacific region

Globally unique business model

First of all, initiate quadruple channel operation model of sales, distribution, maintenance and CTO (Configuration To Order).This successful business model has been copied from Taiwan to Australia, New Zealand, Thailand and China/Hong Kong.

High value added distribution services provider

The solid logistic capabilities of Synnex provides upstream and downstream business partners with high value added services, so that while the tough back office processing including inventory management, maintenance and real-time production (CTO) are being taken care of by Synnex, customers from downstream can concentrate on sales operations; while the complex sales distribution operations are being taken care of by Synnex, suppliers from upstream can focus on R&D, production and branding. During the activity chain of product flow, the critical integration role that Synnex played in midstream is provision of high value-added services.

Non-stop positive growth cycle

Multi-brand franchise→ Increases customer numbers→ Provide high value-added back office logistics services→ Establish dense distribution network→ Multi-product franchise→ Expand economic scale→ Lower operation expense ratio →Expand market share→ Multi-brand and multi-product franchise→……….

Efficient back office operation mechanism

- Tailor made, self-developed digital nervous system - ERP information management system.
- Fast and convenient post-sales services network.
- Efficient and quality automatic warehousing and distribution operation.
- Tailor made real time production (CTO) center.
- “Synnex’s e-City” has become a leading 3C content website in Taiwan.

Comprehensive business philosophy

Maximize shareholder value, improve information transparency.

Maximize profits for customers and suppliers.

Provide reliable and satisfactory products and services to end-users.

Cultivate employees and maintain labor-management cooperation.

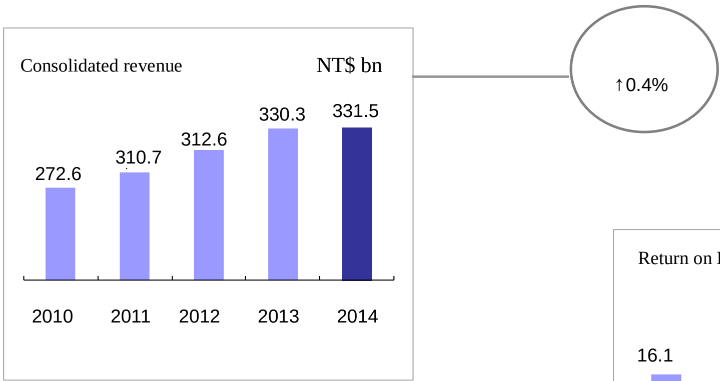
Satisfy corporate social responsibility.

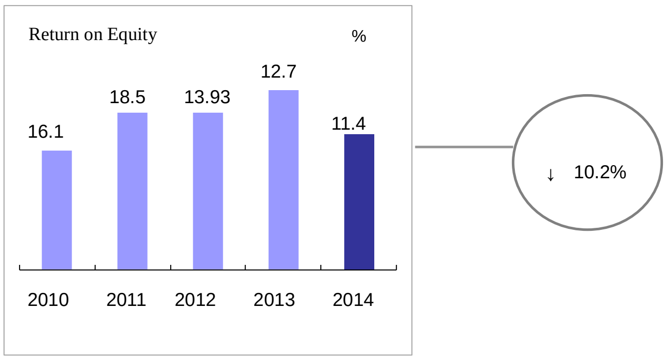
2014 Consolidated Financial Performance

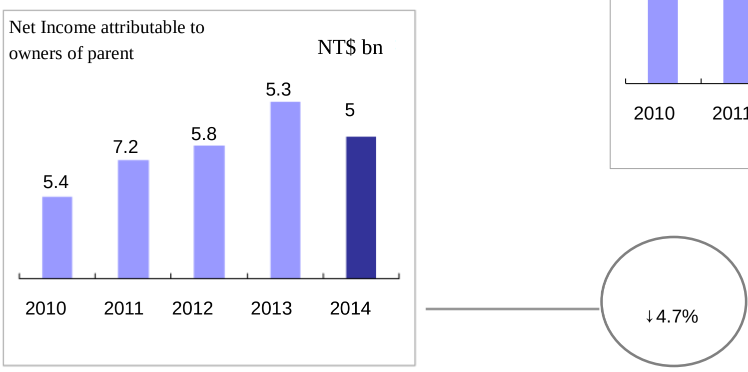
Unit: NTD

Item / Year	2013	2014	Increase (Decrease) (%)
Consolidated revenue (in bn)	330.3	331.5	0.4
Income before income tax (in bn)	6.39	6.22	(2.7)
Net Income attributable to owners of the parent (in bn)	5.27	5.02	(4.7)
EPS (after retroactive adjustment) (NTD)	3.32	3.16	(4.8)
Gross profit margin (%)	3.3	3.5	6.1
Operating expense ratio (%)	2.2	2.1	(4.5)
Operating income ratio (%)	1.2	1.3	8.3
Return on Equity (ROE) (%)	12.7	11.4	(10.2)
Average Collection Days	50	50	-
Average Inventory Turnover Days	35	37	5.7
Average Payment Turnover Days	32	35	9.4
Net operating revenues per employee (in NTD million)	63	68	7.9

* Net operating revenues per employee = Net operating revenue/Annual average number of employees (including part time employees).







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Letter to shareholders

Dear shareholders:

The global economy maintained a moderate recovery in 2014 and developed countries gradually steered away from the slump they were in previous years. However, the economies of emerging countries that led the global economy in the last few years are slowing down. The business operation of Synnex has shown a similar situation. The channel business in the United States and Australia maintains a stable and healthy growth momentum; also, the Components Division has performed outstandingly with an adequate product strategy. As for the business operation in Chinese market, due to the impact of slow economic growth in China, the company faces greater challenges there. While facing constant changes in global economy, Synnex with a multi-nation, multi-channel, and multi-product deployment strategy is continuing to grow steadily and the support of our shareholders is highly appreciated.

Synnex had its operation management capability upgraded substantially in 2014; also, the seventh-generation operation management system update and on-line was completed during the year. It was a 12-year and 250-R&D personnel involved project with eight systems planned, researched, and developed, including product management, channel management, logistics management, repair & maintenance and customer service, finance management, account credit management, human resources management, and administration management, as well as a total of 162 sub-system, 2,098 sub-function, and 28,000 program modules.

The new system will help effectively improve operation performance and strengthen management. It also contains two profound and significant meanings: (1) the new system adopting the Group Edition infrastructure; each business unit of Synnex using the same system infrastructure in order to have the Synnex channel business philosophy, operational mechanism, management policies and systems, and daily operating procedures and processes effectively penetrated and substantiated in the business units in different countries and regions; (2) the new system infrastructure in supporting the development of new business models showing more flexibility and agility in order to quickly respond to the changes in channel business model and market trends; also, develop an innovative business pattern ahead of the market.

In terms of business operation to each business unit, following the computer system fully updated in Australia in 2012, Sydney large automated logistics center was opened in 2014 that was very helpful to the business growth and operational efficiency in Australia. Australia channel business had continued to perform outstandingly in 2014, in addition to the outstanding performance in the consumer market, the growth momentum of the commercial market was further expanded and accumulated.

In terms of Chinese channel business operation, due to the slowing growth of the domestic market in recent years, Synnex business growth in the consumer market was interrupted. However, Synnex actively developed the commercial market with good results to show for it, strengthened cooperation with large chain stores and online shopping channels, and actively conducted internal operating system reform with a good outcome expected this year, making Synnex channel business operation in China significantly improved and the core competence for competition enhanced.

Taiwan channel business is facing difficulty to grow significantly due to market saturation, but Synnex is committed to enhance the management delicacy, to innovate, research, and develop new business models, and seek for a breakthrough. The Elements & Components Division continues to grow and breakthrough in sales with a clear product strategy, combined with high quality, high efficiency, and high agility of logistics management services, and a close cooperation with the upstream and downstream; moreover, the growth momentum of the business is expected to continue in 2015.

In prospect of 2015, the global economy is expected to maintain a moderate recovery. Synnex holds a cautiously optimistic attitude towards the operating outlook and will actively seek an opportunity for breakthrough, continue to strengthen the core capability, deepen the implementation of sophisticated management, and pursue better operating performance. Therefore, we urge our shareholders to give us support and encouragement continuously.

Below are the key 2014 highlights for our company:

1. **Revenue and profit**

   Synnex's 2014 consolidated revenue was NTD331.5 billion, representing 0.4% growth from the previous year. In terms of revenue for respective products, information products was NTD179.6 billion, representing a 1% decline; communication products was NTD16.9 billion, representing an 8% decline; IC components was NTD85.9 billion, representing a 16% increase; consumer electronics was NTD49.1 billion, representing a 12% decline. Net profit attributable to owners of parent came in at NTD5.02 billion. The EPS was NTD3.16. Synnex did not have its 2014 financial forecast published; therefore, the information of the budget execution is not available for disclosure.

2. **Concrete operating results**

   (1) Despite its market leading position in Taiwan, Australia, Hong Kong, Indonesia, Thailand, and India, Synnex ranks as the second largest distributor in China. The channel business ranks as the third largest distributor in the USA. Overall, Synnex channel business operation ranks as the third largest distributor worldwide and the largest distributor in Asia.

   (2) Actively introduce consumer electronics products with great success in Australia, Taiwan, and China.

   (3) Continuously strengthen the operation of large chain stores and online shopping channels, streamlined connection with major customers' system to enhance operation results and achieve closer cooperation between both parties.

   (4) Continual growth in commercial information market in China, especially commercial value-added services.

   (5) Stimulate significant business growth through provision of customized logistic management services.

   (6) Complete the seventh-generation operation management system update and on-line.

The 2015 important production and sales policy:

1. **Actively introducing consumable smart products:**

   Smartphone and Tablet PC market penetration rate has been high with the price declining, but the activated smart product opportunities are growing strong. Synnex will actively expand and operate this market and make good use of the advantages of the consumer electronics channel to expand business opportunities.

2. **Deepen Business Operation of our Chain Stores, Online Shopping and Telecom Operators**

   Synnex has established good cooperative relationships with the major consumer electronics chain stores and online shopping operators in Taiwan, China and Australia. For 2015, Synnex aims to deepen the cooperation relationship by facilitating system connection with the major clients and combines with logistics services to provide comprehensive services while enhancing business efficiency.

3. **Ongoing Expansion of Commercial Information Market**

   As the efforts contributed to commercial market in recent years have started to unfold outcomes, Synnex plans to make perpetual efforts in its commercial software and software product lines, expand positioning on commercial channels, enhance technical support capacities, expedite research related operation mechanism and speed up the expansion of business scale in 2015.

4. **Exercise the advantage of logistics network and develop a diversified and flexible logistics service**

   A complete logistics service network has become an important competitive advantage of Synnex. Synnex intends to take advantages of this advantage to provide quality, efficient, flexible, agile, and diversified logistic services to up and down stream customers to reduce operation cost and logistic difficulties while expediting business development.

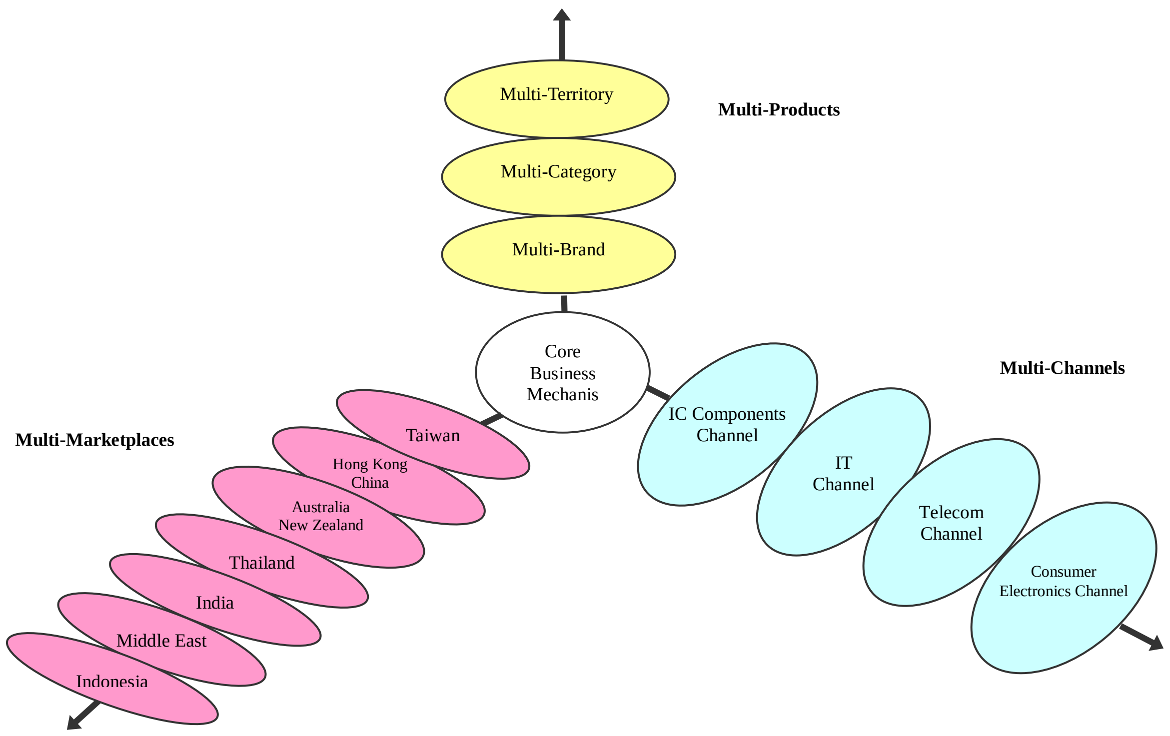
5. **Accelerating the operation management model R&D and innovation and secure the market competitive advantage**

   To maintain the competitive advantage and cope with the ever-changing market, an ongoing innovation on business and technology management is necessary. In recent years, Synnex has been working on setting up a quality management system at its headquarters that is responsible for design of operations model, planning of operations mechanism, analysis of operations and management of operational quality, while expanding software R&D team to enhance Synnex's software competitiveness. In 2015, the team will develop innovative business management technology and enhance core competence and identify breakthrough opportunity for the Company.

Future Development Strategies

To pursue continuous and stable growth in this rapidly changing market environment full of uncertainties, Synnex will follow a three point strategy (see the figure below), made up of multi-product, multi-channel and multi-nation strategies. Through these strategies, we aim to create greater opportunities while effectively diversifying operational risks.

Synnex's development strategy



Impact of External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

In respect of external competitiveness, there has been a tendency toward brand concentration in the smart phone market in the last two years. Business fluctuations are affected by the frequency of changing leading brands. Even so, thanks to Synnex's long-term brand agency strategy and years of good practice in the telecom industry and its sound relationships with major global mobile phone brands, Synnex should be able to cope with this changing market environment.

In terms of regulatory environment, Synnex has always been aware of changes in domestic and international policies and regulations that may affect the company's finances and business, and we have, over time, adopted appropriate measures to protect the interests of the company. Taiwan will start implementing International Financial Reporting Standards (IFRS) from 2013. To cope with this significant change, Synnex formed an ad hoc group in 2010 to deal with corresponding measures and necessary adjustments. Meanwhile, the company is committed to disclosing information in a timely fashion, as required by regulators.

As for the Macroeconomic Environment, as Synnex is operating a wide range of businesses in China, the relaxation of cross-strait tensions and the governments' clearer cross-strait policies are expected to ease any uncertainty regarding our operations and have a positive effect on the company's business management. Additionally, we have a multi-market business development strategy. That is, on one hand, expand market coverage; on the other, lower country concentration risk.

Last but not least, we would like to offer our sincere gratitude to our shareholders for their support and encouragement, and we expect further guidance and support in the coming year. With consistent business philosophy and innovation, the management team is committed to achieving excellence.

Best regards,

Matthew Feng-Chiang Miau
Chairman

Evans S.W. Tu
President and CEO

Synnex highlights

Synnex highlights

I. Company profile

1) Milestone

Setup date: September 12, 1988

Year	Important significance
1988	▪ Synnex Technology International Corporation was established with authorized capital of NTD2 hundred million, and Matthew Feng-Chiang Miau served as chairman and Evans S.W. Tu served as president. ▪ MIS operations reached real-time requirement.
1989	▪ Establish LEMEL brand. ▪ NTD 20 million was spent to purchase large mainframe computers and accessories to meet the needs of further computerization. ▪ Established Kaohsiung and Taichung branches to expand south and central Taiwan business.
1990	▪ Confirmed development information and communicate channel business, determined to adopt “open channel” operation, first initiating triple channel operation model of sales, distribution, and maintenance.
1991	▪ The computer material management system won “The 1st outstanding information application awards” that conferred by Institute for Information Industry and accredited by all panel of judges.
1992	▪ Established logistics delivery truck fleet to provide rapid delivery services of “half-day delivery” to customers in Taipei region.
1993	▪ Linkuo logistics center officially opened. ▪ Established logistics delivery fleet in central and south region to provide rapid delivery services to customers in south and central region. ▪ Introduced “small quantity, various type and one stop shopping" to the resellers to lower inventory risk for the resellers and enhanced purchasing convenience. ▪ Introduced LEMEL PC
1994	▪ Provided resellers with industry-leading "four half-day" (two days) rapid maintenance services ▪ Launched monthly journal of “Synnex’s shopping mall” which had become the resellers’ must-buy tools.
1995	▪ Shares officially listed on Taiwan Stock Exchange that was the first listed distributor in Taiwan.
1996	▪ Largest increase in stock price in 362 listed companies in the first half year of 1996.
1997	▪ Provide rapid maintenance services of “repair tonight, retrieve the day after tomorrow” to customers. ▪ Communication resellers had reached 3000. ▪ Merge Laser Computer Ltd. (name changed to Synnex Technology International (HK) Ltd. in 2005) to expand its reach to Hong Kong and China.
1998	▪ The 2nd warehouse with highly automated warehousing operations in Linkou logistics center completed and started operation. ▪ Real time production center (Configuration-To-Order) of PC has completed, it is the first tailor made real time production line of PC for customers in Taiwan. ▪ Merge Australian subsidiary to expand reach to Australian market.
1999	▪ Establish “cellular phone rapid repair services” throughout Taiwan to provide customers with “30 minutes cellular phone maintenance services”. ▪ Merge Compex Ltd. In Thailand (name changed to Synnex (Thailand) Co., Ltd. in 2002 and changed to Synnex (Thailand) Public Company Ltd. in 2008) to expand its reach to the Thailand market. ▪ The annual turnover of communication business has exceeded NTD10 billion, become one of the three major business of Synnex along with information and electronics components business.
2000	▪ Provide customers with “cellular phone 2-year warranty” services. ▪ The third warehouse in Linkuo logistics center completed and started operation; it is an automatic guided warehouse. ▪ Launch “Synnex e-City” website and “Dedicated website for Synnex resellers” to develop electronic marketing and electronic services. ▪ Considering Synnex’s valuable management experience, Shang-Xun Culture Co., Ltd. decided to publish “The stagecoach that never stops”.
2001	▪ The Taichung logistics center with 7,300 pings (equal to 24,131.61 square meters (3.3057*7300)) started operation; its logistics capacity is 1.3 times of the Linkuo logistics center. ▪ The 5,200 ping (17,189.64 square meters) Logistics center in Australia officially started operation. ▪ With “cellular phone rapid maintenance center” upgraded to “Synnex maintenance center,” Synnex has expanded its maintenance services to all 3C products sold. ▪ Integrate maintenance center, maintenance and collection center and resellers into “Synnex maintenance network” to become the densest IT and Telecom maintenance network and also provide maintenance services to products not sold by Synnex. ▪ Develop Logistic Service Provider (LSP)

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Year	Important significance
2002	▪ The 2,700 ping (8,925.39 square meters) logistics center in Thailand started operation. ▪ The annual visitors of "Synnex e-City" has reach 9.5 million, its content has been referenced by 120 websites, the ICP (Internet Content Provider) role has been formed. ▪ Conduct stock swap strategy with Bestcom Infotech Corporation to cultivate IT commercial market in Taiwan.
2003	▪ Logistics center in Australia and Thailand has imported CTO customize real-time production mechanism to provide customers with customize PC services. ▪ Use the outstanding services of "Synnex products" to develop brand marketing. ▪ The consolidated turnover has exceeded NTD100 billion and reach 108.2 billion.
2004	▪ Merged and acquired Yongkang Enterprises and Teampo Tech Co., Ltd. to expand component and parts business scale. ▪ Acquire shares in India's Redington Group to expand its reach to India, Middle-East and Africa, the global distribution channel layout has been formed.
2005	▪ Shanghai logistics center started operation. ▪ Establish New Zealand subsidiary.
2006	▪ The operation of Linkuo logistics center was officially launched; it has doubled the operation capacity. ▪ Establish consumer electronics business, it is another core business after components, IT and Telecom.
2007	▪ Obtained Nokia cellular phone's exclusive distribution rights in China region, it has officially opened the overseas market for communication business. ▪ Thailand logistics center has imported automated warehousing operation.
2008	▪ Plans to establish logistics center in China has been developed smoothly, the establishment of Shanghai 2nd period, Chengdu, Nanjing, Beijing logistics center has been activated. ▪ Components business group has competed the comprehensive update of computer system; the operation efficiency of components has been enhanced.
2009	▪ Logistics centers in Nanjing, Chengdu, Beijing and Shengyang officially started operation. ▪ Consolidated turnover has exceeded NTD200 billion and reach NTD220.7 billion.
2010	▪ Tianjin and Hangzhou logistics centers officially started operation. ▪ India's Redington Group acquired stakes in Turkey's second largest information distributor Arena, opening the door to east Europe.
2011	▪ Set up a joint venture with Indonesia's largest computer group Metrodata Electronics, Synnex has officially established its presence in Indonesian market and marks another foray in Asia's emerging market. ▪ The Logistics Center in Xian and Qingdao City were officially opened. ▪ Consolidated revenue has exceeded NTD300 billion and reached NTD312.6 billion.
2012	▪ Logistic centers in Suzhou, Guangzhou, and Wuhan are officially in service. ▪ A comprehensive computer system update was completed in Australia to enhance effectiveness of operational management.
2013	▪ The consolidated revenue reached record high at NTD330.3 billion.
2014	▪ Sydney (Australia) logistic center officially started operation. ▪ Hefei (China) logistic center officially started operation. ▪ Xiamen (China) logistic center officially started operation.
2015	▪ Nanchang (China) logistic center officially started operation.

2) Awards

Year	Awards
1991	▪ The computer material management system won “the 1st outstanding information application awards” that conferred by Institute for Information Industry and accredited by all panel of judges.
1998	▪ Both Chairman Matthew Feng-Chiang Miau and President Evans S.W. Tu have been voted by senior journalists in the industry as “10 most important people in the development history of information industry in Taiwan.” ▪ Evans S.W. Tu has been voted by the fund managers in Taiwan as one of five “most worthwhile professional managers in the next five years.”
1999	▪ Synnex has been listed by Asiamoney as one of top 50 “Best Managed Companies” in Asia-Pacific region.
2000	▪ The Thailand subsidiary has been named by Computer Association of Thailand as “Thailand’s best distributor” and “Best marketing performance award.”
2001	▪ Granted one of 15 companies won Microsoft’s Windows Embedded Partner Gold Program.
2002	▪ Ranked #8 among 2001 Taiwan’s top 500 service companies in Commonwealth Magazine and Business Weekly ▪ Ranked #4 among the top 100 IT Company listing in Business Week magazine. ▪ Computer Weekly reported that Synnex is considered by 3C retailers to be the best channel distributor.
2003	▪ Synnex is ranked by Interbrand as “Taiwan Top 10 Global Brands” of the 10 brands; Synnex is the only brand in the service sector. ▪ Voted by industry, official and university professionals who were invited by CommonWealth Magazine and Accenture as “Outstanding service.” ▪ Named by CommonWealth Magazine as “Benchmark Enterprise.” ▪ Voted by analysts and fund managers of major global financial institutions as the third “Taiwan’s best managed company” in Asiamoney Magazine. ▪ Ranked #56 among the top 100 IT Company listing in Business Week Magazine. ▪ Ranked by Business Weekly as the 2002 largest IT/Telecom/IC distribution services provider in Taiwan.
2004	▪ Ranked by new Micro Electronics magazine as “Top 10 outstanding electronics component distributor” in 2004 in Taiwan. ▪ Ranked #36 among Top 1000 Cross-Strait Listing Firms by Business Weekly in 2003. ▪ Ranked #7 among 500 service companies listing in Business Weekly in Taiwan in 2003. ▪ The subsidiary in Australia was ranked #20 as “50 Companies with Good Asset Use” by BRW magazine.
2005	▪ Ranked #8 in “Top 10 Taiwan Global Brands” by Interbrand. ▪ Ranked #11 among 500 service companies listing in Business Weekly in Taiwan in 2004. ▪ Named by CommonWealth Magazine as “Benchmark Enterprise”. ▪ Ranked #11 among 500 service companies listing in Business Weekly in Taiwan in 2004.
2006	▪ Ranked #15 among 500 service companies listing in CommonWealth Magazine in Taiwan in 2005. ▪ Ranked #7 among 500 service companies listing in Business Weekly in Taiwan in 2005. ▪ Named by CommonWealth Magazine as “Benchmark Enterprise”. ▪ Awarded “Gold sales award” by China’s China Marketing magazine. ▪ Awarded by China’s “Computer products and distribution” as gold list award of 10 outstanding distributors. ▪ Ranked #2 in distributors among the top 100 IT company listing in Computer Business Information
2007	▪ Named by CommonWealth Magazine as “Most Admired Company” in 2007. ▪ Ranked #7 among 500 service companies listing in CommonWealth Magazine in Taiwan in 2006. ▪ Ranked #1 by among electronics distributors and #73 among Top 1000 Cross-Strait Listed Firms by Business Weekly in 2006. ▪ Ranked #11 in “Taiwan Top Global Brands” by Interbrand.
2008	▪ Named by CommonWealth Magazine as “Most Admired Company” in 2008. ▪ Ranked #6 in a 2007 survey of Taiwan's top 500 service companies carried out by Business Weekly. ▪ Ranked #24 among “Top 50 Chinese consumer brands” by Business Today in 2008. ▪ Ranked #9 in “Taiwan Top Global Brands” by Interbrand. ▪ Evans S.W. Tu was awarded by National Chiao Tung University as Top 50 Most influential Alumni”.
2009	▪ Ranked #9 in “Taiwan Top Global Brands” by Interbrand. ▪ Ranked #7 in a 2008 survey of Taiwan’s top 500 service companies carried out by Business Weekly. ▪ The seventh consecutive years named by CommonWealth Magazine as “Most Admired Company” in 2008. ▪ Ranked #8 in “Investor Satisfaction” among “Taiwan Technology Best 100 Companies” by Business Next in 2008.

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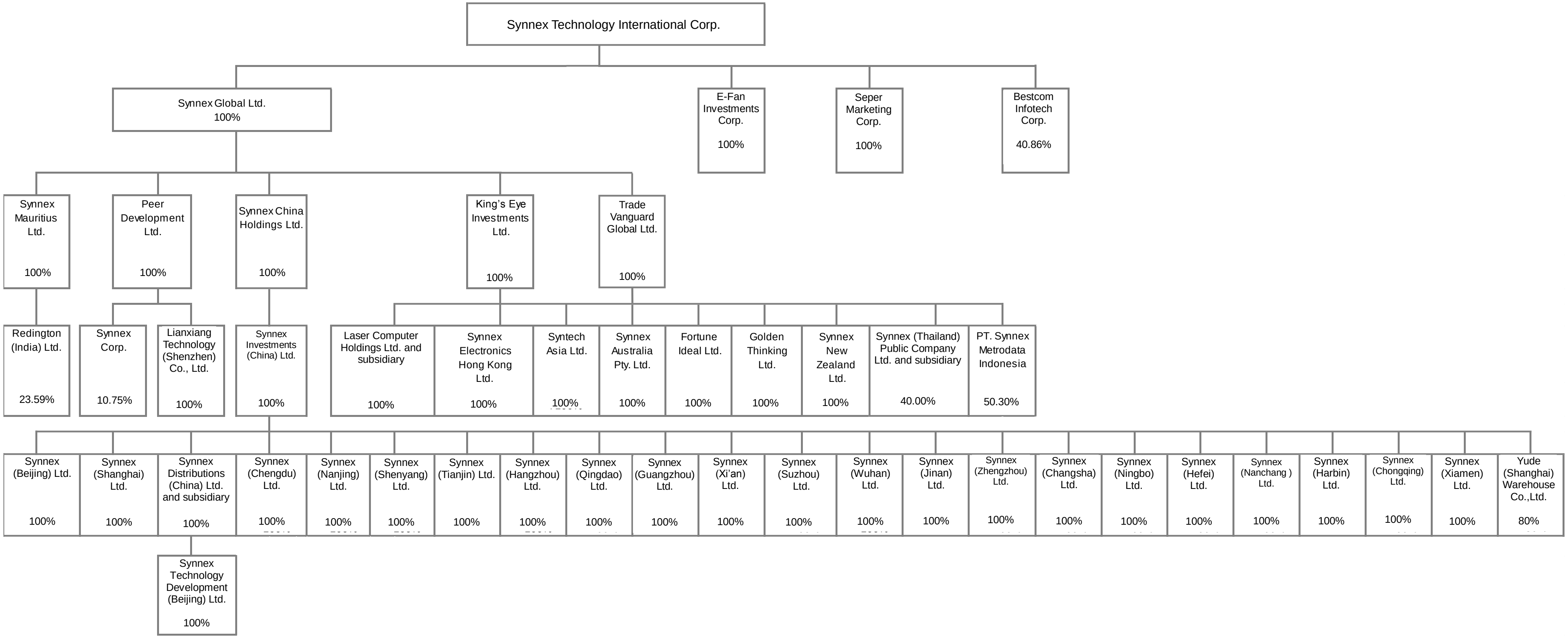
Year	Awards
2010	▪ Ranked #9 in "Taiwan Top Global Brands" by Interbrand. ▪ The eighth consecutive years named by CommonWealth Magazine as "Most Admired Company" in 2010. ▪ Ranked #6 in a 2009 survey of Taiwan's top 500 service companies carried out by Business Weekly; while ranked #1 in IT, Telecom and IC distributors. ▪ Turnover ranked #3 among "Top 50 Cross-Strait Listed Distributors" by Business Today in 2010. ▪ Ranked #43 among "Taiwan Technology Best 100 Companies" by Business Next in 2010, which has been progressed by 35 in the ranking when comparing to 2009. ▪ Ranked #37 among "The Tech 100" by Bloomberg BusinessWeek in 2010.
2011	▪ Ranked #9 in "Taiwan Top Global Brands" by Interbrand with a brand value of USD$317 million. ▪ Awarded with the "Taiwan's 100 major brands" by the Ministry of Economic Affairs. ▪ The ninth consecutive years named by CommonWealth Magazine as "Most Admired Company" in 2011. ▪ Ranked #6 in a 2011 survey of Taiwan top 500 service companies carried out by CommonWealth Magazine.
2012	▪ Ranked #8 in "Taiwan Top Global Brands" by Interbrand with a brand value of USD$339 million. ▪ The tenth consecutive years named by CommonWealth Magazine as "Most Admired Company" in 2012. ▪ Ranked #6 in a 2012 survey of Taiwan's top 500 service companies carried out by CommonWealth Magazine; also, ranked in the 7th place of the "Most Profitable Service Companies."
2013	▪ Ranked #9 in "Taiwan Top Global Brands" by Interbrand with a brand value increased by 2% YoY to USD$345 million. ▪ The 11th consecutive years named by CommonWealth Magazine as "Most Admired Company" in 2013. ▪ Ranked by CommonWealth Magazine as 6th within service industry in the top 2000 companies.
2014	▪ Ranked #9 in "Taiwan Top Global Brands" by Interbrand with a brand value increased to USD$345 million. ▪ The 12th consecutive years named by CommonWealth Magazine as "Most Admired Company" in 2014. ▪ Ranked by CommonWealth Magazine as 6th within service industry in the top 2000 companies.

II. Corporate Governance Report

1) Organization

2014.12.31

- **Group Structure**

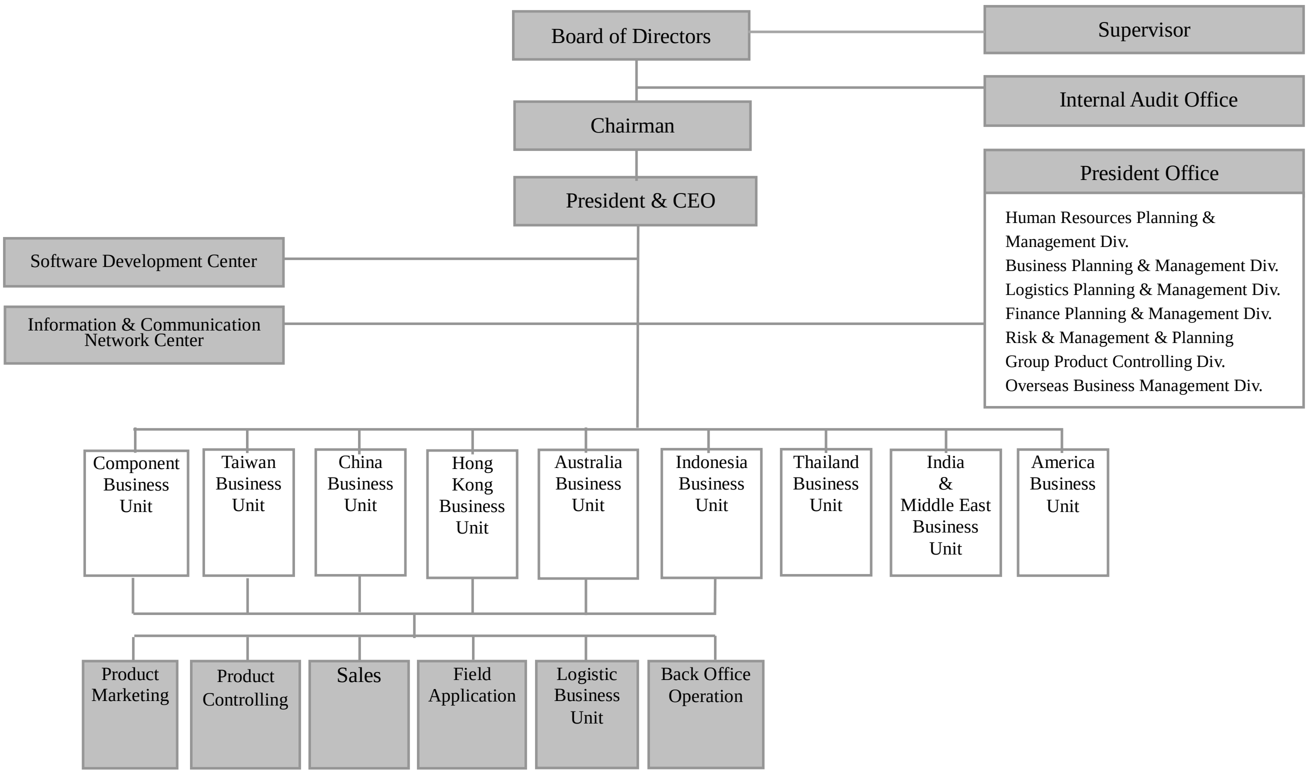


Basic Information of group companies 2014.12.31 Unit: thousand

Company name	Date established	Location	Capital		Main business or production types
Seper Marketing Corp.	1990.02.23	Taipei	NTD	1,000	Sales of IT/Telecom products in Taiwan
E-Fan Investments Corp.	2001.06.28	Taipei	NTD	225,000	Investment holding company
Synnex Global Ltd.	1996.12.27	BVI	US$	548,250	Investment holding company
Synnex Mauritius Ltd.	2004.12.02	Mauritius	US$	24,000	Investment holding company
Peer Development Ltd.	1996.12.27	BVI	US$	30,200	Investment holding company
Synnex China Holdings Ltd.	2002.07.19	BVI	US$	100,200	Investment holding company
King's Eye Investments Ltd.	1997.01.23	BVI	US$	62,477	Investment holding company
Trade Vanguard Global Ltd.	2014.04.15	BVI	US$	100,000	Investment holding company
LianXiang Technology (Shenzhen) Ltd.	2011.05.26	Shenzhen, China	US$	200	Sales of electronic components in China region.
Synnex Investments (China) Ltd.	2007.11.05	Shanghai, China	US$	200,000	Investment holdings company in China
Synnex (Beijing) Ltd.	2002.10.11	Beijing, China	US$	9,000	Production and sales of IT/Telecom products in China
Synnex (Shanghai) Ltd.	2002.10.15	Shanghai, China	US$	22,000	Production and sales IT/Telecom products in China
Synnex Distributions (China) Ltd.	2005.11.25	Shanghai, China	US$	230,000	Production and sales of IT/Telecom products in China
Synnex (Chengdu) Ltd.	2006.11.06	Chengdu, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Nanjing) Ltd.	2006.12.20	Nanjing, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Shenyang) Ltd.	2008.08.19	Shengyang, China	US$	3,000	Production and sales of IT/Telecom products in China
Synnex (Tianjin) Ltd.	2009.04.21	Tianjin, China	US$	4,500	Production and sales of IT/Telecom products in China
Synnex (Hangzhou) Ltd.	2009.11.25	Hangzhou, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Qingdao) Ltd.	2010.03.04	Qingdao, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Guangzhou) Ltd.	2010.03.18	Guangzhou, China	US$	12,000	Production and sales of IT/Telecom products in China
Synnex (Xi'an) Ltd.	2010.03.24	Xi'an, China	US$	4,000	Production and sales of IT/Telecom products in China
Synnex (Suzhou) Ltd.	2010.06.17	Suzhou, China	US$	6,000	Production and sales of IT/Telecom products in China
Synnex (Wuhan) Ltd.	2010.12.08	Wuhan, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Jinan) Ltd.	2010.12.06	Jinan, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Zhengzhou) Ltd.	2011.01.07	Zhengzhou, China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Changsha) Ltd.	2011.03.23	Changsha, China	US$	4,000	Production and sales of IT/Telecom products in China
Synnex (Ningbo) Ltd.	2011.06.15	Ningbo, China	US$	4,000	Production and sales of IT/Telecom products in China
Synnex (Hefei) Ltd.	2011.07.15	Hefei, China	US$	6,100	Production and sales of IT/Telecom products in China
Synnex (Nanchang) Ltd.	2011.08.24	Nanchang China	US$	4,000	Production and sales of IT/Telecom products in China
Synnex (Harbin) Ltd.	2012.03.26	Harbin China	US$	5,000	Production and sales of IT/Telecom products in China
Synnex (Chongqing) Ltd.	2012.05.09	Chongqing China	US$	600	Production and sales of IT/Telecom products in China
Synnex (Xiamen) Ltd.	2012.05.07	Xiamen China	US$	6,000	Production and sales of IT/Telecom products in China
Yude (Shanghai) Warehouse Co., Ltd.	2012.06.18	Shanghai, China	RMB	2,400	Provision of warehousing services in China
Synnex Technology Development (Beijing) Ltd.	2007.12.06	Beijing, China	RMB	50,000	Production and sales of IT/Telecom products in China
Laser Computer Holding Ltd. and subsidiary	2001.09.06	BVI	US$	36,850	Sales of IT products in Hong Kong/China region.
Synnex Electronics Hong Kong Ltd.	1993.09.09	Hong Kong	US$	300	Sales of electronic components in Hong Kong / China region.
Syntech Asia Ltd.	2011.03.11	Hong Kong	US$	300	Sales of electronic components in Hong Kong / China region.
Synnex Australia Pty. Ltd.	1991.06.06	Australia	AUS	33,250	Sales of IT products in Australia.
Fortune Ideal Ltd.	2000.09.04	Hong Kong	HKD	14,500	Operate Australia's logistics center.
Golden Thinking Ltd.	2010.02.19	Hong Kong	HKD	28,000	Operate Australia's logistics center.
Synnex New Zealand Ltd.	2005.07.18	New Zealand	NZD	1,500	Sales of IT products in New Zealand.
PT. Synnex Metrodata Indonesia	2000.05.23	Indonesia	IDR	300,000,000	Production and sales of IT/Telecom products in South-East Asia
Synnex (Thailand) Public Company Ltd. and subsidiary *	1988.04.05	Thailand	THB	770,329	Sales of IT products in Thailand.
Redington (India) Ltd.*	1961	India	INR	799,200	Sales of IT/Telecom products in India, Middle East and Africa
Synnex Corporation*	1980	USA	USD	40	Sales of IT products in Europe, US and Japan.
Bestcom Infotech Corp.*	1987	Taipei	NTD	1,032,033	Sales of IT products in Taiwan.

* Adopt equity method.

Organization and responsibility



Description of responsibilities

Board of Directors

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

President office

Human Resources Planning & Management Div.: Responsible for development, planning and training of overall human resources.
Business Planning & Management Div.: Responsible for overall business operation planning, management analysis and process planning.
Logistics Planning & Management Div.: Responsible for overall operation planning, management analysis and process planning.
Finance Planning & Management Div.: Responsible for overall financial analysis, planning and management.
Risk Management & Planning: Responsible for the overall accounting and legal system development, planning, and management
Group Product Controlling 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.

Software Development Center

Responsible for planning, integration and maintenance of overall ERP system.

Information & Communication Network Center

Responsible for the procurement, management, and maintenance of computers and communications equipment.

Product Marketing: Responsible for planning and implementation of products' operational strategies.
Product Controlling : Responsible for planning and implementation of products' purchase, sales and inventory strategies.
Sales : Responsible for product sales.
Field Application.: Responsible for pre-sale services for product R&D and technology application support.
Logistics Business Unit: Responsible for operational implementation of warehousing, distribution and post-sales maintenance services.

Back office operation

Finance: Responsible for financial management and fiscal tax accounting.
Credit: Responsible for accounts receivable management and credit collection processing.
Customer Service: Responsible for post-sales customer services.
Personnel & Administration: Responsible for planning and implementation of human resource systems.

2) Information on directors, supervisors, presidents, senior executives of divisions & department management

● Information of directors and supervisors

2015.4.14

Title Name	Nationality or registration site	Elected date	Tenure (Year)	Date first elected	Shareholding when elected		Current shareholding		Spouse/Minor children Current shareholding		Shareholding under the names of other parties		Note
					Shares	%	Shares	%	Shares	%	Shares	%	
Chairman/ Matthew Feng-Chiang Miau	USA	2012.6.13	3	1988.9.1	28,623,147	1.82	30,417,147	1.91	-	-	-	-	
Director/ Evans S.W. Tu	ROC	2012.6.13	3	1988.9.1	32,454,649	2.06	34,434,649	2.17	1,511,662	0.10	-	-	
Director/ Yang, Shih-Chien	ROC	2012.6.13	3	2009.6.19	216,381,957*	13.72	216,381,957*	13.62	-*	-	-*	-	Representative of MiTAC Inc.
Director/ Charles H.S. Ching	ROC	2012.6.13	3	2009.6.19	216,381,957*	13.72	216,381,957*	13.62	-*	-	-*	-	Representative of MiTAC Inc.
Independent Director / Yungdu Wei	ROC	2012.6.13	3	2012.6.13	-	-	-	-	-	-	-	-	
Independent Director / Yojun Jiao	ROC	2012.6.13	3	2012.6.13	-	-	-	-	-	-	-	-	
Independent Director / Anping Chang	ROC	2012.6.13	3	2012.6.13	-	-	-	-	-	-	-	-	
Supervisor/ Yang, Hsiang-Yun	ROC	2012.6.13	3	2006.6.12	16,288,643*	1.03	25,430,643*	1.60	-*	-	-*	-	Representative of Lien Hwa Industrial Corp.
Supervisor/ Chou, T.C.	ROC	2012.6.13	3	2006.6.12	16,288,643*	1.03	25,430,643*	1.60	-*	-	-*	-	Representative of Lien Hwa Industrial Corp.

*It is the shareholding of the corporate shareholder, and the shareholding of representative is zero.

Title/Name	Major experience and education		Services concurrently with the Company and other company		Other officers, directors, or supervisors who are the spouse or 2nd degree relatives		
					Title	Name	Relation
Chairman Matthew Feng-Chiang Miau	Chairman of MiTAC Inc. Chairman of MiTAC International Corp. Chairman of Lien Hwa Industrial Corp. President of the UPC	Director of the Getac Technology Corp. MBA of Santa Clara University (USA) Electrical Engineering BA of the University of California at Berkeley	Chairman of MiTAC Inc. Chairman of MiTAC International Corp. Chairman of MiTAC Computing Technology Corp. Chairman of Lien Hwa Industrial Corp. Chairman of Union Petrochemical Corp. Director of Getac Technology Corporation	Director of Lien-Hwa Industrial Gases Co., Ltd. Director of MiTAC Information Technology Corp. Chairman of Mitac Holdings Corp. Director of Synnex Corporation Director of Winbond Electronics Corp. Director of Taitac Chemical Co., Ltd.	None	None	None
Director Evans S.W. Tu	President of Micro Electronics Corp. Vice-president of MiTAC Inc.	Electrical and Control Engineering Degree in National Chiao Tung University	President of Synnex Technology International Co., Ltd. Supervisor of MiTAC Inc. Chairman of Seper Marketing Corp. Director of Harbinger Venture Capital Corp.	Director of Digitimes Inc. Supervisor of MiTAC Information Technology Corp. Director of Harbinger Venture Capital Corp. Director of Bestcom Infotech Corp.	None	None	None
Director Yang, Shih-Chien	Minister without Portfolio ,Executive Yuan Chairman and convener of Science and Technology Advisory Group, Executive Yuan Deputy minister of Ministry of Economic Affairs Vice minister of Ministry of Economic Affairs Director of Industrial Development Bureau, Ministry of Economic Affairs Deputy director of Science Park Administration Director of Department of Planning and Evaluation, National Science Council	Deputy director of sector planning, Council for Economic Planning and Development Technical Specialist of Sector Planning, Council for Economic Planning and Development. Associate specialist, Chung Shan Institute of Science and Technology Ph. D. of Electrical Engineering, Northwestern University Master of Electrical Engineering, Northwestern University Electrical Engineering Degree in National Taiwan University	National Policy Advisor of the Office of the President of the Republic of China Chairman of Global Investment Strategic Find. Chairman of Global Strategic Investment Fund. Chairman of K. T. Li Foundation for the Development of Science and Technology	Independent director of Yageo Corp. Director of Teco Corp. Independent Director of J Touch Corp.	None	None	None
Director Charles H.S. Ching	Assistant vice president of Union Petrochemical Corp. Technical specialist of sector planning, Council for Economic Planning and Development	Part time lecturer in Department of Chemical Engineering, Feng Chia University Master of Industrial Chemistry, National Tsing Hua University,	Director of Lien Hwa Industrial Corp. Director of Pao Long International Co., Ltd. Supervisor of MiTAC International Corp.	Supervisor of Mitac Holdings Corp. Chairman of Health Food Co., Ltd.	None	None	None
Independent Director / Yungdu Wei	Acting Director of the System Board Internal Audit of Georgia University Dean of Finance & Accounting School of Armstrong College of Georgia Senior auditor of Deloitte Haskins & Sells Director of Auditing Department, Deloitte and Controller Director of Audit Service for Greater China area of Arthur Anderson	President and Honorary President of Deloitte Director of Deloitte International Organization Director of Deloitte China Chairman of United Way of Taiwan Director of Child Welfare League Foundation U.S. Internal Auditor CPA, Georgia, USA CPA, R.O.C. Georgia University MBA	Chairman of Yongqin Industrial Company Director of VIS Director of Wangsteak Independent Director of ApexBio Taiwan Independent Director of Far Eastern Department Stores Corp	Independent Director of Taiwan Cement Co., Ltd. Director of MiTAC Holdings Corp.	None	None	None
Independent Director Yojun Jiao	Chairman of Walsin Lihwa Corporation	Master of Electrical Engineering, University of Washington Bachelor of Telecommunication Engineering, National Chiao Tung University	Chairman and CEO of Winbond Electronics Co., Ltd. Chairman of NUVOTON Co., Ltd. Supervisor of MiTAC Holdings Corp. Independent Director of Taiwan Cement Co., Ltd.	Director of WALSIN TECHNOLOGY CORPORATION Director of Song Yong Investment Co., Ltd. Director of Network Link Co., Ltd.	None	None	None
Independent Director Anping Chang	President and Vice Chairman of Chia Hsin Cement Corporation Chairman of WYSE Chairman of GIGAMEDIA LIMITED Chairman of China Network Systems Chairman of L'Hotel de Chine Group Chairman of WYSE (USA) Vice Chairman of Taiwan Cement Co., Ltd. Executive Consultant of CITIC	President of KGI Securities Independent Director of Fubon Holding, Taipei Fubon Bank, and Fubon Securities Director of FETNet Advanced Professional Certificate in Institute of Business Administration of New York University Master of Institute of Business Administration, New York Universityn Bachelor of Economics, Princeton University	Chairman of Chia Hsin Cement Corporation Director of Taiwan Cement Co., Ltd. Director of China Synthetic Rubber Co., Ltd. Director of Taiwan Prosperity Chemical Corporation Director of Taiwan Cement Co., Ltd.	Director of Taiwan Stock Exchange Corp. Director of Cheng Hsin General Hospital Director of Hong Kong Cement Co., Ltd. Executive Officer of LDC Hotels & Resorts Group	None	None	None
Supervisor Yang, Hsiang-Yun	Special assistant in MiTAC International Corp. CFO of MiTAC International Corp.	National Taiwan University MBA	Supervisor of Loyalty Founder Enterprise Co., Ltd. Director of Tailian International Investment Co., Ltd. Supervisor of MiTAC Information Technology Corp Director of Tongda Investment Co., Ltd.	Supervisor of Claridy Solutions, Inc. Chairman of Lian-Yuan Investment Co., Ltd. Director of Health Food Co., Ltd. Supervisor of MiTAC Inc.	None	None	None

(Continued on next page)

(Continue last page)

Title/Name	Major experience and education		Services concurrently with the Company and other company		Other officers, directors, or supervisors who are the spouse or 2nd degree relatives		
					Title	Name	Relation
Supervisor Chou, T.C.	Investment special assistant to chairman, MiTAC International Corp.	Ph. D. of engineering, Rutgers, The State University of New Jersey	Director of MiTAC Inc. Supervisor of Getac Technology Corp. Supervisor of Waffer Technology Corp.	Supervisor of Innopharmax, Inc. Director of National Aerospace Fasteners Corporation	None	None	None

** Other than Evans S.W. Tu's brother (David Tu) is appointed as the Group's business development executive, the remaining directors, supervisors, and other executives, directors or supervisors of the company do not have spouse or consanguineous to 2nd degree relations.

● Major shareholders of the corporate directors or supervisors

2015.4.14

Name of corporate director or supervisor	Major shareholders of the corporate directors or supervisors*
MiTAC Inc.	Lien Hwa Industrial Corp 35.24% Synnex Technology International Corporation 18.36% MiTAC International Corp. 8.69% Mei-An Investment Corp. 8.18% Matthew Feng-Chiang Miau 5.42% Tsu Fung Investment Co., Ltd. 4.40% Hua Cheng Construction Co., Ltd. 1.92% Omron Corporation 1.70% Pao Shin International Investment Co., Ltd. 1.18% Yih Fong Investment Corp. 0.75%
Lien Hwa Industrial Corp	Union Petrochemical Corp. 9.68% Yi Yuan Investment Co., Ltd. 9.14% Yih Fong Investment Corp. 4.86% Nan Shan Life Insurance Co. Ltd. 3.62% Cathay Life Insurance Co., Ltd. 3.52% Matthew Feng-Chiang Miau 3.31% Feng-Shen Miau 3.28% Synnex Technology International Corporation 3.08% Feng-Chuan Miau 3.02% Y.S. Educational Foundation 3.00%

Information of directors and supervisors

Qualifications / Name	5 years of experience in the following professions			Independence status*										Concurrent post in the other public listing company
	An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college or university.	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business.	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	1	2	3	4	5	6	7	8	9	10	
Chairman Matthew Feng-Chiang Miau			V				V			V	V	V	V	-
Director Evans S.W. Tu			V				V			V	V	V	V	-
Director Yang, Shih-Chien			V	V	V	V	V	V	V	V	V	V		1
Director Charles H.S. Ching			V	V	V	V	V	V		V	V	V		-
Independent Director / Yungdu Wei		V	V	V	V	V	V	V	V	V	V	V	V	3
Independent Director Yojun Jiao			V	V	V	V	V	V	V	V	V	V	V	1
Independent Director Anping Chang			V	V	V	V	V	V	V	V	V	V	V	-
Supervisor Yang, Hsiang-Yun			V	V	V	V	V	V	V	V	V	V		-
Supervisor Chou, T.C.			V	V	V	V	V	V	V	V	V	V		-

* For those directors and supervisors who have met the following conditions two years prior to the election and during their tenure, please tick ("✓") the respective box of qualification to indicate.

(1) Neither employees of company nor its affiliates.

(2) Neither a director nor a supervisor of company nor affiliates, unless the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.

(3) Not an individual shareholder who holds shares, together with those held by the person's spouse, minor children, or held under others' name, in an aggregate amount of 1% or more of the total outstanding shares of the company or ranks among the top ten shareholders who are natural person in terms of the share volume held.

(4) Not a spouse or relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.

(5) Not directors, supervisors, or employees of a corporate shareholder that directly holds 5% or more of the total outstanding shares of the bank or ranks among the top 5 corporate shareholders in the terms of share volume held.

(6) Not directors, supervisors, or executive officer holding 5% or more shares of a specific company or institution and who also has financial or business dealings with the company.

(7) Not a professional, or owner, partner, director, supervisor, or executive officer and the spouse thereof of a sole proprietorship, partnership, company, or institution that provides commercial, legal, financial, accounting or consulting services to the bank or to any affiliates.

(8) Not a spouse or relative within the second degree of kinship within directors.

(9) Not any of the circumstances in the subparagraphs of Articles 30 of the Company Act.

(10) Not elected in the capacity of a government agency, a juristic person, or a representative thereof, as provided in the Article 27 of the Company Act.

- **Information on president, vice president, assistant vice president, senior executives of divisions & departments management**

2015.4.14
Unit: Share/%

Title Name	Nationality	Date starts*	Shareholding		Shareholding by Spouse/Minor children**		Major experience and education	Services concurrently with the other company	Managers who are spouse or consanguineous to 2nd degree		
			Shares	%	Shares	%			Title	Name	Relationship
President Evans S.W. Tu	ROC	1988. 9.12	34,434,649	2.17	1,511,662	0.10	President of Micro Electronics Corp. Vice-president of MiTAC Inc. Electrical and Control Engineering Degree in National Chiao Tung University	Supervisor of MiTAC Inc. Chairman of Seper Marketing Corp. Director of Digitimes Inc. Supervisor of MiTAC Information Technology Corp. Director of Harbinger Venture Capital Corp. Director of Bestcom Infotech Corp.	None	None	None
Vice-President Beny Weii	ROC	1988. 9.12	1,765,920	0.11	130,661	0.01	Assistant Vice President of Micro Electronics Corp. Manager of MiTAC Inc. Electronic Calculation Degree in Tamking University	Director of Bestcom Infotech Corp. Chairman of E-Fan Investments Corp.	None	None	None
Vice-President James Lee	ROC	2011. 12.26	326,166	0.02	20,575	0.00	Electrical Engineering Degree in National Joint Junior College	-	None	None	None
Vice-President Rex Shiue	ROC	2011. 12.26	365,512	0.02	-	-	Manager of Unicom Electronics Co., Ltd. Industrial Management Degree in National Taiwan University of Science and Technology	-	None	None	None
Vice-President Dicky Chang	ROC	2011. 12.26	1,162,388	0.07	66,411	0.00	Senior Manager of World Family Agent of Bowne International Library Science Degree in Fu Jen Catholic University	-	None	None	None
Overseas Operation CEO Matthew Feng-Chiang Miau	USA	2005. 4.1	30,417,147	1.91	-	-	Chairman of MiTAC Inc. Chairman of MiTAC International Corp. Chairman of Lien Hwa Industrial Corp. President of Union Petrochemical Corp. Santa Clara University MBA Director of Getac Technology Corporation MBA of Santa Clara University (USA) Electrical Engineering BSc from the University of California at Berkeley	Chairman of MiTAC Inc. Chairman of MiTAC International Corp. Director of Shen Cloud Technology Company Inc. Chairman of Lien Hwa Industrial Corp. Chairman of Union Petrochemical Corp. Director of Getac Technology Corporation Director of BOC Lienhwa Industrial Gases Co., Ltd. Chairman of MiTAC Information Technology Corp. Director of Mitac Investment (Holdings) Co., Ltd. Director of Synnex Corporation Director of Winbond Electronics Corp. Director of Taitac Chemical Co., Ltd.	None	None	None
AVP Oliver Chang	ROC	1988. 11.1	459,776	0.03	34,890	0.00	Manager of Tait Marketing & Distribution Co., Ltd Manager of DIMERCO Accounting Degree in Soochou University	Supervisor of E-Fan Investments Corp. Supervisor of Seper Marketing Corp. Director of Tongdar Investment Co., Ltd.	None	None	None

* Date started indicate the date on board, no indication will be made if however the title changed during the period.
** All shares are registered under stockholders' own name.

● Remuneration to directors, supervisors and executive officers and employees' bonus

Remuneration Policy

Remuneration to the directors and shareholders are distributed based on the Company's performance, industry standard and individual involvement in the operation of directors and supervisors function.
Manager's remunerations are distributed based on the Company's performance and individual performance along with industry standard.

Director's remuneration

2014
Unit: %/in NTD thousand

Title	Name	Directors remuneration*				Ratio of total remuneration (A+B+C+D) to net income (%)	Relevant remuneration received by directors who are also employees*						Ratio of total remuneration (A+B+C+D+E+F+G) to net income (%)	Compensation paid to directors from an invested company other than the Company's subsidiary*
		Remuneration (A)	Pension and superannuation (B)	Earnings distribution (C) ***	Business execution (D)		Salary, bonus and special disbursement (E)	Pension and Superannuation (F) *****	Employee bonus distribution(G)***		Employee share subscription warrants (H)	Restrict employees' rights shares (I)		
									Cash dividends	Stock dividends				
Chairman	Matthew Feng-Chiang Miau	-	-	6,400	656	0.14	72,480	3,425	-	-	-	-	1.65	-
Director	Evans S.W. Tu													
Director	Yang, Shih-Chien**													
Director	Charles H.S. Ching**													
Independent Director	Yungdu Wei													
Independent Director	Yojun Jiao													
Independent Director	Anping Chang													

* The Company's remuneration paid to directors and relevant remuneration received by directors who are also employees is consistent with the subsidiaries in the financial report.
.
** Representative of MiTAC Inc.
*** This amount is estimated as the remuneration to directors for 2014 has not yet been approved by the shareholders' meeting. Relevant remuneration received by directors who are also employees is calculated based on the amount actually paid last year. Therefore, this is an estimated amount.
**** Proposed appropriation, not actually paid.

Supervisor's remuneration

2014

Unit: %/in NTD thousand

Title	Name	Supervisors remuneration***				Ratio of total remuneration (A+B+C) to net income (%)	Compensation paid to directors from an invested company other than the Company's subsidiary*
		Remuneration (A)*	Earnings distribution (B)*	Business execution (C)*	Total remuneration (A+B+C)		
Supervisor	Yang, Hsiang-Yun**	-	1,200	176	1,376	0.03	-
Supervisor	Chou, T.C**						

* The Company's remuneration paid to supervisors is consistent with the subsidiaries in the financial report.

** Representative of Lien Hwa Industrial Corp.

*** This amount is estimated as the remuneration to supervisors for 2014 has not yet been approved by shareholders' meeting.

Remuneration to the president and vice-president

2014

Unit: %/in NTD thousand

Title	Name	Salary(A) **	Pension and Superannuation (B) ** and ****	Bonus and special disbursement (C)**	Employee bonus distribution(D)**		Ratio of total remuneration (A+B+C+D) to net income (%)	Employee share subscription warrants ** and ****	Compensation from an invested company other than the Company's subsidiary**
					Cash dividends***	Stock dividends***			
President	Evans S.W. Tu*	101,540	4,798	-	-	-	2.12	-	-
Overseas Operation CEO	Matthew Feng-Chiang Miau*								
Vice-President	Beny Weii								
Vice-President	James Lee								
Vice-President	Dicky Chang								
Vice-President	Rex Shiue								

* The cost of transportation vehicles is NTD 9,910 thousand with a book value of NTD 4,551 thousand.

** The Company's remuneration paid to President and Vice President and relevant remuneration received by President and Vice President is consistent with the subsidiaries in the financial report.

*** Relevant remuneration received by President and Vice President for 2014 is calculated based on the amount actually paid last year and has not yet been approved by shareholders' meeting.

**** Proposed appropriation, not actually paid.

Name and distribution status of the managers for distribution of employee bonus

2014

Unit: %/in NTD thousand

	Title	Name	Stock dividends	Cash dividends*	Total	Ratio of total remuneration to net income (%)
			Amount	Amount		
Manager	President	Evans S.W. Tu	-	-	-	-
	Overseas Operation CEO	Matthew Feng-Chiang Miau				
	Vice President	Beny Weii				
	Vice-President	James Lee				
	Vice-President	Dicky Chang				
	Vice-President	Rex Shiue				
	AVP-Finance	Oliver Chang				
	Treasury Manager	Grace Huang				

* Relevant remuneration received by managers for 2014 is calculated based on the amount actually paid last year and has not yet been approved by shareholders' meeting.

3) Operations and Management of the Company

● The Board of Directors Operations

As of April 30, 2015, the Board of Directors (A) has convened 8 meetings, and the records of attendance by directors and supervisors are shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Note
Chairman	Matthew Feng-Chiang Miau	8	0	100.00%	
Director	Representative of MiTAC Inc.: Yang, Shih-Chien	7	1	87.50%	
Director	Representative of MiTAC Inc.: Charles H.S. Ching	8	0	100.00%	
Director	Evans S.W. Tu	8	0	100.00%	
Independent Director	Yungdu Wei	8	0	100.00%	
Independent Director	Yojun Jiao	5	3	62.50%	
Independent Director	Anping Chang	7	1	87.50%	

Other noteworthy matters:

I. Matters specified in Article 14.3 of the Securities Exchange Act, or Board resolutions where independent directors have expressed opposition or qualified options that have been noted in the record or declared in writing: None.

II. Avoidance of Conflict of Interest by Directors: None.

III. Assessment of objectives and implementation status in the area of strengthening the powers of the board of directors for the current and immediately past years will be carried out (set up auditing committee and improve transparency of information): None

● Supervisors' involvement in the operation of Board of Directors

As of April 30, 2015, the Board of Directors (A) has convened 8 meetings, and the records of attendance by directors and supervisors are shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Note
Supervisor	Representative of Lien Hwa Industrial Corp: Yang, Hsiang-Yun	8	0	100.00%	
Supervisor	Representative of Lien Hwa Industrial Corp.: Chou, T.C.	7	0	87.50%	

Other noteworthy matters:

I. Supervisors and their responsibilities

(I) Status of the Supervisors communicating with the Company's employees and shareholders: Supervisors consider it necessary to keep frequent and direct contacts with employees and shareholders.

(II) Communication between supervisors and internal auditors and accountants (i.e. Items, methods and results that were communicated concerning the Company's financial and business situations):

1. The audit report is submitted to supervisors by the executive auditor in the month immediately following the month when the report was completed, supervisors have no objection to the report.
2. The executive auditor provide auditor report in the Board Meeting on the regular basis, the supervisors have no objection to it.
3. Regular discussion regarding the Company's financial status is conducted by the supervisors and accountants by face-to-face meeting or in writing on a quarterly basis.

II. In the circumstance when supervisors expressed opinions in the board meeting, the meeting minutes shall record date, session, content of the resolution, resolution of the meeting and the Company's response to the supervisor's opinion.

Operations of Remuneration committee

1. There are 3 members of the Remuneration committee.
2. Current term of the Remuneration committee: 2012.6.27 ~ 2015.6.12; as of April 30, 2015, the Remuneration committee (A) has convened 3 meetings. The qualifications and the records of attendance of committee members are shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) [B/A]	Note
Convener	Yungdu Wei	3	0	100.00%	-
Committee Member	Yojun Jiao	2	1	66.67%	-
Committee Member	Anping Chang	1	2	33.33%	-

Other noteworthy matters:

1. If the Board does not accept or amend the proposals of the Remuneration committee, clearly state the date, term, agenda, and resolution of the board and the Remuneration committee's opinion processed by the Company
   (If the remuneration compensation approved by the Board is greater than the Remuneration committee's proposal, state the circumstances and reasons for the differences): None
2. If the committee members have objections or qualified opinions to matters resolved by the Remuneration committee documented or written, state the Remuneration committee date, term, agenda, the opinions of the members, and the process of the opinions: None

Information on Remuneration committee members

Identity	Qualifications / Name	5 years of experience in the following professions			Independence status*								Act as Remuneration committee Member of other public companies	Note**
		An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college or university.	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business.	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	1	2	3	4	5	6	7	8		
Independent Director	Yungdu Wei		V	V	V	V	V	V	V	V	V	V	12	-
Independent Director	Yojun Jiao			V	V	V	V	V	V	V	V	V	1	-
Independent Director	Anping Chang			V	V	V	V	V	V	V	V	V	-	-

* Remuneration committee members are subject to the following conditions for two years before being elected and during tenure:

(1) Neither employees of company nor its affiliates.

(2) Neither a director nor a supervisor of company nor affiliates, unless the person is an independent director of the company, its parent company, or any subsidiary in which the company holds, directly or indirectly, more than 50 percent of the voting shares.

(3) Not an individual shareholder who holds shares, together with those held by the person's spouse, minor children, or held under others' name, in an aggregate amount of 1% or more of the total outstanding shares of the company or ranks among the top ten shareholders who are natural person in terms of the share volume held.

(4) Not a spouse or relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.

(5) Not directors, supervisors, or employees of a corporate shareholder that directly holds 5% or more of the total outstanding shares of the bank or ranks among the top 5 corporate shareholders in the terms of share volume held.

(6) Not directors, supervisors, or executive officer holding 5% or more shares of a specific company or institution and who also has financial or business dealings with the company.

(7) Not a business owner, partner, director, supervisor, manager, and their spouses of professionals, proprietors, partners, corporations, or institutions providing business, legal, financial, and accounting services to the company or its associated companies.

(8) Not any of the circumstances in the subparagraphs of Articles 30 of the Company Act.

● The current status of corporate governance and its comparison against the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and its reasons

Assessment Items	Execution			Comparison against the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and its reasons
	Yes	No	Summary	
I. Does the Company base on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" to set up and disclose the Company's corporate governance best-practice principles?		V	The Company intends to setup and disclose the "Corporate Governance Best-Practice Principles" in 2015.	No significant difference is found.
II. Structure of the Company's shareholders and equities				
(I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	V		(I) The Company intends to setup the "Procedures for Handling Material Inside Information" in 2015 for compliance. 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/GTSM Listed Companies"
(II) Does the Company keep track of the major controlling shareholders as well as their ownership structure?	V		(II) Our company is able to keep track of the major controlling shareholders as well as their ownership structure; shareholding of the directors, supervisors and major shareholders are filed on the monthly basis in accordance with Securities and Exchange Act.	
(III) Are the firewall and risk control mechanism to reduce the risks involved with the Company's related companies?	V		(III) The company has established and implemented the related system in accordance with the governing law and regulations and the internal control system. 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, operational, 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.	
(IV) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?	V		(IV) The company has the code of conduct setup to prohibit the insiders of the company from utilizing the undisclosed information to trade securities.	
III. Board composition and responsibilities				
(I) Does the Board of Directors have diversified policies regulated and implemented substantively according to the composition of the members?	V		(I) The Company has stipulated in the Articles of Association to have 2-3 independent directors appointed in accordance with Article 14.2 of the Securities Exchange Act. In addition, it is stated in the Articles of Association to have the independent directors elected by nomination in accordance with Article 192.1 of the Company Law. The aforementioned amendment to the Articles of Association was resolved in the Company's 2011 General Shareholders' Meeting. The Company's independent directors were elected in 2012. The education and experience, professionalism, and independence of the three independent directors are in conformity with Article 2, 3, and 4 of the Rules Governing the Appointment of Independent Directors by Public Companies and Compliances; also, Article 192.1 Paragraph 4 of the Company Law.	(I) In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".
(II) Does the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	V		(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 The Audit Committee will be established in 2015; also, more functional committees will be planned continuously in the future.	(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/GTSM Listed Companies" and the related law and regulations.
(III) Does the Company have the performance evaluation rules and methods for the Board of Directors regulated and have the performance evaluation performed regularly every year?	V		(III) The Board Chairman is the Chairman of the Company. The promotion of the business strategy is executed by the professional management. The responsibilities of the Board of Directors include supervision, appointment, and guide the company's management; also, responsible for the company's overall operations, improving the supervision mechanism and strengthening the management capabilities. However, a formal board performance evaluation method and assessment method is not yet established, which will be established in the future according to the actual practice in order to protect shareholders' interests.	
(IV) Is the independence of auditors regularly assessed?	V		(IV) The company has the independence of the CPA assessed regularly and annually; also, considered whether it is necessary to have the CPA replaced. The appointment of the CPA is resolved by the Company's Board of Directors; also, there is not a conflict of interest and it is a reputable accounting firm in Taiwan; therefore, the independence and professionalism of the CPA is not in doubt.	
IV. Does the Company have established a communication channel for the stakeholders, set the stakeholder column on the Company's website, and responded to the stakeholders regarding their concerns over corporate social responsibilities?	V		The company is currently planning to have the company's Website updated. The information regarding the corporate governance will be disclosed in English and Chinese language upon the completion of the website update; also, the stakeholders' page will be planned. Currently stakeholders may communicate officially to the company through the company's spokesman and deputy spokesman channel. Phone: (02) 2506-3320.	In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"
V. Does the Company have commissioned a professional stock affairs service agent to handle shareholders affairs?	V		The company commissions China Trust Commercial Bank to handle the shareholders' meeting related matters.	In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"
VI. Information disclosure				
(I) Does the company have a website setup for the disclosure of relevant information on financial status and corporate governance?	V		(I) The Company has set up a website (http://www.synnex-grp.com) to disclose relevant information on financial status and business.	(I) In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".
(II) Are there other methods adopted to disclose information (i.e., Set up English website, designate a person engage in gathering and compiling the Company's information, implement spokesperson system, display company website during meeting with institutional investors.)?	V		(II) The company has a spokesman and a deputy spokesman appointed. As required, relevant information of the Company has been disclosed in "Market Observation Post System" for the understanding and inquiry of the investors. The information regarding the corporate governance will be disclosed in English and Chinese language upon the completion of the website update by the end of 2015.	(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/GTSM Listed Companies" and the related law and regulations.

<table>
<tr>
<td>VII. Are there other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?</td>
<td>V</td>
<td></td>
<td>(I) Employee benefits:
We firmly believe that staff is the driving force of business growth; therefore, the company appreciates the importance of employee benefits; also, is committed to fulfill all the legal rights and interests of employees.
1. System: (1) Labor and health insurance, pension appropriation, employee education and training, employee health seminars from time to time; (2) Continuing to provide employees with a variety of benefits, such as: a life insurance with a coverage of at least NTD3 million (far better than the general business), free health checkup, weddings, funeral, and maternity benefits, interest-free loans, external training subsidies, etc.
2. Implementation: (1) Statutory rights and interests of employees are handled according to law; (2) Various employee benefits are handled by the designated personnel; (3) The group insurance has provided sufficient coverage to the employees who had suffered severe injuries or sickness in the recent years with 3-5 years of economic security provided. Considering the needs of the employee's families for insurance coverage, the company provides the employees and their families with preferential "Vanity" life insurance and accident insurance policy.
(II) Investor Relations: The company insists on the principle of integrity and information disclosure fairness; also, 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 of the.
(III) Supplier relationships and the rights of interested parties: The company and its suppliers have maintained a long-term close relation of cooperation.
(IV) Advanced study of the directors and supervisors: The Directors and Supervisors of the Company have a background in industry and have the advanced studies disclosed in the "MOPS" for the reference of the shareholders and investors. The 2014 advanced studies are disclosed in the attachment.
(V) Implementation of risk management policies and risk measurement: Internal regulations are stipulated accordingly for risk management and assessment.
(VI) The recusal of the interested directors: The Directors of the Company must be recused from voting on any motions in conflict with.
(VII) Implementation of the customers' policies: The company and its customers remained a stable and good relationship to create profits for the company.
(VIII) The purchase of liability insurance for the directors and supervisors: The Company has acquired liability insurance for our directors and supervisors in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and it has been disclosed in the "MOPS."
<table>
<tr><th>Insured subject</th><th>Insurance company</th><th>Insured amount (NTD: Thousand)</th><th>Insurance period</th></tr>
<tr><td>All directors and supervisors</td><td>Fubon Insurance Co., Ltd.</td><td>598,050</td><td>09.01.2013 ~ 09.01.2014</td></tr>
<tr><td>All directors and supervisors</td><td>Fubon Insurance Co., Ltd.</td><td>627,230</td><td>09.01.2013 ~ 09.01.2014</td></tr>
</table>
(IX) The directors and supervisors of the Company have fulfilled responsibilities truthfully and exercised power in good faith.
(X) The Company has the "Rules of Procedure for Board of Directors Meeting" stipulated and implemented.
(XI) The Company's board meeting has been convened quarterly at least to strengthen corporate governance.</td>
<td>In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"</td>
</tr>
<tr>
<td>VIII. Does the Company have a corporate governance self-assessment report prepared or a corporate governance assessment report issued by the commissioned professional institutions (If yes, please state the opinion of the board of directors, the self-assessment or outsourcing evaluation results, the main nonconformity or suggestion, and implementation of improvement)?</td>
<td>V</td>
<td></td>
<td>The company has not yet had a corporate governance self-assessment report issued or commissioned other specialized institutions to have a corporate governance report issued.</td>
<td>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/GTSM Listed Companies" and the related law and regulations</td>
</tr>
</table>

Director and Supervisor		Educational institutions	Course Title	Training period	Credit hours
Representative of corporate director	Charles H.S. Ching	Taiwan Corporate Governance Association	Functions of the Board of Directors and the performance evaluation of the Board of Directors	2015.03.06	3
Representative of corporate supervisor	Chou, T.C.	ROC Securities and Futures Institute	Risk management mechanism needed for business operations	2014.05.05	3
Independent Director	Yungdu Wei	ROC Securities and Futures Institute	Promote important measures and related specifications for the integration of enterprises financial information and IFRS.	2014.05.28	3
Independent Director	Yungdu Wei	Taiwan Corporate Governance Association	Understand corporate governance evaluation system and control corporate governance development trend.	2014.06.24	3
Independent Director	Yungdu Wei	Taiwan Corporate Governance Association	The 2014 listed companies insiders equity trading law compliance seminar	2014.07.10	3
Independent Director	Yungdu Wei	Taiwan Corporate Governance Association	Operating Procedures for the Equity Planning and Reelection of Directors and Supervisors of the Listed/OTC Companies	2014.10.24	3
Independent Director	Yungdu Wei	Taiwan Corporate Governance Association	Xinyi Realtor's Corporate Social Responsibility and Management	2014.10.28	1
Independent Director	Yungdu Wei	Taiwan Corporate Governance Association	"Hong Kong can, so can Taiwan"	2014.12.11	1
Independent Director	Yungdu Wei	ROC Securities and Futures Institute	Corporate Social Responsibility Report - demonstrating sustainable operation value seminar	2015.01.22	3
Independent Director	Yungdu Wei	Taiwan Corporate Governance Association	Sustainable Corporate Governance - Corporate Governance of corporate sustainability new trends	2015.03.17	3
Independent Director	Shihchien Yang	Taiwan Corporate Governance Association	Talking about the protection of trade security from the duty of directors and supervisors	2015.11.14	3

Performing social responsibilities

Assessment Items	Execution			Comparison against the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and its reasons
	Yes	No	Summary	
I. Exercising corporate governance				
(I) Has the company declared its corporate social responsibility policy and examined the results of the implantation?	V		(I) The company's corporate social responsibility policy is promulgated in accordance with "Synnex values" and has formed part of corporate culture. The complete "Synnex's values" (enacted in 1988) is as follows: 1. Maintaining the interests of employees and shareholders is our responsibility. We will handle each other's interests based on honest and fair principles. 2. We concentrate on establishing a good corporate culture so as to allow employees opportunities to realize their full potential within the company's business philosophy and organizational strategies. 3. We are dedicated to the principles of integrity and highest business ethics, we do not provide incentive to others to violate the employer or the company's interests while do not allow our employees to receive the incentive. 4. To us, contribute to the society or the industry is our obligation and mission. 5. Our belief: win trust is an honor and responsibility; accept criticism with grace is seen as wisdom and courage.	No significant difference is found.
(II) Does the Company have the CSR education and training arranged on a regular basis?	V		(II) The company has education and training courses arranged for the new recruits on the day they report to work with the company's business operation and philosophy advocated, including the concept of corporate social responsibility. Advocate positive viewpoint with a subtle effect through long-term internal education and training of Synnex EMBA articles and Synnex conceptual phrases.	No significant difference is found.
(III) Does the Company have a specific (or part-time) unit set up to promote corporate social responsibility, have the management authorized by the Board of Directors to handle matters and report the processing results to the Board of Directors?	V		(III) Human Resource Department of the president's office and secretariat's office are responsible for promotion of the Company's corporate social responsibility.	No significant difference is found.
(IV) Does the Company have a reasonable salary and remuneration policy setup, have the employee performance evaluation system combined with corporate social responsibility policies, and have a clear and effective reward and punishment system established?	V		(IV) The company sets a reasonable remuneration policy with the considerations of external market, internal fairness, and reasonableness; also, based on the operational goals and individual performance. The annual gross income reflects individual contribution fairly and truthfully. The company had integrity and fairness disclosed in the company's sense of value when the company was founded, protecting the interests of staff and shareholders, upholding the highest business ethics, and not infringing the company's interests for any personal gains. Each employee commits to comply with the integrity rules with a contract and integrity commitment letter signed; also, the rewards and penalties system is set to clearly regulate the code of conduct.	No significant difference is found.
II. Fostering a sustainable environment				
(I) Does the company endeavor to utilize all resources more efficiently and uses renewable materials which have a low impact on the environment?	V		(I) The company endeavors to utilize all resources more efficiently and uses renewable materials which have a low impact on the environment. 1. Reuse of recycled packaging materials. 2. Promote paperless operations, such as use electronic signature system to reduce paper consumption and reach the goal of energy conservation and carbon and greenhouse gas reduction.	No significant difference is found.
(II) Does the Company establish proper environment management systems based on the characteristics of their industries?	V		(II) Though Synnex is a distributor of 3C products instead of highly polluted industry, but we devote to fulfill environmental responsibility based on the faith that earth is part of our life.	No significant difference is found.
(III) Does the Company monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction?	V		(III) The Company engages in consumer electronics products channel sale that is not a high-polluting industry. The carbon dioxide emissions are mainly generated by the vehicles used by the operations center. The carbon dioxide emissions are calculated according to the vehicle mileage. A total of 1,084 metric tons of carbon dioxide emission was generated by vehicles in 2013 and 1,104 metric tons in 2014. For the replacement of old vehicles, the vehicles that meet the fifth emission standard are used to reduce the impact of vehicles on environmental protection. The strategies that the Company established for energy conservation and carbon and greenhouse gas reduction are as follows: 1. Main engine of air conditioner cannot be started when office temperature below 26℃. 2. Air conditioner switched off at 7:30PM. 3. All lamps used in the manufacturing plant are T5 energy saving fluorescent lamp and single fluorescent lamp. 4. All distribution vehicles must turn off engine when parked in the plant site, and air conditioner is disallowed at low speed. 5. Promote use of the stairs and skip the use of elevators.	No significant difference is found.
III. Preserve public welfare				
(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		(I) The Company treats employees with good faith, and protects employees legitimate rights based on Labor Standard Law, International Human Right Pact, and the management policies stipulated in accordance with the governing law and regulations; in addition, labor meetings are held regularly to open door for communication between employers and employees so as to establish understanding and promote harmony. Gender equality is respected in the Company, sexual harassment prevention rule has been scheduled, and provide job opportunities for disabilities to allow same career development as if they are normal people.	No significant difference is found.
(II) Does the Company have the complaint mechanism and channel established for employees and have it handled properly?	V		(II) The company has a staff suggestion box setup to collect opinions from the employees that will be handled and replied by the designed personnel.	No significant difference is found.

(III) Does the Company provide safe and healthy work environments for its employees, and organize training on safety and health for its employees on a regular basis?	V		(III) The company values employee's safety and mental and physical health, is dedicated to improving the working environment, enhancing employee's safety and health awareness, and stipulating the relevant management mechanisms with the mode of operation illustrated as follows: 1. Work environment and employee safety protection (1) The company constructs a safe and healthy workplace, regularly maintains and improves equipment; office computer with low blue screen is selected to provide employees with comfortable, healthy, and friendly office equipment. (2) The company's workplaces are covered with the public liability insurance and the public safety equipment inspection of the building and firefighting plan is reported to the competent authorities lawfully. Moreover, the fire management personnel qualification license and certificate is acquired; the workplace firefighting plan is stipulated, and the workplaces firefighting equipment safety is maintained. (3) Appoint safety and health personnel; also, arrange safety and health education and training. 2. Employee health enhancement (1) The company has full-time nurses appointed to provide employee with health counseling; also, to arrange health seminars with physicians invited to share health information with the employees, to provide proper health management knowledge, and to reinforce employee's awareness of health. (2) Arrange regular free health checkup and the nurses are to provide necessary assistance in tracking any abnormality, provide excellent healthcare, and to safeguard employee's health. (3) Arrange sports events and health promotion competition; also, encourage employees to pay attention to their own health. (4) Provide shoulders and necks pressure relief massage service from time to time in order to improve the stiffness after a long hour of sitting in office and to improve blood circulation.	No significant difference is found.
(IV) Does the Company establish regular communication mechanisms for employees, and have employees notified in a reasonable manner of any changes that may have a significant impact on them?	V		(IV) The Company holds regular labor meetings to provide channels of communication between employers and employees, build consensus, and promote harmonious labor relations; it also, communicates messages by e-mail occasionally.	No significant difference is found.
(V) Does the Company develop an effective career capacity training program for the employees?	V		(V) The company firmly believes that: "Good employees make a good department; a good department makes a good company." Plan professional job training and construct a knowledge management system for autodidacts since the new recruits reporting to work so the employees can continue to grow with their professional skills enhanced. In addition, schedule reports and integrate reading in each stage of the career development in order to help employees enhance career skills through the systematic practice.	No significant difference is found.
(VI) Does the Company establish the relevant consumer protection policies and complaint procedures in the sense of R&D, procurement, production, operations, and service processes?	V		(VI) The Company is an agent and is mainly to serve consumers in accordance with the service specifications of the manufacturers and government laws and regulations. Synnex e-city website Customer Service Box and Service Hotline are provided to control, care for, and handle the interests of consumers and the satisfaction of post-sale service.	No significant difference is found.
(VII) Does the Company market and label the products and services in accordance with the relevant regulations and international norms?	V		(VII) The company has the marketing and labeling of products and services handled in accordance with the commodity labeling law and the information, communications (3C) label standard and other requirements published by the Department of Commerce MOEA so that consumers can understand the products fully.	No significant difference is found.
(VIII) Does the Company check the suppliers in advance for any records of impacting the environment and society?	V		(VIII) Regarding the implementation of environmental and corporate social responsibility, in addition to strengthening corporate self-management, in terms of selecting partners, the company's focus is not on profits but in fulfilling corporate social responsibility as an important indicator for long-term cooperation. In evaluating vendors' fulfilling their social responsibility, the company mainly evaluate the following items: 1. "Integrity management, clean transaction" Link with the vendors and customers through our role as an agent to jointly create a harmonious and pure trading environment. In addition to honor the commitment to integrity, the company shall also comply with the Electronic Industry Code of Conduct and related laws and regulations as a law-biding and practical enterprise. 2. "Green environment, energy recycle" Request the manufacturers and suppliers to comply with the requirements of EU environmental norms and national environmental laws and regulations; also, aim for a sustainable development and expand the overall green supply chain performance.	No significant difference is found.
(IX) Does the contract signed by the Company with the major suppliers entitle the Company to have the contract cancelled or terminated at any time when the suppliers violate the CSR policies that have a significant impact on the environment and society?		V	(IX) Currently the agreement of having a contract terminated or cancelled while violating the "Corporate Social Responsibility Policy" is not signed by all the trade partners of the company; however, the company is now actively promoting it in order to achieve the goal of having the company and suppliers worked together to enhance corporate social responsibility.	Disclose when there is regulatory or actual requirement.
IV. Enhancing information disclosure (I) Does the Company have the relevant and reliable CSR information disclosed on the Company's website and MOPS?		V	The Company has not disclosed any related information and prepared social responsibility report.	Disclose when there is regulatory or actual requirement.

V. If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Principles for TWSE/GTSM listed companies," please describe any discrepancy between the principles and their implementation:
The company has not yet had it set, if necessary due to the consideration of law and regulations or actual practice, it is to be processed in accordance with the "Corporate Social Responsibility Best Principles for TWSE/GTSM listed companies" and relevant laws and regulations.

VI. Other important information to facilitate better understanding of the Company's corporate social responsibility:
1. Knowledge sharing is to raise the level of knowledge of the nation, the experience and knowledge of the internal management is composed as internal education and training materials. The "Synnex EMBA" and "Synnex phrase" articles provided to the industry for free use.
2. We bound "Synnex EMBA" into a book and donated all the proceeds for the promotion of education, arts and culture.
3. We provided the experience and knowledge of Synnex's operation to the academic for case study, and elected by National Chengchi University – College of Commerce as research target of development of Taiwan case and global issuance.
4. The company's Logistics Center accepts the applications filed by academic institutions for a teaching visit to promote academic exchanges, provide students internship opportunities, and to cultivate talents.

VII. If the products or corporate social responsibility report have received assurance from external institutions, they should state so below: None.

- **Implementation of integrity management**

Item	Execution			Comparison against the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and its reasons
	Yes	No	Summary	
I. Set integrity management policies and programs				
(I) Does the company express a clear integrity management policy in the Articles of Association and external documents, and the board and the management are actively committed to its implementation?	V		(I) The Company has established the "Integrity Management Code" and the Internal Audit Office is responsible for integrity management policies, prevention programs, and supervision.	In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies**".**
(II) Does the Company have the prevention program for any fraud stipulated and have the respective operating procedures, guidelines for conduct, disciplinary actions, and complaints system declared explicitly; also have it implemented substantively?	V		(II) The company has stipulated the "Manufacturers Commitment" to request all suppliers having transactions conducted faithfully without any acts of bad faith, and to establish a good procurement system. To ensure the implementation of integrity management, the Company has established an effective accounting system and internal control system; also, internal audit staff has the compliance of the systems referred to above checked regularly.	
(III) Does the Company have preventive measures adopted in response to the conducts stated in Article 7 Paragraph 2 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies**"** or other business activities subject to higher risk of fraud?	V		(III) The company has the "code of conduct" setup. The management measures are established to prevent bribery and taking bribe 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 "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies**"** or other business activities subject to higher risk of fraud.	
II. Implementation of integrity management				
(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	V		(I) The Company has stipulated the "Manufacturers Commitment" to request all suppliers having transactions conducted faithfully without any acts of bad faith, and to establish a good procurement system.	In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies**"**
(II) Does the Company have a specific (part-time) unit setup under the board of directors to advocate the code of integrity and to report on its implementation to the Board on a regular basis?		V	(II) The Company has not set up a dedicated unit for integrity management. Each department is to fulfill integrity management according to job responsibilities and operation scope.	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	V		(III) The Company has stipulated the "Employee Integrity Commitment" to request that employees shall not commit any form of "improper conduct," such as, kickback, commissions, equity interest in any form or improper gifts, or illegal gains that directly or indirectly benefits oneself, related parties, or designated personnel; also, to prevent any personal gain at the expense of the Company.	
(IV) Does the Company have established effective accounting systems and internal control systems to substantiate ethical management; also, have audits performed by the internal audit unit on a regular basis or by the commission CPAs?	V		(IV) To ensure the implementation of integrity management, the Company has established an effective accounting system and internal control system; also, internal audit staff have the compliance of the systems referred to above checked regularly.	
(V) Does the Company have organized ethical management internal and external education and training programs on a regular basis?	V		(V) The company has the "Integrity Management Code" and "Code of Conduct" setup to have integrity management embedded in corporate culture; also, to advocate it from time to time in various meetings and Synnex EMBA advocacy in order to have it substantiated. The related specifications of the company's integrity management are advocated before having a trade agreement signed with the suppliers.	
III. The operation of the Company's Report System				
(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established, and a responsible staff designated to handle the individual being reported?	V		(I) The company has the "code of conduct" setup. Any person who is engaged in or aware of any violations of the Code and the relevant provisions of the act or activity is responsible to report it to the immediate supervisor or the company's audit unit immediately.	In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies**"**
(II) Does the Company have the standard investigating procedures and related confidentiality mechanism established for the incidents being reported?	V		(II) The company's audit unit accepts anonymous report. The informer must provide sufficient relevant information to facilitate the company's verification.	

(III) Does the Company have taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	V		(III) No informer will be retaliated against or threatened for reporting possible violation of norms, suspicious violation of the Securities Exchange Act, and other illegal activities. Any informer who has been retaliated against, threatened, or warned should immediately report it to the immediate supervisor or company's audit unit.	
IV. Enhancing information disclosure (I) Does the Company have the content of ethical management and its implementation disclosed on the website and MOPS?	V		The company has a website setup to disclose the relevant corporate culture, business policy, and other information. The company is currently undergoing the setup the corporate governance in English and Chinese in the Investor Section of the website; therefore, the information of corporate governance will be disclosed upon the completion of the website setup.	In compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"
V. If the company has integrity management defined in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies," please describe the operational differences from the Code: The Company has the "Integrity Management Code" setup in compliance with the concept and implementation of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."				
VI. Other important information that helps understand the company's integrity management: 1. The Company has complied with the Company Law, the Securities and Exchange Act, the Business Accounting Law, listed and OTC relevant rules, or other publicly traded commercial activities related law and regulations for the implementation of integrity management. 2. The Company has director conflicts of interest defined in the "Regulations Governing Procedures for Board of Directors Meeting" Board Rules." If the proposals proposed in board meetings have a conflict of interest with the directors or the statutory representative that is detrimental to the company's interest, the directors may present their views and answer questions but may not join discussion and voting; also, they shall be excused in discussion and voting and shall not exercise their voting rights on behalf of other directors by proxy. 3. The Company has stipulated the "Manufacturers Commitment" to request all suppliers having transactions conducted faithfully without any acts of bad faith, and to establish a good procurement system. 4. The company has the company's Integrity Management Code reviewed and amended in accordance with FSC Certificate Far.Tzi No. 103003989 Letter dated October 31, 2014 by the Financial Supervisory Commission.				

Important resolutions of Shareholders' Meeting and Board of Directors

Shareholders' Meeting

Date of meeting	Summary of important resolutions	Result of resolution
2014.06.11	1. Approved 2013 financial statements.	Adopted
	2. Approved 2013 earnings distribution. Shareholder's dividend: Cash dividend per share amounted to NTD2.8. Employee bonus: NTD 0.6 million. Remuneration of the directors and supervisors: NTD 7.6 million.	Adopted
	3. Discussion of revision of the Company's "Articles of Association"	Adopted
	4. Discussion of revision of the Company's "Procedures for endorsements and guarantees"	Adopted
	5. Discussion of revision of the Company's "Procedures for fund lending"	Adopted
	6. Discussion of revision of the Company's "Procedures for handling acquisition and disposal of assets"	Adopted
	7. Discussion of revision of the Company's "Procedures for financial derivatives transactions"	Adopted

Board of directors

Date of meeting	Summary of important resolutions	Result of resolution
2014.03.21	1. Approved 2014 operation plan.	Adopted by all present shareholders
	2. Discussion regarding the approval of the internal control statement.	Adopted by all present shareholders
	3. Discussion of revision of "Procedures for endorsements and guarantees" and "Procedures for fund lending".	Adopted by all present shareholders
	4. Discussion of revision of the Company's "Procedures for handling acquisition and disposal of assets" and "Procedures for financial derivatives transactions".	Adopted by all present shareholders
	5. Discussion regarding the convening of the 2014 general shareholders' meeting.	Adopted by all present shareholders
2014.04.28	1. Discussion of revision of the Company's "Articles of Association".	Adopted by all present shareholders
	2. Planning of 2013 earnings distribution. Shareholder's dividend: Cash dividend per share amounted to NTD2.8. Employee bonus: NTD 0.6 million. Remuneration of the directors and supervisors: NTD7.6 million.	Adopted by all present shareholders
	3. Discussion of convening 2014 general shareholders' meeting.	Adopted by all present shareholders
2014.06.24	1. Discussion of ex-dividend day: Ex-dividend date for distribution of cash dividends: July 16, 2014.	Adopted by all present shareholders
2014.11.13	1. Discussion of the Company's "2015 audit plan".	Adopted by all present shareholders
	2. Discussion of revision of the Company's "Procedures for the disposal of assets" and "Procedures for the trade of derivative instruments".	Adopted by all present shareholders
2015.03.16	1. Discussion of 2015 operation plan.	Adopted by all present shareholders
	2. Discussion of revision of the Company's "Articles of Association".	Adopted by all present shareholders
	3. Internal control declaration approved.	Adopted by all present shareholders
	4. Discussion of revision of "Procedures for endorsement and guarantees" and "Procedures for fund lending".	Adopted by all present shareholders
	5. Discussion of revision of "Procedures for handling acquisition and disposal of assets" and "Procedures for financial derivatives transactions".	Adopted by all present shareholders
	6. Discussion of convening 2015 general shareholder meeting.	Adopted by all present shareholders
2015.04.28	1. Planning of 2014 earnings distribution. Shareholder's dividend: Cash dividend per share amounted to NTD3.3. Employee bonus: NTD 0.6 million. Remuneration of the directors and supervisors: NTD 7.6 million.	Adopted by all present shareholders
	2. Discussion of convening 2015 general shareholders' meeting.	Adopted by all present shareholders
	3. Discussion of the independence of the CPA.	Adopted by all present shareholders

* The above specified only partial information of meeting of Board of Directors and Shareholders, the information disclosed here only includes the information that the Company believe may have significant impact on investors.

4) Changes in shareholdings of directors, supervisors, managers, and principal shareholders

Title Name	2014		2015.1.1 ~ 2015.4.14		Note
	Changes in shareholding	**Changes in pledged shareholding**	**Changes in shareholding**	**Changes in pledged shareholding**	
Chairman and Overseas Operation CEO Matthew Feng-Chiang Miau	200,000	-	-	-	
Director and president Evans S.W. Tu	-	-	-	-	
Director Yang, Shih-Chien and Charles H.S. Ching	-	-	-	-	Representative of MiTAC Inc.*
Supervisor Yang, Hsiang-Yun and Chou, T.C.	-	-	-	-	Representative of Lien Hwa Industrial Corp.*
Vice-President Beny Weii	-	-	-	-	
Vice-President James Lee	-	-	-	-	
Vice-President Rex Shiue	-	-	-	-	
Vice-President Dicky Chang	(27,000)	-	-	-	
AVP-Finance Oliver Chang	(195,000)	-	-	-	
Treasury Manager Grace Huang	(34,514)	-	-	-	
Major shareholder MiTAC Inc.	-	-	-	-	

* Information includes only changes in shareholding and pledges of corporate shareholders.

III. Capital and shares

1) Capital sources

2015.4.14
Unit: Shares/in NTD thousand

Capital sources	Amount	Shares	Percentage (%)
Original capital	202,312	20,231,233	1.27
Capital increase by cash	923,772	92,377,176	5.82
Capital increment from retained earnings	12,718,960	1,271,896,030	80.07
Capital increase out of capital reserves	542,000	54,200,000	3.41
Share swap	224,120	22,412,000	1.41
Employee stock option	215,780	21,578,000	1.36
Convertible bonds	1,058,265	105,826,483	6.66
Total	15,885,209	1,588,520,922	100.00

2) Category of shares

2015.4.14
Unit: Share

Category of shares	Authorized capital			Note
	Outstanding shares (listed)	Un-issued shares	Total	
Registered ordinary shares	1,588,520,922	611,479,078	2,200,000,000	

3) Shareholder structure

2015.4.14

Item	Government institutions	Financial institutions	Other institutional shareholders	Personal shareholders	Foreign institutions and personal shareholders	Total
Number of shareholders	1	59	169	42,686	532	43,447
Shares	587	270,942,404	400,167,486	277,574,801	639,835,644	1,588,520,292
Shareholding %	0.00	17.06	25.19	17.47	40.28	100.00

4) Distribution of shareholding

NTD 10 par
2015.4.14

Classification of shareholding	Number of shareholders	Shares	Percentage of shareholding (%)
1 - 999	10,731	2,963,207	0.19
1,000 - 5,000	23,597	52,645,876	3.31
5,001 - 10,000	4,468	34,784,521	2.19
10,001 - 15,000	1,446	18,381,017	1.16
15,001 - 20,000	890	16,453,609	1.04
20,001 - 30,000	759	19,421,439	1.22
30,001 - 40,000	327	11,751,805	0.74
40,001 - 50,000	215	9,968,376	0.63
50,001 - 100,000	418	29,866,996	1.88
100,001 - 200,000	228	32,245,741	2.03
200,001 - 400,000	117	33,664,166	2.12
400,001 - 600,000	62	30,535,519	1.92
600,001 - 800,000	24	16,878,471	1.06
800,001 - 1,000,000	21	19,595,429	1.23
Over 1,000,001	144	1,259,364,750	79.28
Total	43,447	1,588,520,922	100.00

5) Major shareholders

2015.4.14

Major shareholders	Shares	Percentage of shareholding (%)
MiTAC Inc. Representative: Matthew Feng-Chiang Miau	216,381,957	13.62
Matthew Pacific Tiger Fund investment accounts managed with HSBC acting as custodian bank	102,065,354	6.43
Nanshan Life Insurance Co., Ltd. Representative: Wende Guo	77,911,000	4.90
Labor Insurance Fund	47,516,208	2.99
Fubon Life Insurance Co., Ltd. Representative: Benyuan Zheng	44,530,922	2.80
Morgan Stanley Capital International managed account with HSBC (Taiwan) acting as custodian bank	42,888,986	2.70
Public Service Pension Fund Management Board	34,854,277	2.19
Evans S.W. Tu	34,434,649	2.17
Matthew Feng-Chiang Miau	30,417,147	1.91
Saudi-Arabia Central Bank investment account managed with JPMorgan acting as custodian bank	27,390,400	1.72

6) Market price per share, Net assets per share, earning per share and dividends

Unit: NTD

Item / Year		2013	2014	2015.3.31
Market price per share	Highest	63.30	56.20	46.70
	Lowest	37.10	41.10	42.10
	Average	47.96	46.96	45.07
Net worth per share	Before distribution	26.81	29.09	28.27
	After distribution**	24.52	NA	NA
Earnings per share	Weighted average shares (in thousands of shares)	1,586,646	1,588,521	1,588,521
	Earnings per share – before adjustment	3.32	3.16	0.73
	Earnings per share – after adjustment*	3.32	3.16	NA
Dividends***	Cash dividend	2.80	3.30	NA
	Dividend from retained earnings	-	-	NA
	Dividend from capital reserve	-	-	NA
	Accumulated undistributed dividends	-	-	NA
Analysis for return on investment****	Price/Earnings ratio	14.45	14.86	NA
	Price/Dividend ratio	17.13	14.23	NA
	Cash dividend yield rate	5.84%	7.03%	NA

* As of December 31, 2014, the retroactive adjustment of shares after capital increase out of earnings and employee bonus.

** Based on resolution of shareholders' meeting of the next year.

*** The earnings distribution for year 2014 is based on Board of Directors' meeting on April 28, 2015.

**** Price/Earnings ratio =Average market price/Earnings per share before adjustment
Price/Dividends ratio=Average market price/Cash dividend per share
Cash dividends yield rate=Cash dividends per share/Average market price

7) The policy and implementation of dividends

The dividend distribution proposed by shareholder meeting

The Board of Directors meeting held on April 28, 2015, proposed cash dividend distribution of NT$3.3 per share, employee bonus of NT$ 600 thousand and remuneration of directors and supervisors of NT$7,600 thousand.

Dividend policy

According to Article 38 of the Company's Association, after tax payment and subtracting the deficit incurred in the previous years, 10% of the annual net income should be appropriated as legal reserve and a special reserve should be provided in accordance with deduction in the shareholder equity of the said year, and appropriate 0.01%~10% as employee bonus; In addition, 30%~100% is appropriated from the remaining balance plus the undistributed earnings of the preceding year, and cash dividends shall not be lower than 15% of the total dividends.
The Company has distributed cash dividends to shareholders since 1999 and cash dividend per share has been more than NTD2 since 2010. The Company intends to continue to maintain a stable dividend policy.

8) Uncompensated distribution of shares and its impact on company operation and EPS

Unit: NTD

Item / Year			2015 (Estimate) (Distribution of 2014 earning)
Beginning issued capital (in NTD thousand)			15,885,209
Distribution of current year	Cash dividend per share (NTD)		3.3*
	Stock dividend per share for capital increment from retained earnings		-
	Stock dividend per share for capital increment from capital reserve		-
Change in operational performance	Operating income % Change in Operating Income (YOY) Net income % Change in net income (YOY) Earnings per share % Change in Earnings per share (YOY) Average rate of return on investment (Average E/P ratio)		NA*
Conjectural earnings per share and PE ratio	If retained earnings for capital increment all converted to cash dividend	Pro-forma Earnings per share (NTD) Pro-forma Average annual return on investment	NA*
	If no increment using capital surplus	Pro-forma Earnings per share (NTD) Pro-forma Average annual return on investment	NA*
	If no increment using capital surplus, it will be switched to cash dividends	Pro-forma Earnings per share (NTD) Pro-forma Average annual return on investment	NA*

* As the Company did not publish a financial forecast for 2015, this information is not available; the distribution of 2014 is conducted in accordance with the earnings distribution approved by the Board of Directors meeting.

9) Information on employee bonus and compensation for directors and supervisors

Provisions in Articles of Association

Please see dividend policy for employee bonus, the 2006 shareholder meeting has authorized Board of Directors to determine the distribution of remuneration to directors and supervisors in accordance with industry standard.

Estimation criterion and difference treatment

1. The estimation of employee bonus and remuneration to directors and supervisors for the financial year 2014 is based on net profit of the said period, legal reserve and other factors, and the ratio stipulated in the Articles of Association of the Company.
2. Public companies must recognize as expense and liability when there is legal responsibility or assume responsibility and the value can be reasonably estimated based on “Guideline for employee bonus and remuneration for directors and supervisors” in accordance with the 16 March 2007 Letter No. Ji-Mi-Zih-052 of the Accounting Research and Development Foundation in Taiwan. 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. As of April 28, 2015, the Board of Directors approved that the proposed distribution of employee bonus for 2014 is NT$600 thousand and remuneration for directors and shareholders is NT$7,600 thousand. The cash dividend for employees is consistent with the 2014 estimation.
2. The proposed distribution of stock dividend for employee is NT$0.
3. Impact of the proposed distribution of employee bonus and remuneration for directors and shareholders to earning per share: None.

Actual distribution of the preceding year and treatment of differences

The employee cash dividend in 2013 was NT$600 thousand and remuneration for directors and supervisors was NT$7,600 thousand. The employee cash bonus amount was not different from the estimates made in 2013. The remuneration to directors and supervisors was different from the NT$10,000 thousand estimated in 2013 by NT$2,400 thousand and it was recognized as gains and losses in the following year.

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

Item / Year of EPS			2010 (Distribution in 2011)	2011 (Distribution in 2012)	2012 (Distribution in 2013)	2013 (Distribution in 2014)	2014 (Distribution in 2015)
Dividend (NTD/per share)	Cash		2.25	4.00	2.00	2.80	3.30
	Stock		-	-	-	-	-
Remuneration for directors and supervisors (in NTD thousand)			6,000	6,000	10,000	7,600	7,600
Employee bonus	Cash		90,000	75,000	600	600	600
	Stock	Amount (in NTD thousand)	-	-	-	-	-
		Shares (thousand shares)	-	-	-	-	-
Employee stock bonus / (employee stock bonus + shareholder stock dividend)			None	None	None	None	None
Employee stock bonus / outstanding shares at year end			None	None	None	None	None

Summary of 2013 (distributed in 2014) employee stock bonus information: None

10) Buy back shares: None

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

1) Global depositary receipts

<table>
<tr><th colspan="3">Issue date</th><th>1997.7.3</th><th>1999.9.22</th></tr>
<tr><td colspan="3">Countries issued</td><td>Asia, Europe and the US</td><td>Asia, Europe and the US</td></tr>
<tr><td colspan="3">Issuance and listing</td><td>Luxembourg Stock Exchange</td><td>Luxembourg Stock Exchange</td></tr>
<tr><td colspan="3">Total amount issued (US$)</td><td>139,382,100</td><td>245,380,125</td></tr>
<tr><td colspan="3">Issue price per GDR (US$)</td><td>22.23</td><td>18.93</td></tr>
<tr><td colspan="3">Total units issued (unit)</td><td>6,270,000</td><td>12,962,500</td></tr>
<tr><td colspan="3">Underlying securities</td><td>1. Capital increase by cash and issue new shares
2. Release shareholder: MiTAC Inc., Lex Service (Guernsey) Limited.</td><td>1. Capital increase by cash and issue new shares
2. Release shareholder: Lex Service (Guernsey) Limited.</td></tr>
<tr><td colspan="3">Common shares represented (shares)</td><td>25,080,000</td><td>51,850,000</td></tr>
<tr><td colspan="3">Rights and obligations of GDR holders</td><td>Rights and obligation consistent with common shares</td><td>Rights and obligation consistent with common shares</td></tr>
<tr><td colspan="3">Trustee</td><td>None</td><td>None</td></tr>
<tr><td colspan="3">Depositary bank</td><td>Citibank, N.A.</td><td>Citibank, N.A.</td></tr>
<tr><td colspan="3">Custodian bank</td><td>Citibank N. A., Taipei branch</td><td>Citibank N. A., Taipei branch</td></tr>
<tr><td colspan="3">4.30.2015 GDR outstanding (unit)</td><td colspan="2">906,363</td></tr>
<tr><td colspan="3">Apportionment of expenses for issuance and maintenance</td><td>Issuing expense is paid by release shareholder and issuing company on the pro rata basis, duration expense is paid by depository institution.</td><td>Issuing expense is paid by release shareholder and issuing company on the pro rata basis, duration expense is paid by depository institution.</td></tr>
<tr><td colspan="3">Important notes on depository agreement and custodian agreement</td><td>See depository agreement and custodian agreement for details</td><td>See depository agreement and custodian agreement for details</td></tr>
<tr><td rowspan="6">Market price per unit (US$)</td><td rowspan="3">2014</td><td>Highest</td><td colspan="2">7.22</td></tr>
<tr><td>Lowest</td><td colspan="2">5.41</td></tr>
<tr><td>Average</td><td colspan="2">6.21</td></tr>
<tr><td rowspan="3">2015. 1.1 - 2015. 4.30</td><td>Highest</td><td colspan="2">5.95</td></tr>
<tr><td>Lowest</td><td colspan="2">5.28</td></tr>
<tr><td>Average</td><td colspan="2">5.64</td></tr>
</table>

2) Status of employee stock option: None

3) Preferred shares: None

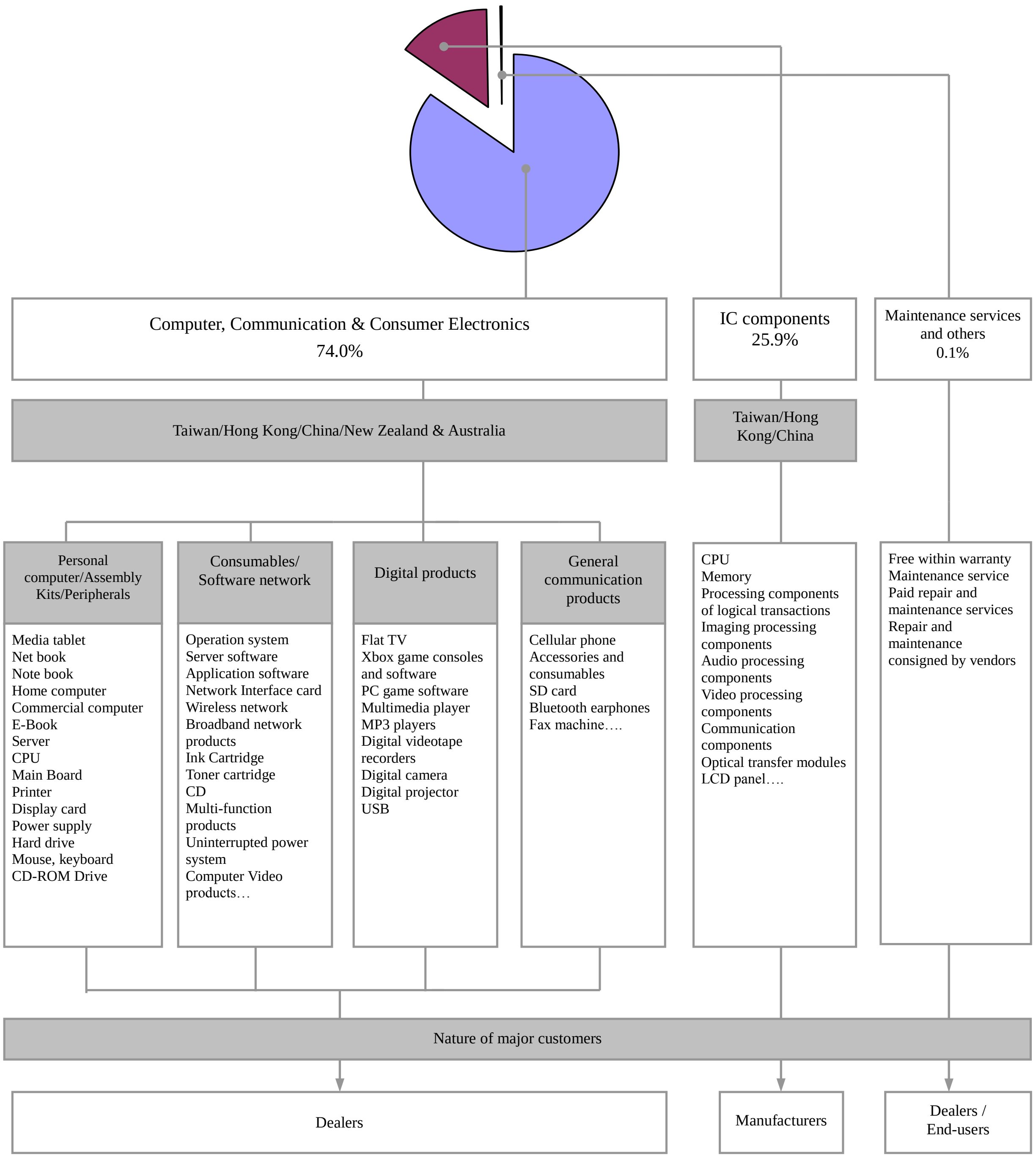
4) Corporate bonds: None

Operation highlights

Operation highlights

I. Scope of Business

1) Main areas of business operation and revenue distribution for 2014



2) Developing new products (service)

New Product	New Service
▪ All kinds of smart products	▪ Chain stores and inventory management services and store rapid replenishment service
▪ Cloud technology related products	▪ Electronic software download service
▪ Video surveillance related products	▪ Contract management services for commercial software and service products

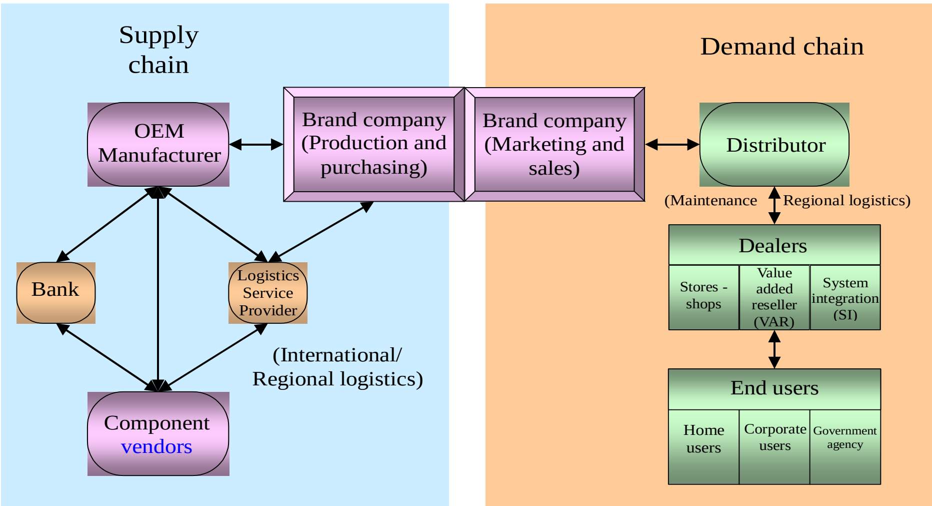
3) Overview of industry

Distribution overview of 3C products (IT and Telecom)

1. Overview of supply chain

Supply chain of IT and Telecom can be divided into "supply chain" in the manufacturing side and the "demand chain" in the sales side. The supply chain focuses on OEM and the demand chain focuses on distributors, the two generated a supply-demand relationship under the production and purchasing unit and marketing and sales unit of brand company (shown below).

Supply chain and demand chain



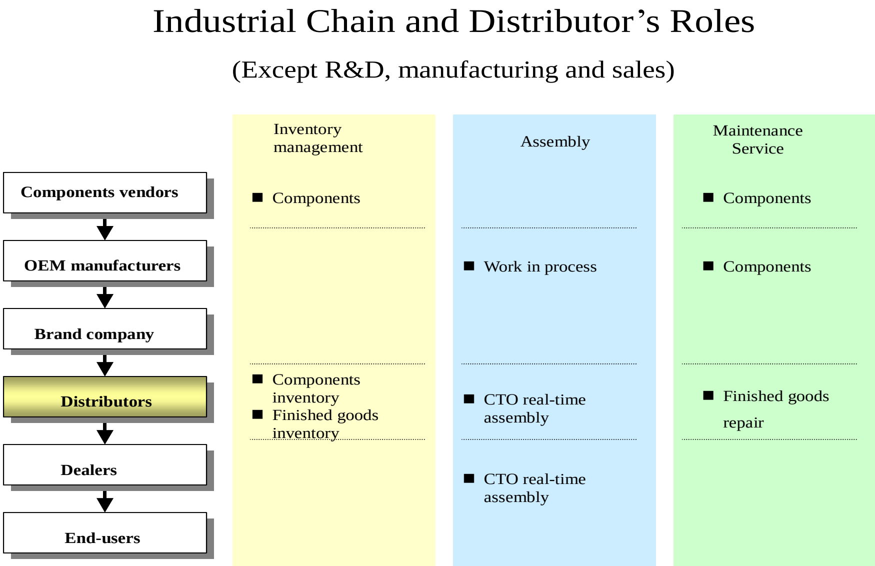
The ecosystem of supply chain and demand chain differs, the former is relatively larger manufacturer in size, lesser in number; the latter is relatively smaller in size with a larger number and deeper penetration into the market. Therefore, the management philosophy and operation model of the supply chain and demand chain is very different.

To the distributors focused greatly on integrated demand, its value determines on the channel's density and solidity of different products and whether a complete management mechanism of channel operation can be set up to effectively manage product categories, items, bulk customers, bulk orders, bulk shipment operation and maintenance operation. Failure to establish a sound operational management mechanism will be unable to generate economic efficiencies.

2. Role of the distributors

The trend of slim-profit has enabled a more sophisticated vertical integration of supply chain, that is, during the evolution of industrial ecology, the upstream, midstream, and downstream improves the overall efficiency of supply chain operation and lower overall cost through "Who responsible for what is most effective?"

In addition to research, development, marketing and sales, this trend has also resulted in a more sophisticated inventory management, assembly and maintenance (shown in graph below). Among them, the distributors' role in component inventory, finished goods inventory, CTO assembly and product maintenance is increasingly important, and provides a greater value in supply chain for the distributors with complete operation mechanism and size.



3. Overview of upstream suppliers

The bigger upstream suppliers usually grow faster and stronger; especially for the mature products with only few brands competing in market. The manufacturer's marketing strategy is going for centralization, that is, reduces the number of agents; therefore, the large IT agents also grow faster and stronger. In addition, the manufacturers while looking for agents increasingly stress the importance of agent's operational capacity and financial solvency in order to avoid agents who do not have sufficient operational capacities and financial solvency to meet the demand of growing market. Under the circumstance, the agents with operational capacity, solid management, and financial solvency are obviously with advantage in competition.

4. Overview of downstream dealers

- Consumer information channel: The market is moving toward the operation of large-scale information chain stores. The emerging channels including online shopping and TV shopping are the new trend for the distribution of consumer information products in recent years. The diversified products sold in chain stores and shopping network have made management a complex task; moreover, the price of information products drops fast; therefore, the collaboration between the channel agents and the upstream distributors, in addition to product supply, will grow in the sense of logistics management, inventory management, maintenance operations, and e-flow. The distributors with logistics capabilities and powerful information management capabilities are in position to provide support to this type of distribution channels and to form a close upstream and downstream partnership.
- Business information channel: The government agencies, educational institutions, and corporate are the main sales targets that can be divided into the categories of large-scale systems integrators (SI) and general value-added reseller (VAR). In terms of market operation, dealers and upstream distributors are to provide total solutions to the end-user. Therefore, a close cooperation between the dealers and distributors is expected from product planning and technical support and logistics services before sales to the after-sales maintenance services.

- Communication stores: It is a consumer market with a focus on store distribution. Cellular phone is with a short lifespan and the price drops faster than IT products. Relatively, the communication stores distribution relies heavily on the product supply capacity, logistics capability, and after-sale maintenance services of the upstream distributors.
- Telecommunications system operators channel: Telecommunication as the core of the direct sale or franchise system by integrating cellular phone and phone number. The distributors supply cellular phones; also, carriers are also actively looking for distinctive 3C products for sale with the phone number that relies heavily on the distributor's inventory management and logistics mechanism that represents another form of close cooperation.

Overview of IC components distribution

The feature of IC component distribution is different from the same of IT and Telecom channel.

- As market exclusivity exists among same product of different vendors, it is unlikely for distributors to obtain a franchise on the same product on different brands; with its upstream position in the supply chain and rapid update, the supply-demand of IC components products is not easily controlled and resulted in higher possibility of shortage or excess of supply. To tackle the situation, IC components distributor must seek the diversification of product types to maintain the stable growth of business performance.
- The downstream customers are mostly modules and systematic products manufacturer, its relatively lesser in number and larger in size generate a concentrated source of business and high volatility. In customer development, as IC components distributors are required to assist customers to adopt new design in the new developed products (design-in), their strong technical support capability to combine business, product planning and technical support is one of the key factors of a successful business. Besides, the decreasing tolerance to price fall of inventory and capital burden of vendors due to the rapid change of price of components products and slim-profit trend of overall supply chain, the distributors' sufficient logistics management ability to rapidly serve customers' needs is one of the key factor for IC components distributors to establish market advantage.

Product development trend

- Personal Computer (PC) products

  Notebook from the aspect of cosmetics, specifications, and intended use is with diversified product subcategories developed from a full-featured notebook to mini-notebook, ultra-thin laptop, and easy laptop; therefore, diversified demands are resulted, the overall market scale is expanded, and the overall market growth is activated. In terms of desktop computer products, in addition to traditional computing and Internet access, it will further become a home entertainment center along with the vigorous development of various digital entertainment products. Therefore, the system products with the integration of home appliances entertainment features (such as, TV, stereo, radios, etc.) will be quite popular. In addition, under the trend of cloud applications, the development of desktop computers will be accelerated toward the Thin Client.
- Cellular phone products

  Smart phones have become the predominant product, with the availability of mobile internet access, more entertainment or business functions are integrated into cellular phone, this trend has facilitated the price of cellular phone to be maintained at certain level, its business model is changing along with the trend.
- Digital products

  Digital products with 3C features will not only remain active on the market, more innovative products will emerge; the development of new products will be focused on computing, communication and wireless.

4) Report on technology and research development

Research and development operations

The most important core competitiveness of Synnex is business innovation and leading technology. The continuous enhancement of operation technology and innovative business model to adapt to rapid change of market trend in this slim-profit era is how Synnex maintain and expand its market leading position. Currently, the Business Planning & Management Div. and Logistics Planning & Management Div. of Synnex headquarters are responsible for overall planning of the business model and R&D operations, major operational technology in the process of planning, development and promotion including:

1. New product management systems, network management systems, logistics management systems, and finance management systems have been introduced into the business units of Taiwan, China, Hong Kong, and Indonesia (successfully introduced into Australia in 2012).
2. Demand forecast and inventory allocation decision supporting system
3. Software products e-sales system
4. Contract management system for commercial software and service products

5) Long and short term business development plan

Short term business development plan

- Channel: Continue channel’s in-depth development plan to actively develop more terminal customers, establish a complete sales channel. Especially in China, continuing channel development in-depth in all tiers cities and national chain store operations and internet shopping channel operations, and will actively seek opportunities for collaboration with China’s telecommunications industry. In addition to continuing to expand retail store operations in Australia, we will also actively develop commercial information networks. In terms of Taiwan, the existing distribution network is fairly stable; therefore, we will actively develop business opportunities for horizontal alliance in the future.
- Product: Continuing franchise strategy in Asia Pacific region to expand cooperation with global brands for synergy effect. At the same time, increase business information, consumer electronics, and software product lines aggressively.
- Logistics: Continue the construction and explanation plan of the logistics center and enhance the remote monitoring management capacity and provide customers with diversified logistics services with the advantage of the logistics network in response to business growth.

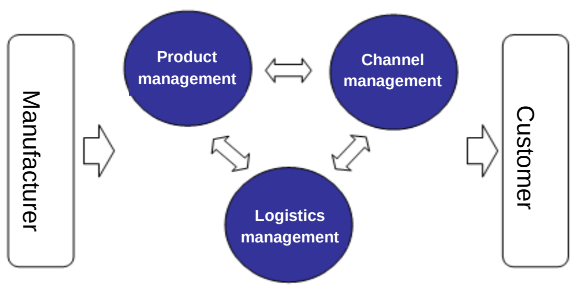
Long term business development plan

Emerging countries will remain the main source of growth momentum for the global economy over the next few years. Synnex also focuses its overseas market expansion in Asia Pacific where emerging markets have large populations and growing consumption. In addition, we will continue to expand development of diversified networks in existing countries and regions, import multi-product multi-brand sales, and seek breakthrough opportunities for continuing growth.

II. Business model

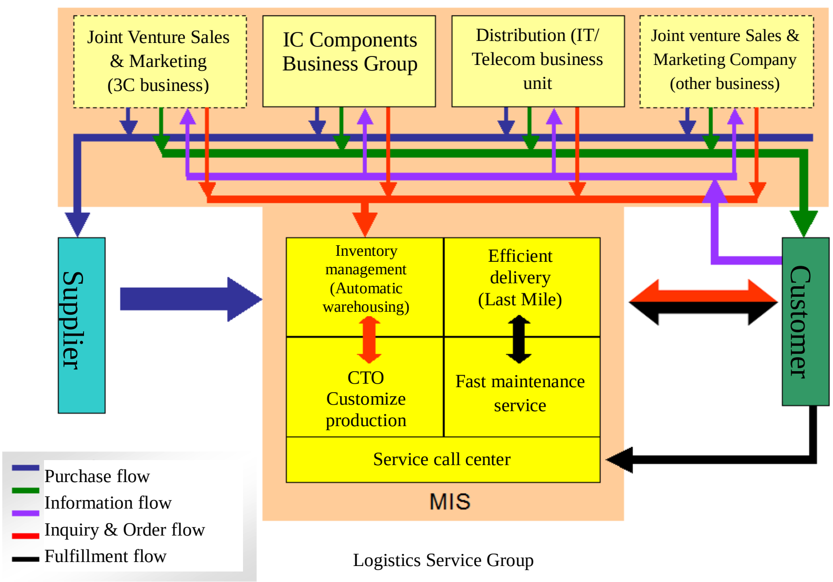
Synnex's business model is based on product management, channel management, and logistics management as the three main themes (see below) to link the upstream manufacturer and downstream distributors for providing a technology and industry integrated service.

Business themes



Actual operating activities are based on core mechanism of channel operation which including digital nervous system (MIS, Management Information System), order taking through call center of order service, logistics mechanism, rapid maintenance mechanism, CTO (Configuration-To-Order; a kind of customer made production service) real time production mechanism, the "cyber logistic centric business model" is established through the above mechanism to effectively operate information flow, capital flow, logistics flow and maintenance flow. As the core mechanism of operation is interconnected for different types of business, Synnex is thus able to develop variable channel business through "digital nervous logistics service center" and use mutual platform with joint-venture partners to facilitate business development while promoting economic efficiency of the operation, lower operational cost along with business expansion and eventually generated a positive cycle. The business model is illustrated below:

Cyber Logistic Centric Business Model



III. Core competitiveness

Diversified Channels

With over 30,000 channels in Asia Pacific region covering a wide range of distributors including traditional shops, chain stores, online shopping, value-added resellers, system integrators and telecom operators, not only Synnex's commodities are fast in circulation and large in sales volume, it is a big plus when acquiring new dealerships.

Comprehensive Product Line

With comprehensive product line to suffice customers' demand and develop channel positioning, Synnex's products cover diverse categories and brands including information, communication, consumer electronics and electronic components. In addition, the deep and long-term cooperation with major global brands allow Synnex to be a step ahead of new product development and market trend than its competitors.

Logistics Mechanism

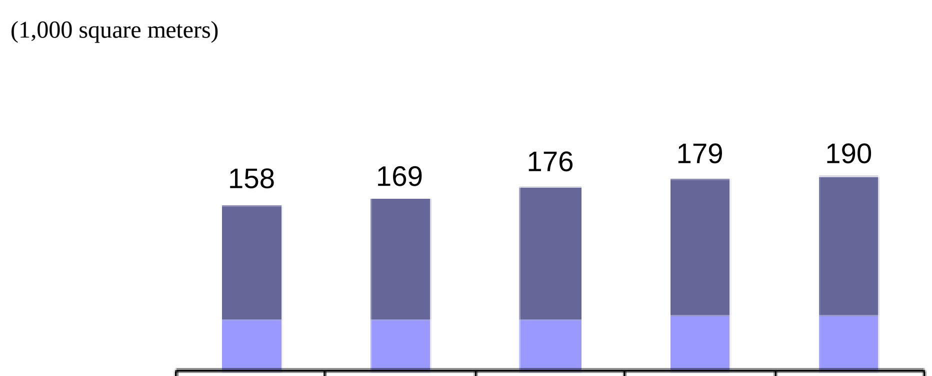
Synnex has established dozens of logistics centers in major cities of Asia Pacific region, which formed extensive logistics network coverage. With state-of-the-art automatic equipment, a self-developed management systems, professional and disciplined operations, Synnex's logistics centers covering warehousing, distribution, maintenance and assembly functions form substantial logistics capacities to back up business operations.

The Four Information and Communication Network

In light of the four information and communication networks including Management Information System (MIS), Logistic Remote Monitoring Network, Video Conference Network, and Telecommunication Network, Synnex has built up a foundation for transnational management capabilities to enable transnational internal control and communication without the hassle of distance restriction, so that while seeking more opportunities in the global market, internal control capacity is strengthened.

The development of operational management techniques

Collaborating with the software R&D center, Synnex's five planning & management functions including business, logistics, risk, finance and human resource that positioned at the headquarters are responsible for planning business models, laying down management policy, developing operation systems and conducting business analyses, inspection and quality management. This substantial support facilitates Synnex to develop innovative business and management techniques and strengthen its core competence in a continued effort to meet the Group's strategic performance.



	2010	2011	2012	2013	2014
Overseas	112	123	125	128	138
Taiwan	46	46	51	51	52

Logistics operations area

IV. Business strategy

Multi-brand and multi-product strategy

Synnex adopts multi-brand and multi-product operation strategy to effectively diversify operational risk and offer diversified products to customers to establish dense reseller network, this business strategy also pushes Synnex to move forward to pursue new products to prepare for the future growth.

Management philosophy of 51 and 49

In general, both suppliers and customers are important to distributors; however, Synnex places greater value on customers than on suppliers, a difference between 51 and 49. As distributor should dedicate to management and operation of distribution channels, thus, the back office support including order, distribution and maintenance should emphasis on customer services. In this regard, variety of distribution channels are established along with enhancement of service value and a tight reseller network is generated. With stronger channels, suppliers are willing to sell their products through Synnex's channels, and Synnex will assist supplier to gain best possible profit through placement of appropriate channels in accordance with different product types.

From serving channel customers to serving 'end users

The unique triple channel operation business model of sales, distribution and maintenance has clearly positioned distributor as professional service provider, a series of complex back office operation is coordinated by Synnex to ensure the efficiency and quality of services. In this regard, inventory risk of Synnex's customers is effectively reduced due to unnecessary stock up and cost of maintenance engineer and inventory maintenance is reserved. Synnex is expanding its services from channel customers directly to end users, the dense maintenance network and rapid delivery has increased customers satisfaction to post-services, and CTO assembly production center provide customized computer products to customers is able to meet the needs of customers. Synnex's goal is continuously increase resellers' and end-users' satisfaction in the days to come.

The advantage of operational process

In this competitive high-tech industry, only those with technology or operational process advantage are able to continuously gain high profit in this slim-profit era. Through the self-developed, tailored made MIS system, Synnex is able to combine sales, distribution and maintenance business model into a complex, sophisticated and unique operational process "knowledge-based", at the same time, it is extremely difficult for competitors to copy this model. In this knowledge economy and slim-profit era, Synnex is able to utilize this knowledge advantage to establish a goal that no other competitors can reach.

Unique "open channel "strategy

Synnex adopts an open strategy in its distribution business, that is, the decision to work with Synnex is placed in the resellers hands. As the operation of direct chain retailers is complicated and development is also limited; in addition, contract franchise involve in management issues. Thus, Synnex attracts customers by offering multi-brand, multi-products and high value-added services to establish dense reseller network so that all resellers in the industry can be Synnex's customers.

A distributor with brand name

Synnex was the first company to come up with the idea of "brand name" distributor, through the established value-added services; the resellers are willing to introduce products to customers and consumers who are willing to purchase Synnex's products due to Synnex's post-services. In addition, Synnex's own brand "Lemel" is produced not to compete, but to generate a positive adjustment with the resellers.

Maximizing the advantage of economic scale

Synnex conducts a distribution and maintenance mechanism to ensure quality and efficiency of the services. The significant growth of revenue triggered from valued services in the recent years has generated a lower operating expense when comparing with competitors. Synnex realized that the best way to maintain stable profitability and effectively expand market share is through continuously lowering operating expense in this slim-profit era.

Pursuing steady growth in overseas market

Currently, Synnex has overseas subsidiaries located in Hong Kong, China and Australia that operate in localizes, stable and step by step strategy to operate local distribution business; the successful Taiwan operation experience and mechanism is copied to the subsidiaries in accordance with actual needs. To complete product management, channel management and basic logistics management, MIS system is copied, and followed by CTO assembly, automatic warehousing and maintenance mechanism. Besides, Synnex also help subsidiaries to obtain complete dealership of international brand through its successful cooperation experience with the suppliers in Taiwan. Furthermore, Synnex started investing in distribution networks in India, the Middle East, and West Africa, at the end of 2004; also, in Southeast Asia in early 2011 in order to effectively expand business scope and explore potential markets.

An all-round logistic service provider in the age of e-business

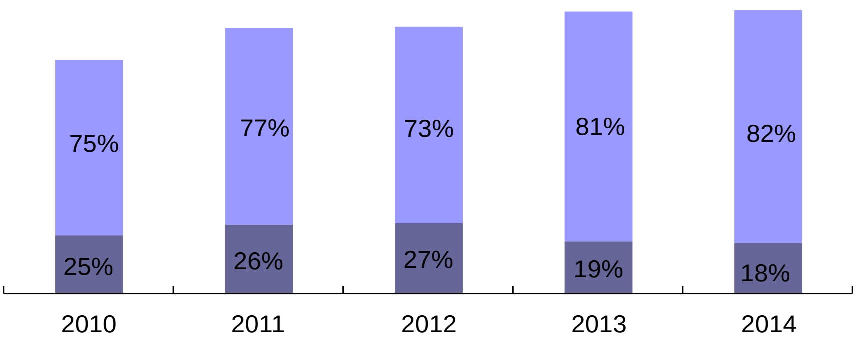
In this e-commerce development trend, Synnex's business model is positioned as a comprehensive logistics management service provider to provide back office services of inventory management, distribution and maintenance for B2C industry. In addition, the "Synnex e-City" launched in November 2000 has become a 3C content website pioneer in Taiwan; the current back office operation mechanism and MIS system is established to handle "volume" transaction. Thus, Synnex will be able to respond to the sharp challenges of the E-era in the future.

V. Market and sales conditions

1) Main sales markets

Trends in group revenues for the past five years

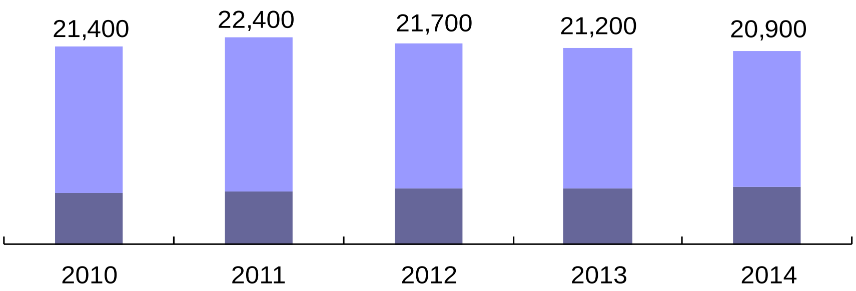
NTD bn



	2010	2011	2012	2013	2014
Overseas subsidiary	204.7	230.8	229.5	268.9	272.4
Taiwan	67.9	79.9	83.1	61.4	59.1
Consolidate	272.6	310.7	312.6	330.3	331.5

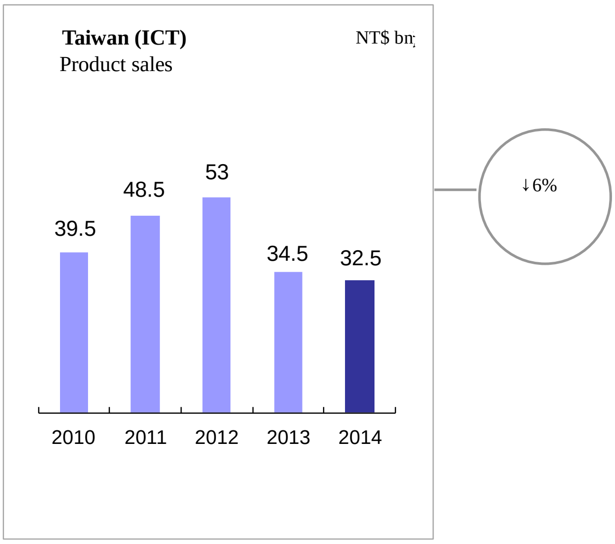
* Intercompany transaction is deducted from the selling party's sales account

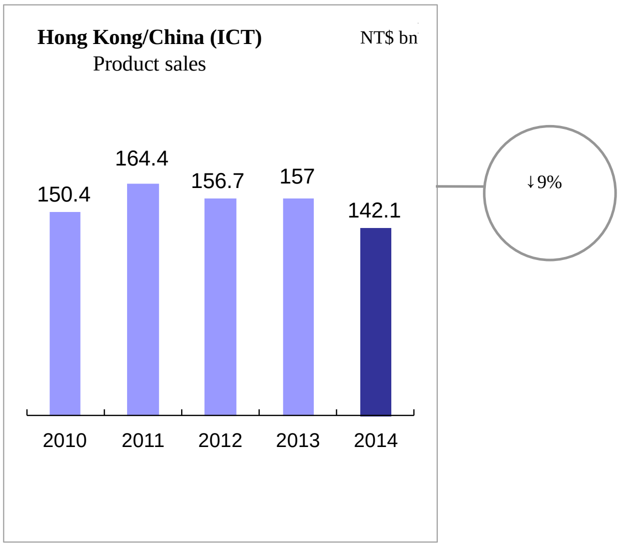
Number of group's monthly average dealing customers

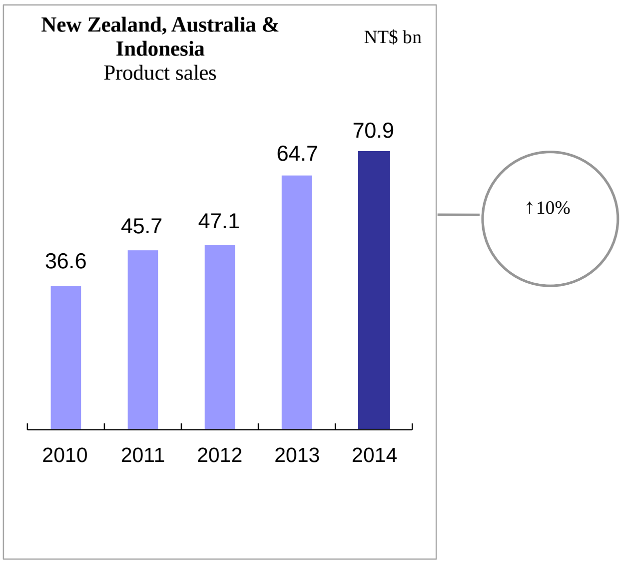


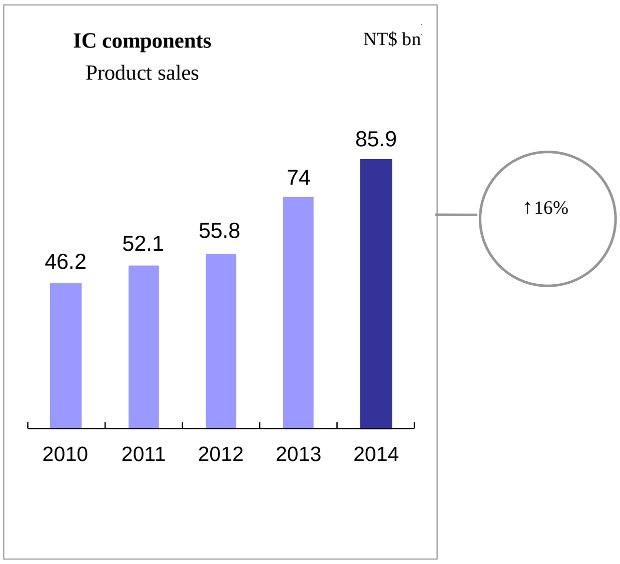
	2010	2011	2012	2013	2014
Overseas subsidiary	15,800	16,600	15,700	15,200	14,700
Taiwan	5,600	5,800	6,000	6,000	6,200

Trends for regional revenue within the group in the next five years









2) Supply-demand and growth of the future market

2015 Global equipment shipments (including PC, tablet computer, Ultramobile and mobile phone) are expected to reach 2.5 billion units, representing 2.8% growth from 2014 and they are expected to reach 2.6 billion units in 2016, according to market research institute, Gartner, Inc.

The global traditional PC shipments are expected to reach 253 million units in 2015, representing 8.7% decline from 2014 and are expected to reach 277 million units in 2016, representing 3.6% decline from 2015. The shift from PCs to tablet computers will continue to decline, when it comes to selecting tablet computers or PCs, as consumers and corporations tend to prefer the ones that are closest to their usage patterns, Ultramobile PCs (hybrid and clamshell laptop) therefore have become the new market's newfound rising star.

The global shipment of Ultramobile is expected to reach 290 million units and 332 million units in 2015 and 2016, respectively, representing an increase of 9.8% and 14.5% over the previous year. Current consumption (installed base) of tablet computers after going through a rapid growth has entered the maturity stage just like laptop computer. Tablet computers are not only saturating the mature markets gradually, after the introduction of hybrid devices and phablets, but also competing against tablet products in the emerging markets.

Mobile phones have become the largest and most profitable division in the global installation device market. Sales are expected to grow by 3.5% and 3.8% in 2015 and 2016 for 1.944 billion and 2.018 billion units, respectively. The high-end mobile phone average price has continued to go up over the last few years. However, due to the saturation of the smart phone market expected in the next few years, the price is likely to remain the same or even declined slightly; however, the launch of low-cost smartphones will continue to attract consumers.

Type	2014	2015 (Estimate)		2016 (Estimate)	
	Million units	Million units	Growth rate (%)	Million units	Growth rate (%)
Traditional PC (desktops and laptops)	277	253	-8.7	244	-3.6
Ultramobile*	264	290	9.8	332	14.5
Mobile phones	1,879	1,944	3.5	2,018	3.8
Total	2,420	2,487	2.8	2,594	4.3

* Ultramobile means all Ultramobile Basic and Utility devices

Traditional PC

Gartner's research indicates that 103 million PCs were sold in the Asia-Pacific region in 2014, representing 13.6% decline from 2013. Sales amounted to US$56.6 billion, representing 16.8% decline. A total of 99 million units of PCs are expected to be sold in the Asia-Pacific region in 2015, representing a 3.5% decline from 2014 for sales amounting to US$53.3 billion, representing a 5.8% decline.

Shipments of the PC market in the Asia Pacific region (exclusive of Japan) in 2014 ~ 2016 are as follow:

Asia-Pacific region Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	102,520	-13.6	98,960	-3.5	98,440	-0.5
Amount	56,587	-16.8	53,301	-5.8	51,834	-2.8

* Source of information: Gartner Dataquest

Ultramobile

Gartner's research indicates that 89 million Ultramobile were sold in the Asia-Pacific region in 2014, representing a decline of 0.2% from 2013. Sales amounted to US$22.4 billion. The tablet device market has become saturated due to the popularity of tablet devices and the extended recycling period of the tablet device. A total of 87 million units of Ultramobile are expected to be sold in the Asia-Pacific region in 2015, representing a decline of 1.5% from 2014 for sales amounting to US$23.8 billion, representing 6.2% growth. A total of 910 thousand units are expected to be sold in 2016, representing 4.8% growth from 2015, for sales amounting to US$25.4 billion, representing 6.8% growth.

Shipments of the Tablet PC in the Asia Pacific region (exclusive of Japan) in 2014 ~ 2016 are as follow:

Asia Pacific region Ultramobile	2014		2015(Estimate)		2016(Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	88,620	-0.2	87,260	-1.5	91,430	4.8
Amount	22,429	0.0	23,817	6.2	25,435	6.8

* Source of information：Gartner Dataquest

Mobile phone

Gartner's research indicates that 106 million mobile phones were sold in the Asia-Pacific region in 2014; representing 6.1% growth from 2013 Sales amounted to US$122 billion, representing 9.0% growth. Gartner forecasts the shipment of mobile phones in the Asia-Pacific region in 2015 to grow by 5.9% for a total of 1,089 million units sold, representing 3.1% growth from 2014, for sales amounting to US$128.6 billion, representing 5.4% growth.

Cellular phone sales in the Asia-Pacific region (excluding Japan) in 2014~2016 are estimated as follows:

Asia-Pacific mobile phone	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	1,056,020	6.1	1,088,810	3.1	1,151,540	5.8
Amount	121,993	9.0	128,568	5.4	134,459	4.6

* Source of information: Gartner Dataquest

Basic information in each region:

Region	Population (million)	GDP per capita (US$)	2014 economic growth rate (%)	Source of information
Taiwan	23.4	20,900	3.5	CIA/StockQ
China	1,355.7	6,900	7.4	CIA/StockQ
Hong Kong	7.1	38,100	*	CIA/StockQ
Australia	22.5	65,100	2.8	CIA/StockQ
Indonesia	253.6	3,500	5.2	CIA/StockQ
Thailand	67.7	5,600	1.0	CIA/StockQ
India	1,236.3	1,500	5.6	CIA/StockQ

* A negative number.

- **Taiwan**

Traditional PC

Gartner's research indicates that 2.53 million units of traditional PC were sold in Taiwan in 2014, representing 3.6% growth from 2013. Sales of PCs in 2015 is expected to be 2.53 million units, representing 0.2% decline and the same for 2016 is 2.43 million units, representing4.0% decline.

Taiwan Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	2,530	3.6	2,530	-0.2	2,430	-4.0
Amount	1,623	1.7	1,582	-2.5	1,488	-5.9

* Source of information: Gartner Dataquest

Ultramobile

Gartner's research indicates that 2.08 million units of Ultramobile were sold in Taiwan in 2014, representing 31.7% growth from 2013. Sales of tablet PCs in 2015 is expected to be 2.49 million units, representing 19.7% growth and the same for 2016 is 2.71 million units, representing 9.0% growth.

Taiwan tablet PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	2,080	31.7	2,490	19.7	2,710	9.0
Amount	610	-3.0	762	24.9	796	4.5

* Source of information：Gartner Dataquest

Mobile phone market

Gartner's research indicates that 9.51 million units of mobile phones were sold in Taiwan in 2014, representing 9.1% growth from 2013. The estimated shipment in 2015 is approximately 9.12 million units, a decline of 4.1%; also, the estimated shipment in 2016 is approximately 9.59 million units, representing 5.1% growth.

Taiwan mobile phone	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	9,510	9.1	9,120	-4.1	9,590	5.1
Amount	1,919	14.5	1,892	-1.4	1,958	3.5

* Source of information: Gartner Dataquest

- **China**

Traditional PC

Gartner's research indicates that 57.89 million units of traditional PCs were sold in China in 2014, representing a decline of 8.4% from 2013. Sales of PCs in 2015 are expected to be 56.19 million units, a slight decline of 2.9% and the same for 2016 is 55.35 million units, representing a minor decline of 1.5%.

China Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	57,890	-8.4	56,190	-2.9	55,350	-1.5
Amount	30,740	-11.0	29,401	-4.4	28,682	-2.4

* Source of information: Gartner Dataquest

Ultramobile

Gartner's research indicates that 34.36 million units of Ultramobile were sold in China in 2014, representing a decline of 5.4% from 2013. Sales of Ultramobile in 2015 are expected to be 35.26 million units, representing 2.6 % growth and the same for 2016 is 35.71 million units, representing 1.3% growth.

China Ultramobile	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	34,360	-5.4	35,260	2.6	35,710	1.3
Amount	8,418	4.2	9,539	13.3	9,920	4.0

* Source of information: Gartner Dataquest

Mobile phone

With a population second to none in the world, a growing GDP and the popularization of 3G and 4G networks, feature phones can no longer meet the desires of Chinese people. Smart phones are growing accordingly to catch up with the rapidly rising market. On top of it, the popularization of smart phones has extended from 1st tier cities to 2nd tier cities. Smart phones have replaced feature phones to become the mainstream product in the market. The prevalence of 4G mobile communications has attracted 2G users and they are shifting to 3G and 4G which has become the mobile phone growth momentum in China. Smart phones have rooted their growth trend in 2015. Sales of mobile phones are expected to reach 4.52 million units in 2015, representing 1.8% growth and the same for 2016 is 4.74 million units, representing 4.9% growth.

China mobile phone	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	443,620	1.8	451,950	1.8	473,930	4.9
Amount	62,618	17.7	63,480	1.4	65,799	3.7

* Source of information: Gartner Dataquest

- **Australia**

Traditional PC

Australia's ICT industry is a pioneer in global e-learning and information technology services with a leading position secured in the fields of wireless communications and smart transmission systems. Australia's ICT is ranked tenth in the global market. In Australia, 70% of households own computer equipment and 60% of households use Internet services. Gartner's research indicates that the total sales volume of PCs in 2014 was 3.37 million units, a decline of 3.6% from 2013. 3.08 million units and

2.86 million units of traditional PCs are expected to be shipped in 2015 and 2016, respectively.

Australia Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	3,370	-3.6	3,080	-8.8	2,860	-7.1
Amount	2,871	-11.3	2,562	-10.8	2,273	-11.3

* Source of information: Gartner Dataquest

Ultramobile

Gartner's research indicates that 4.31 million units of Ultramobile were sold in Australia in 2014, representing a decline of 2.3% from 2013. Sales of Ultramobile in 2015 are expected to be 4.28 million units, a slight decline of 0.9% and the same for 2016 is 4.51 million units, representing 5.4% growth.

Australian Ultramobile	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	4,310	-2.3	4,280	-0.9	4,510	5.4
Amount	2,028	8.5	2,237	10.3	2,429	8.6

* Source of information: Gartner Dataquest

- **Indonesia**

Traditional PC

As the world's fourth largest country in population and with more than 6% annual economic growth in recent years, Indonesia has vigorous domestic market demand. According to IDC, the current PC penetration in Indonesia is only 9%, far below standard in the world. However, the increasing consumer incomes are expected to stimulate the traditional PC market, which marks the country as having high potential in terms of market scale and profitability. On top of it, Telkom Indonesia is planning a US$600 million project to expand optical fiber networks in Indonesia that will drive up the growth in the local PC market.

Indonesia Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	3,700	-20.0	3,870	4.4	4,160	7.5
Amount	1,667	-27.6	1,629	-2.3	1,693	3.9

* Source of information: Gartner Dataquest

Ultramobile

Gartner's research indicates that 5.92 million units of Ultramobile were sold in Indonesia in 2014, representing a substantial growth of 45.9% from 2013. Sales of Tablet PCs in 2015 are expected to be 5.37 million units, representing 9.4% decline and the same for 2016 is 5.87 million units, representing 9.3% growth.

Indonesia Ultramobile	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	5,920	45.9	5,370	-9.4	5,870	9.3
Amount	877	32.7	884	0.8	1,093	23.6

* Source of information: Gartner Dataquest

- **Thailand**

Traditional PC

With multiple investment incentives and guidance measures supported by the government, coupled with its critical location in ASEAN, “The Great Mekong Sub-region” and “golden corridor”, Thailand's e-commerce is growing rapidly. Furthermore, thanks to new government support to mega-projects and increasing awareness of information technology, the importance of information technology to business and individual is also on the rise. Gartner expects sales of traditional PC in 2015 to reach 2.35 million units and 2.47 million units in 2016.

Thailand Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	2,270	-18.7	2,350	3.7	2,470	5.2
Amount	1,148	-25.9	1,149	0.0	1,180	2.7

* Source of information: Gartner Dataquest

Ultramobile

Gartner’s research indicates that 4.05 million units of Ultramobile were sold in Thailand in 2014, representing a decline of 7.3% from 2013. Sales of Ultramobile in 2015 are expected to be 3.71 million units, representing 8.4% decline and the same for 2016 is 3.93 million units, representing 5.9% growth.

Thailand Ultramobile	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	4,050	-7.3	3,710	-8.4	3,930	5.9
Amount	670	-2.8	672	0.3	706	5.1

* Source of information: Gartner Dataquest

- **India**

Traditional PC

According to the global economic outlook report published by the Center for Economics and Business Research (CEBR), India has the potential to become the world’s fourth largest economy in 2022. With the number of internet users growing at an unstoppable speed, the demand for ICT products is also growing steadily. India is expected to become the world’s fastest growing country in terms of IT industry in the future years. Sales of traditional PC in 2015 are expected to be 9.21 million units and 9.49 million units in 2016.

India Traditional PC	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	9,020	-17.3	9,210	2.0	9,490	3.1
Amount	4,397	-21.8	4,473	1.7	4,450	1.7

* Source of information: Gartner Dataquest

Ultramobile

Gartner’s research indicates that 7.31 million units of Ultramobile were sold in India in 2014, representing a growth of 3.3% from 2013. Sales of Ultramobile in 2015 are expected to be 6.60 million units, representing 9.7% decline and the same for 2016 is 6.96 million units, representing 5.4% growth.

India Ultramobile	2014		2015 (Estimate)		2016 (Estimate)	
	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)	1,000 units/USD million	Growth rate (%)
Shipment volume	7,310	3.3	6,600	-9.7	6,960	5.4
Amount	1,094	17.9	1,081	-1.2	1,200	11.0

* Source of information: Gartner Dataquest

Synnex has become a leading distributor of IT products and services in Taiwan, its overseas subsidiaries and long-term investments showed impressive results. The local ranking of its subsidiaries in 2014 is as follows:

Region	Ranks of distributors
Hong Kong (subsidiary)	1
China (subsidiary)	2
Australia (subsidiary)	1
Indonesia (subsidiary)	1
Thailand (re-investment)	1
India (re-investment)	1

IC components market

For the effective operation of the semiconductor industry's supply chain, the manufacturers of upstream semiconductor parts have product technology services provided to downstream manufacturers through the support of distributors, in order to concentrate on developing next-generation products and to create a more sophisticated competitiveness and market opportunities. Distributors are able to bring flexible payment terms to downstream manufacturers, reduce inventory loading, shorten the components supply process effectively, 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 pursue sustainable business.

Component distributors in Taiwan have targeted the Asia Pacific market with services provided to main customers, including motherboard manufacturers, system 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, cellular phones, and network equipment; therefore, the total market demand cannot be overlooked, in which, memory modules, all kinds of driver ICs, wireless communications, Broadband Internet, digital processing ICs, passive elements, optoelectronic elements, and LCD panels are the keys to growth. In addition, China industry increasingly depends on Taiwan products; therefore, the growing demand for smartphones and tablet PCs mean future development opportunities for the electronic components industry.

3) Positive factors for our future development

Extensive growth potential in the overseas market

Rapid market growth in China, Australia, India, Thailand, and Indonesia in recent years indicates growth potential for the future. With Synnex's logistics mechanism being put gradually in place, the market share of the overseas market will be enhanced and further improve overall operational performance.

Competitive landscape has shifted from technology and production to distribution

As the gap between manufacturers in technology and production capacities narrows, distributors are able to replace the manufacturers and overtake the market. Synnex's distributing coverage tops the industry, the accurate control of the distribution channels continuously attract the upstream manufacturers and speed up the introduction of brands to the channel and generate a positive cycle to business growth. The increase in channels, brands and product types is one of the important factors of Synnex's stable growth.

Continuously increasing of customers' demand to "small quantity, various types and one stop shopping"

A variety of Synnex's products offer the convenience of "small quantity, various type and one stop shopping" to customers so as to lower their inventory risk resulted from a short life cycle of IT and Telecom products and price variation while saving time and cost for suppliers. This is one of Synnex's major feature and the service that other suppliers and agents cannot offer.

Provide quality service in the slim-profit era

Distributors' profit is close to none in this slim-profit era, thus, quality service determines who wins the game.

- Pre-sales service

In IC components, Synnex has technical application department to assist customers to adopt new design in the new products (design-in) to reduce customers' burden in research and development; as for information products, Synnex offer product description and assist customers to solve compatibility, Chinese-language solution and PC usage problems.

- Delivery services

The inventory along with a computerized warehousing management and highly mobile delivery teams to provide "Morning order, afternoon delivery; Afternoon order, next morning delivery" services to customers twice a day, and thus reducing inventory and warehousing costs, furthermore, delivery service up three times a day for certain region to enable faster delivery services.

- After-sales services

Provide professional problem solving services and 2-days headquarter maintenance and on-site maintenance services mechanism, allowing "Peace of mind at purchase, ease in mind in use" for customers.

E-Commerce becomes more popular along with the rising popularity of internet

The efficient and quality logistics and computerized capacity of Synnex is helpful to enhance the expansion of innovative business such as Logistics Service Provider (LSP) and HUB in this e-commerce era. In addition, the complete structure of "Synnex e-City" not only offers informative product knowledge, information and consumer service information, it also establishes solid foundation for Synnex's development of e-commerce in the future.

4) Negative factors for our future development and our countermeasures

Negative factors	Countermeasures
The regional chain reaction and interaction is enhanced under the trend of globalization; also, the impact of local natural disaster or economic and political turbulence is broadened.	1. Diversify risk and reduce the impact of natural disaster and economic and political turbulence through multi-nation, multi-product, and multi-channel business strategy. 2. Focus on the operation of the industry, commit to upgrade internal operational management, strengthen the constitution of the enterprise, and build up ability for withstanding the environment variables and systematic risk.
Short life cycle of products The rapid advancement of technology has facilitated the speed of products innovation, thus product cycle is shortened to half year and resulted in uncertainty of sales performance and increased inventory risk.	1. Utilize ERP information management system to manage purchase, sales and inventory so as to lower inventory weeks and increase number of turnover and meet the target of inventory optimization. 2. Adjust inventory weeks in according with the development of life cycle of the respective products to avoid over-stocking and interest burden. 3. Remove the no-value item to avoid diversified concentration of management. 4. Follow up product and technology development, in addition to popular products, introduce next-star products at appropriate timing to optimize product combination, control product opportunity and lower management risk.
Era of marginal profit, profit is low and hard to improve Mature technology and transparent information cause 3C industry upstream and downstream to work for marginal profit and with difficulty in improving profit.	1. Committed to improve operational efficiency, continue to reduce operating costs, and increase market share with the advantage of low-cost in order to maintain stable profitability. 2. Compute product cost structure through precise operation analysis and develop accurate product strategies.

5) Essential Purposes of Major Products

Major products			Use
Information Products	Personal Computer	Note Book, Home Computer, Business Computer, Server, Mini Mobile Computer	Personal or commercial Data Processing Equipment
	Tablet Computer	Multimedia Tablet, Ebook	Entertainment, data processing equipment for personal or commercial use
	Computer Component	Main board, Graphics Card, Input/Output Control Card, Keyboard, Power Supply, Case, Cooling Fan	Major components for custom built PC
	Printing Device	InkJet Printer, Dox Matrix Printer, Laser Printer, Multi-Function Printer	Computer printing device
	Display Device	LCD Monitor	Computer display device
	Storage Device	Hard Disk Drive, Floppy Disk Drive, Tape Drives, CD Rewritable Drive	Computer storage device
	Input Device	Scanner, Digital Camera	Computer input device
	Multimedia Products	CD-Rom Drive, Sound Card, Video Card, Multemedia Suite, CD-ROM machine, CD Software, Leisure Software, Multimedia Speaker, PC Camera, LCD Projector	Processing device and software for multimedia audio, image and information
	Networking Product	Network Card, Routers, Bridge, Internet Connected Device, Uninterruptible Power Supply, Modem, Network Operating System, Wireless Network System, Wireless Base Station, Broadband Router	Networking device and operating software
	Application Software	Operating System, Electronic Spreadsheet, Word Processing, Integration Software, Database, Utilities Software, Anti-Virus Software and other application software	Activation or Application Utilities Software

	Consumables	Mouse, Floppy Disks, CD-ROM, Inked Ribbons, Ink Cartridges, Toner Cartridges, Purchase equipment, consumables	Consumables and purchased goods of computer storage, printing and input devices
Digital Products		LCD TV, Xbox Game Consoles and Software, DVD, MP3 Players, Digital Recorders, Digital Cameras, Digital Photo Frames, Smart Wearable Device, Smart TV Dongle, GPS Navigation System, and event Data Rrecorder	Personal or home digital products
Communication Products	General Communication Products	Mobile Phone, Consumables & Accessories for Mobile Phone, Fax Machine and Mobile Power Supply	Consumable communication products for personal or commercial use
Electronic Components		CPU, Memory, Logic, Audio, Visual, Multimedia Processing Components, Industrial Components, Linear Components, Optoelectronic Components, Information Appliance Components, LCD Panel	Integrated circuit and components for the manufacturing of personal computer and electronic products

VI. Employees

1) Number of employees in group

Year / Item	2013.12.31			2014.12.31			2015.04.30		
	Taiwan	Overseas subsidiaries	Total	Taiwan	Overseas subsidiaries	Total	Taiwan	Overseas subsidiaries	Total
Full time employees	1,208	3,872	5,080	1,173	3,506	4,679	1,170	3,406	4,576
Part-time employees	41	128	169	31	142	173	36	174	210
Total	1,249	4,000	5,249	1,204	3,648	4,852	1,206	3,580	4,786

2) Employees information of Synnex

Item	Year	2013.12.31	2014.12.31	2015.4.30
Number of employees in group	Sales	2,802	2,492	2,434
	Operators	245	327	318
	Computers	182	200	191
	Administrators	625	568	552
	Logistics	1,226	1,092	1,081
	Total	5,080	4,679	4,576
Average age		31.6	33.9	34.1
Average years of service in company		4.6	5.6	5.7
Education (%)	Doctoral degree	-	-	-
	Master's degree	4.5	5.5	5.6
	College	85.4	82.8	82.7
	High school	8.9	10.6	10.6
	Below high school	1.2	1.1	1.1

Note: Part-time employees are not included.

VII. Report on environmental protection and related expenditures

Though distribution industry is not categorized as highly polluted industry, based on the believe that earth is part of ourselves, Synnex devoted to fulfill its environmental protection responsibility,

- Obtained ISO 14001 Certification of Environment at Management System:

  ISO 14001 Certification of Environment at Management System is recognized internationally as the highest standard of environmental management. Synnex's CTO assembly plant has a complete environmental management policy, process and monitoring mechanism, it has obtained as early as 1999 and has successfully passed the annual inspection thereafter.

- Environmental consideration of packaging materials:

  Quality control of logistics operation department is placed in Synnex's logistics center, one of its function is to achieve the minimum use of packaging materials in logistics operation so as to reduce environmental burden and cost of packaging material, for example: re-using paper boxes, using non-toxic or biodegradable material in shipment packaging and establishing recycling mechanism to effectively reduce usage of packaging material.

VIII. Labor relations

Welfare and benefits for employees

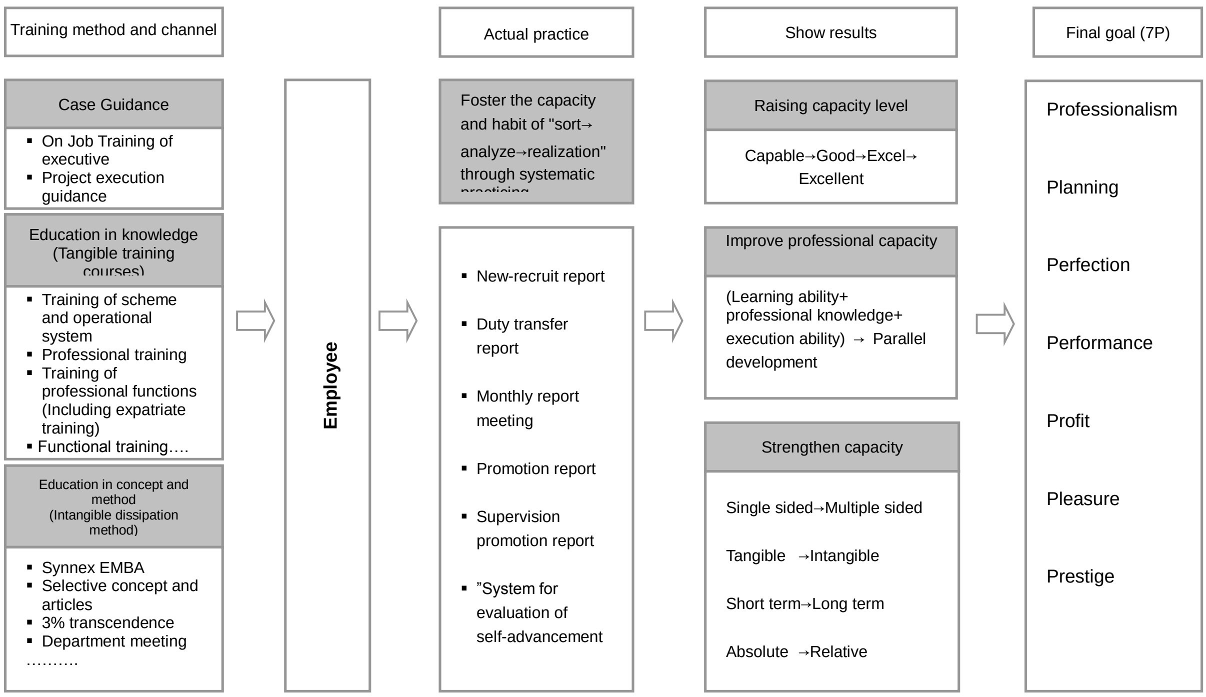
In addition to participation in labor insurance and national health insurance in Taiwan, Synnex also purchases group life insurance for its employees and establish employee benefits committee to attract employees' devotion. In addition, Synnex also establish a pension supervision management committee to stipulate retirement system in accordance with Labor Insurance Law, and implement pension system (new system) in accordance with Labor Pension Act in July 2005, so that Synnex's employees are free from worries of retirement life. As for the overseas subsidiaries, Synnex also established an employee benefits system and appropriate retirement fund in accordance with local regulations and environment.

Labor agreement

In addition to normal organizational system, labor-employee 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 and generate harmony atmosphere in the Company. No significant labor dispute or loss has occurred in 2014 and 2015.

Employee training

As Synnex regards employees as important intangible asset, thus has devoted to employee training, a complete employee training system has been constructed after years of effort (see below graph). It is believed that the outstanding employee quality will be one of the major advantages in Synnex's future competition.



Financial information

Financial information

I. Consolidated condensed balance sheet for the past five years

Unit: NTD million

Item / Year	ROC GAAP			IFRS			
	2010*	2011*	2012*	2012*	2013*	2014*	2015.03.31**
Current assets	69,966	87,078	94,597	97,669	102,131	112,532	108,871
Fixed assets/Property, plant and equipment	3,699	5,061	4,656	4,715	5,848	6,737	6,857
Intangible assets	839	1,167	1,340	407	408	413	403
Funds and investments/Other assets	11,158	12,838	14,031	14,413	16,068	17,005	17,425
Total assets	85,662	106,144	114,624	117,204	124,455	136,687	133,556
Current liabilities							
Before distribution	46,622	57,851	68,527	71,115	80,664	85,768	83,193
After distribution	50,098	64,158	71,701	74,289	85,112	91,010	88,435
Long term and other liabilities/Noncurrent liabilities	3,380	5,488	5,139	5,296	442	4,711	4,576
Total liabilities							
Before distribution	50,002	63,339	73,666	76,411	81,106	90,479	87,769
After distribution	53,479	69,646	76,840	79,585	85,554	95,721	93,011
Equity attributable to shareholders of the parent	35,659	42,805	40,958	40,793	42,584	45,327	44,908
Capital stock	15,337	15,707	15,839	15,839	15,885	15,885	15,885
Capital reserve	11,866	13,679	13,975	14,030	14,265	14,331	14,340
Retained earnings							
Before distribution	9,888	13,585	12,815	12,290	14,400	14,986	16,143
After distribution	6,412	7,278	9,641	9,116	9,952	9,744	10,901
Other adjustments on Stockholder's equities/Other equity	(1,432)	(166)	(1,671)	(1,366)	(1,966)	124	(1,460)
Treasury stock	-	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	764	882	879
Total shareholder's equity							
Before distribution	35,659	42,805	40,958	40,793	43,348	46,208	45,787
After distribution	32,183	36,498	37,784	37,619	38,900	40,966	51,029

* Financial statement of the respective years has been audited.

** Financial statement of the respective years has not been audited.

*** Asset revaluation had not been processed in the last five years.

**** The amount after distribution of the respective years was based on the resolution of the Annual Shareholders' meeting in the following year, except for 2014, based on the board resolution in the following year.

II. Consolidated income statement/condensed income statement for the past five years

Unit: NTD million.
(Except for earnings per share in NTD)

Item / Year	ROC GAAP			IFRS			
	2010*	2011*	2012*	2012*	2013*	2014*	2015.1.1 ~03.31**
Operating revenues	272,634	310,673	312,585	312,585	330,260	331,533	70,237
Gross Profit	9,849	11,777	11,532	11,532	11,059	11,525	2,711
Operating income	4,376	5,060	4,472	4,558	3,879	4,450	986
Non-operating income and expenses	2,116	3,454	2,429	2,294	2,513	1,767	358
Net income before tax	6,492	8,514	6,901	6,853	6,392	6,217	1,344
Net income from continuing department	5,449	7,237	5,816	5,767	5,433	5,255	1,210
Loss from discounted department	-	-	-	-	-	-	-
Net income	5,449	7,237	5,816	5,767	5,433	5,255	1,210
Other comprehensive income (net of tax)	NA	NA	NA	(1,474)	(590)	1,986	(1,640)
Total comprehensive income	NA	NA	NA	4,293	4,843	7,241	(430)
Net income attributable to shareholders of the parent	NA	NA	NA	5,767	5,274	5,024	1,157
Net income attributable to non-controlling interests	NA	NA	NA	-	159	231	53
Total comprehensive income attributable to shareholders of the parent	NA	NA	NA	4,293	4,684	7,124	(427)
Total comprehensive income attributable to non-controlling interests	NA	NA	NA	-	159	117	(3)
Earnings per share - before retroactive adjustment	3.68	4.67	3.69	3.66	3.32	3.16	0.73
- after retroactive adjustment***	3.68	4.67	3.69	3.66	3.32	3.16	0.73

* Financial statement of the respective years has been audited.
** Financial statement of the respective years has not been audited.
*** Retroactive adjustment is made with the stock shares from earnings, capital reserve, and employees' bonus as of December 31, 2014.

III. Name of CPA and their audited opinions in the latest five years

Auditing year	Name of CPA firm	Name of CPA	Audited opinions
2010	PricewaterhouseCoopers	Jenny Yeh, Tseng, Hui-Chin	Modified unqualified audited opinion
2011	PricewaterhouseCoopers	Jenny Yeh, Tseng, Hui-Chin	Modified unqualified audited opinion
2012	PricewaterhouseCoopers	Jenny Yeh, Tseng, Hui-Chin	Modified unqualified audited opinion
2013	PricewaterhouseCoopers	Jenny Yeh, Eric Wu	Modified unqualified audited opinion
2014*	PricewaterhouseCoopers	Eric Wu, Chou, Chien-Hung	Modified unqualified audited opinion

* The CPAs appointed for the company's 2014 financial statements were replaced due to the internal administrative organizational restructuring of PwC Taiwan.

Financial status, results of operations & risk management

Financial status, results of operations & risk management

I. Analysis and review of financial position and results of operations

1) Analysis of financial position

Unit: NTD million

Item / Year	2013	2014	Increase (Decrease) (%)	
			Amount	%
Current assets	102,131	112,532	10,401	10
Investments under equity method	8,577	10,081	1,504	18
Properties, plants and equipment	5,848	6,737	889	15
Intangible and other assets	7,899	7,337	(562)	(7)
Total assets	124,455	136,687	12,232	10
Current liabilities	80,664	85,768	5,104	6
Non-current liabilities	442	4,711	4,269	966
Total liabilities	81,106	90,479	9,373	12
Capital stock	15,885	15,885	-	-
Capital reserve	14,265	14,331	66	-
Retained earnings	14,400	14,986	586	4
Other shareholder’s equity	(1,966)	124	2,090	(106)
Non-controlling interest	764	882	118	15
Total shareholder’s equity	43,348	46,208	2,860	7

Analysis:

Current assets and current liabilities (↑NTD10,401, 10%; ↑NTD5,104, 6%)

The increase in current assets is mainly due to the increase of cash and cash equivalent by NTD11,162 million (↑97%). The increase in current liabilities is mainly due to the increase of short term borrowing by NTD7,688 million (↑24%), the reasons are:

1. For the increase in notes and accounts receivable and payable, in terms of the business cycle days, days sales in accounts receivable and days average payment days for 2014 were 50 days and 35 days, respectively; also, inventory turnover days were 37 days, and net business cycle days were 52 days (days sales in accounts receivable + inventory turnover days- average payment days) that differed from the 53 days in the year 2013 due to in addition to continuing the implementation of the Group’s effective management of accounts receivable and inventory, with the advantage of expanding Group purchasing, future efforts remain committed to seeking an extension of payment terms from suppliers or a higher purchase discount.
2. The net loan outstanding (short-term loan + short-term bills payable + long-term loan due in one year + corporate bond payable + long-term loan - cash and cash equivalents) in 2014 amounted to NTD27,806 million that represented a difference of NTD2,139 million from the NTD29,945 million in 2013 due to the increase in cash inflow with the accounts receivable and inventory controlled properly. The Group’s solvency indexes are good with sufficient borrowing quota to support short-term high funding needs; therefore, there is no problem in the short-term liquidity. In prospect of long-term funding needs, the financial leverage risk and return on equity will be considered equally, if necessary, funds will be raised from the capital market in time.

Properties, plants and equipment (↑NTD889, 15%)

Mainly due to the newly established Changsha, Jinan and Xiamen logistics center.

Non-current liabilities (↑NTD4,269, 966%)

The financial structure is balanced mainly due to the Company’s using the long-term syndicated loan in April 2014 caused long-term borrowing to go up.

2) Analysis of the results of operation

Unit: NTD million

Item / Year	2013	2014	Increase (Decrease) (%)	
			Amount	%
Total revenue	330,260	331,533	1,273	-
Operating cost	(319,201)	(320,007)	806	-
Net gross profit	11,059	11,525	466	4
Operating expense	(7,180)	(7,076)	(104)	1
Operating income	3,879	4,450	571	15
Non-operating revenue and expenditure	2,513	1,767	(746)	(30)
Income before tax	6,392	6,217	(175)	(3)
Income tax expense	(959)	(962)	3	-
Net income	5,433	5,255	(178)	(3)

Analysis:

Total revenue, Operating cost and Gross profit (↑NTD1,273, 0%; ↓NTD 806, 0%; ↓NTD466, 4%)
The global economy was with a moderate recovery in 2014. The advanced countries gradually steered away from the depression of previous years. However, the economic growth of the emerging countries that had driven global economic growth in the last few years slowed down. Synnex maintained stable operations with revenues maintained and grown slightly in 2014. Synnex Taiwan saw revenue decreased by 4%; Hong Kong/China saw revenue decreased by 1%, Australia and New Zealand revenue up by 10%, and Indonesia revenue up by 7%. The scale of overseas market where subsidiaries operate is extensive but local industry is relatively uncompetitive due to lack of logistics operations or ERP information management systems, high growth forecast is maintained.
Gross margin ratio for the year is 3.5%, decline by 0.6% from previous year.

Operating expenses (↓NTD104, 1%)

The operating expenses was reduced from the 2.17% in 2013 to 2.13% in 2014 mainly due to the Company’s active controlling costs, reducing expense, and the benefit of the economies of scale.

Net operating income (↑NTD571, 15%)

To sum up, there was an increase in net operating income by NTD571 million in 2014. In the days to come, as the world as a whole is on the way to a period of tiny interests, the Group plans to focus in expanding revenue growth coupled with enhancing or maintaining net profit margins to maximize operating income and increase returns on equity (ROE).

Non-operating revenues and expenditures (↓NTD746,30%)

The 2014 foreign exchange loss was increased by NTD882 million mainly due to the depreciation of RMB.

3) Liquidity analysis

Analysis of cash flow changes

Unit: NTD million

Item / Year	2013	2014
Net cash (outflow) inflow from operating activities	3,552	5,049
Net cash outflow from investment activities	(2,650)	(50)
Net cash inflow (outflow) from financing activities	(2,270)	4,712

Analysis:

Operating activities

More cash inflow from operating activities than the previous year. This is mainly due to the substantiation of accounts receivable and inventory management this year.

Investing activities

More cash outflow from investing activities than the previous year. This is mainly due to increased time deposit (with a term of more than one year) by NTD1,017 million.

Financing activities

Cash outflow from operating activities has become cash inflow from operating activities mainly due to the increase of short-term borrowings.

Plans to improve liquidity of cash holding and analysis of liquidity for 2014

Unit: NTD million

Cash balance: beginning of period (1)	Full year's operating activities Net cash outflow (2)	Other activities Net cash inflow (3)	Cash balance: end of period (1)+(2)+(3)	Cash balance (Shortage) Amount	Cash deficiency measures	
					Investment plan	Financial plan
11,470	5,049	6,113	22,632	(9,020)	-	Bank loan

Analysis:

The Company has sufficient quota to meet the need of short term capital requirement, thus the Company does not have capital issue in short to mid-term.

Cash flow forecast of 2015

Unit: NTD million

Cash balance: beginning of period (1)	Full year's operating activities Net cash inflow (2)	Other activities Net cash outflow (3)	Cash balance: period ending (1)+(2)+(3)	Cash balance (Shortage) Amount	Cash deficiency measures	
					Investment plan	Financial plan
22,632	6,890	(14,910)	14,612	8,840	-	-

Analysis:

The Company has sufficient credit line to meet the need of short term capital requirement, thus the Company does not have capital issue in short to mid-term.

4) Important capital expenditure in the most recent calendar year and its effect on the company's operational and financial situation

Important capital expenditures and their funding

Unit: NTD million

Planned item	Estimated or actual source of funds	Estimated end date of projects	Total capital	Estimated or actual capital expenditure executions			
				2012	2013	2014	2015
Establish/Expand logistics centers in all locations	own capital	Compile budget annually	Compile budget annually	1,050	1,576	950	650

Expected benefits

The effective and quality back-office logistics operation is Synnex's major competitive advantage, each logistics center has fully developed its effectiveness to facilitate the growth of Synnex's business and establish solid foundation for future development. Synnex is planning to increase capital expenditure for overseas subsidiaries with a focus in China to meet the needs of rapid growth of business in the future.

5) Review and analysis of investment

Overall investment policy

Unit: NTD million

Item	2014.12.31 Balance of investment	Investment policy of the coming year
Investment under equity method	10,081	The Group does not have any significant investment or disposition plan on Synnex Corporation (US), Redington Group (India), Bestcom Infotech Corporation (Taiwan) and Synnex Thailand.
Long-term investment – others and financial assets carried at cost	1,804	In addition to the disposition of non-performing minor investment, the Company does not have any investment or disposition plan.
Available-for-sale financial asset	1,634	It will be disposed gradually.

Review and analysis of important analysis

Unit: NTD million

Item	2014.12.31 Percentage of shareholding	2014 Investment gain	Policy	Major reason of operating profit or loss	Improvement plan	Investment plan of the coming year
Synnex Corporation (US)	10.75%	545	Long term holding	The Company is categorized as IT product and communication channel service provider, its coverage including Europe, US and Japan. The Company's net income was NTD5,464 million in 2014. Synnex recognized investment income under the equity method.	NA	No current investment or disposition plan.
Redington (India) Ltd. (India)	23.59%	441	Long term holding	The Company is categorized as an IT and Telecom product distribution service provider, its coverage includes India, Middle-East and Africa. The Company's net income was NTD1,869 million in 2014. Synnex recognized investment income under the equity method.	NA	No current investment or disposition plan.
Bestcom Infotech Corp. (Taiwan)	40.86%	74	Long term holding	The Company is categorized as an IT product distribution service provider which specializes in the commercial market, its coverage is focused solely in the Taiwan market. The Company's net income was NTD180 million in 2014. Synnex recognized investment income under the equity method.	NA	No current investment or disposition plan.
Synnex (Thailand) Public Company Ltd. (Thailand)	40.00%	69	Long term holding	The Company is categorized as an IT product and communication channel service provider, its coverage is focused solely in the Thailand market. The Company's net income was NTD174 million in 2014. Synnex recognized investment income under the equity method.	NA	No current investment or disposition plan.
MiTAC Inc. (Taiwan)	18.36%	42	Long term holding	The Company is categorized as a systematic integration value-added service provider. With cash dividend of NTD1.0 per share in 2014, it is recorded by Synnex in financial asset carried at cost and recognized as dividend income.	NA	No current investment or disposition plan.

II. Risk management

1) Changes in interest and foreign exchange rates and inflation all exert a material effect on profit/loss of the Company and call for appropriate measures by the company to protect itself

Risk items	Risk factors	Loss/gain caused by risk factors	Countermeasure
Interest	As interest rate remains low in recent years, the company adopts flexible financial leverage operation by raising capital at low cost to replace capital injection from its own capital and effectively increase return on equity. However, the fluctuation of interest rate may have certain risk on the Company's operation.	Unit: NTD million |	2013	2014	Change (%) | Average loan: 40,753 / 43,428 / 7 Average net outstanding loans*: 28,521 / 26,377 / (8) Interest expense: 578 / 707 / 22 Net interest expense**: (11) / (70) / (536)	1. Financial leverage must be balanced with increase in return on equity; therefore, when financial leverage reaches certain target, the Company must raise capital from the market to reduce risk. 2. Regular evaluation and supervision of overseas subsidiaries' financial leverage, when certain risk target is reached, the parent company must inject capital to reduce financing proportion. 3. Utilize the advantage of group's size and performance to negotiate prime rate.
	* Balance of average net outstanding loans=average loans-average cash and cash equivalent-average short term investment bond funds. ** Net interest expense = interest expense – interest income – gain on disposal of bond funds		
Foreign exchange	The characteristics of each product line is described below: IT products: Certain percentage of this product line is imported (mostly denominated in US$), sale of goods is mostly denominated in local currency, and there is certain exchange risk. Telecom products: Purchase and sales of goods locally and is denominated in local currency, therefore, no exchange risk. IC components: Certain percentage in this product line is imported (mostly denominated in US$), though certain percentage of sales is denominated in US$, there still remains certain degree of exchange risk.	Unit: NTD million |	2013	2014	Change (%) | Net exchange gain: 846 / (35) / (104) Note: The net foreign exchange gain in 2013 was around NTD846 million mainly due to the appreciation of RMB and our foreign exchange hedging strategies. * To be consistent, the numerical value adopted here is based on the financial report prepared by the International Accounting Standards.	1. For NTD to US$, purchase US$ and transfer to term deposit when there is a purchase denominated in US$ and use the term deposit to settle goods payable to obtain total hedge. 2. The overseas subsidiaries use forward exchange contract to avoid exchange risk. 3. RMB to US$ is reducing the fluctuation of exchange gain (loss) through lowering RMB position.
Inflation	As the end-user of our IT and Telecom products are consumers, therefore, high unit price products will be impacted by inflation and resulted in investment risk of reduction in sales or gross margin on sales.	The inflation (deflation) rate in 2014 of where the Company and its overseas subsidiaries located are: Taiwan: 1.5% Hong Kong: 3.7% China: 2.1% Australia: 2.7% Description: As inflation in the subsidiaries' countries remains at a low level, therefore, only minor impact on the Company's operations is seen in 2013.	"Multi-brand, multi-product" is an important policy of our company's product management. Therefore, there will be small percentage of our products impacted by inflation to avoid the operational risk of over-centralized products.

2) High risk, high leverage investment, granting loans to outsiders, doing endorsement and guarantees and derivatives trading

Risk items	2014 Execution	Group policies and countermeasures
High risk and high leverage investment	None	The operational policy of the group is focus on operation of regular business; therefore, we do not invest in this type of products.
Lending to others	Lending exists only between parent-subsidiaries relations (100% holding) in 2014.	1. Loan to others will require Board of Directors' resolution. 2. Lending to: (1) companies that have business relationship with the Group. (2)Companies with short-term capital requirement. 3. The Group has stipulated "procedures for lending funds to others" to control lending operation.
Endorsement and guarantees	1. Endorsement exists only between parent-subsidiaries relations (100% holding) in 2014. 2. No endorsement loss in 2014.	1. Endorsement requires Board of Directors' approval. 2. Endorse for: (1) companies that have business relationship with the Group. (2) Directly and indirectly holding over 50% of voting right. (3) Inter-company or co-builder endorsement due to contract requirement, or co-investment relationship and each shareholder endorse for the company in accordance with their shareholding. (4) Directly and indirectly holding 100% of voting right. 3. The Group has stipulated "procedures for endorsement and guarantees" to control endorsement operation.

(Continued on next page)

Risk items	2014 Execution	Group policies and countermeasures
Derivative products transactions	The Group has purchased forward exchange contracts to avoid foreign exchange risk in 2014, as gain/loss from hedging transactions have been offset by its gain/loss, therefore, no actual gain/loss is generated.	Our group does not carry out speculative derivative trading; trading of derivative products is for hedging purpose only. All transactions are managed in accordance with "procedures for derivative trading".

(Continued last page)

3) Others

Risk items	Risk factors	Impact on the company in 2014	Countermeasure
Product R&D	As the Company is distribution services provider, therefore, the risk of product R&D focuses solely on suppliers or customers. However, in order to expand IC components business, the Group has established a dedicated group responsible for research and development which result will be transferred to customers to attract future purchase orders of IC components. As the manufacturing and sales of the R&D result will be responsible by the clients, the Group's R&D risk is limited to the control of R&D expense.	None	The research and development of the group's products is positioned as "assist the sales of IC components through pre-sales services", the R&D department can avoid excessive input of company's resources if insist in this position, and the final risk of R&D is borne by the customers.
Change of government policy and regulations	As the Company is distribution services provider, therefore, the risk of product R&D focuses solely on suppliers or customers. However, in order to expand IC components business, the Group has established a dedicated group responsible for research and development which result will be transferred to customers to attract future purchase orders of IC components. As the manufacturing and sales of the R&D result will be responsible by the clients, the Group's R&D risk is limited to the control of R&D expense.	No significant change in government policy and regulations.	The Company continues to monitor and analyze the future trend of each country's government policy and regulations for immediate respond where necessary.
Change of technology	The Company's product range is mostly high-tech products, therefore, sales change triggered by change of technology will result in operational risk, for example: unable to obtain innovative products' franchise.	Product franchises obtained by the Company are increasing in 2012.	"Multi-brand, multi-products" is the important policy of the product operation. The products that our Company represented includes global brands, in general, most global brands have good control of the technology advantage; thus, reduce the Group's operational risk.
Change of corporate image	As the end-user of our Company's IT and Telecom products are consumers, therefore, corporate image is very important to our Company's operation.	The corporate image of the Company remains positive\, no significant damage to the Company's image.	1. Improve customer services and fully elaborate the functions of customer's opinion and consumer complains feedback. 2. In case of major consumer disputes, inter-departmental team is formed to avoid the worsening of the situation.
M&A	Mergers and Acquisitions can facilitate the expansion of product agency and range while expanding market share. But there are risks of overpriced, under-valued liability and failure in integration.	The Company did not participate in any M&A.	NA
Expansion of plants	Synnex's major competitive advantage is effective and quality back office logistics operation that enhances value added services, expand market share and enhance overall performance. However, there exist risks of negative cash flow resulted from over-expansion, low usage rate or idle.	The cost of establishment or expansion of logistics centers was NTD950 million.	Before expansion: Prudent evaluation of investment effectiveness and cost. After expansion: Import successful operational experience and management to develop its effectiveness.
Centralized suppliers or customers	Risk of centralized supplier is the impact to the Company's performance when losing a franchise or the represented product loosing competitiveness.	See "List of major suppliers and customers in the latest two calendar years". The Company does not have over centralized supplier and customers issues.	"Multi-brand, multi-products" and "open channel management to establish dense reseller network" is the Company's operational strategy, it can also effectively avoid risk of centralized supplier and customers.
Transfer or change of shares of directors, supervisors or shareholders of over 10%	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 the progress and publish information.
Change of managerial authority	May have significant impact to shareholder rights and Synnex's share price	No change of managerial authority.	The Company will publish material information shall there be any change in managerial authority.
Litigation or non-litigation event	Material litigation, non-litigation of the Company, 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 the Company's share price.	See details below	With the established reporting system, the Company will minimize the damage through honest, fast and open process.
Significant litigation, non-litigation, or administrative contentious events in pending or with a ruling delivered as of the annual reporting date: Mr. Yojune Jiao, an Independent Directors of the Company, was involved in a pending lawsuit as of the annual reporting date. The description of the litigation and the			

current status is as follows:

Securities and Futures Investors Protection Center (referred to as the "Investors Protection Center" hereinafter) petitioned on April 27, 2003 to have Mr. Yojune Jiao who was the director of Pacific Electric Wire & Cable Co., Ltd. (referred to as the "PEWC" hereinafter) in 1999~2001, involving in the false financial statements presentation and the co-defendants (including the remaining directors, supervisors, and accounting firms) held jointly and severally liable for damages. The lawsuit is currently in the first instance proceeding at Taipei District Court.

Regarding the lawsuit of Mr. Yojune Jiao, an independent director, referred to above, the Company concluded it as his personal affair without involving the financial activities of the Company; therefore, it has no significant impact on the shareholders' equity or the company's securities prices.

4) Summarized operating results of group enterprises

The financial position and operating results of the group enterprises as of December 31, 2014

Unit: NTD thousands
(Except for earnings per share in NTD)

Company name	Capital	Total Assets	Total liabilities	Net Asset Value	Operating income	Operating income	Net Income	Earnings per share (after tax)	Note*
Seper Marketing Corp.	1,000	611,759	581,153	30,606	1,919,569	33,191	27,175	271.75	
E-Fan Investments Corp.	225,000	509,392	2,304	507,088	54	(97)	21,453	0.95	
Synnex Global Ltd.	17,607,381	83,375,390	26,618,402	56,756,988	3,121,773	3,063,286	4,716,711	8.60	
Synnex Mauritius Ltd.	760,800	2,888,234	12,165	2,876,069	441,114	440,469	440,469	18.35	
Peer Developments Ltd.	957,340	5,819,222	5,250	5,813,972	556,465	556,411	598,783	18.10	
Synnex China Holdings Ltd.	3,176,340	11,103,627	3,163,402	7,940,225	168,692	168,638	168,692	1.68	
King’s Eye Investments Ltd.	1,980,521	7,178,702	-	7,178,702	1,929,061	1,928,853	1,739,081	30.72	
Trade Vanguard Global Ltd.	3,170,000	3,269,540	16,621	3,252,919	-	(54)	46,561	0.08	
LianXiang Technology (Shenzhen) Co., Ltd.	6,340	614,447	529,047	85,400	1,579,432	16,663	11,453	57.27	
Laser Computer Holdings Ltd. **	1,168,054	22,592,599	20,854,860	1,737,739	102,208,039	1,062,389	705,440	19.14	
Synnex Electronics Hong Kong Ltd.	9,510	585,701	503,007	82,694	1,476,617	30,466	31,576	105.25	
Syntech Asia Ltd.	9,510	12,128,030	11,194,032	933,998	74,164,255	700,620	499,042	1,663.47	
Synnex Australia Pty. Ltd.	941,025	18,756,832	16,636,242	2,120,590	50,332,658	835,927	397,877	11.97	
Fortune Ideal Ltd.	58,911	363,851	230,739	133,112	48,073	37,966	17,532	1.21	
Golden Thinking Ltd.	114,426	1,160,840	1,193,679	(32,839)	49,282	17,502	(30,255)	(1.08)	
Synnex New Zealand Ltd.	32,382	1,144,336	1,057,416	86,920	2,926,678	21,614	6,164	4.11	
PT. Synnex Metrodata Indonesia	1,063,164	4,572,258	2,808,372	1,763,886	17,544,726	661,390	466,188	1,553.96	
Synnex Investments (China) Ltd.	6,340,000	28,659,885	17,556,257	11,103,628	16,294,103	(253,667)	168,738	-	
Synnex (Beijing) Ltd.	285,300	493,333	117,200	376,133	51,443	(2,198)	2,951	-	
Synnex (Shanghai) Ltd.	697,400	2,781,594	1,321,054	1,460,540	1,292,597	(230,046)	127,189	-	
Synnex Distributions (China) Ltd.	7,291,000	29,451,878	19,390,688	10,061,190	101,431,468	449,703	165,537	-	
Synnex (Chengdu) Ltd.	158,500	407,851	219,755	188,096	26,849	3,692	8,195	-	
Synnex (Nanjing) Ltd.	158,500	321,376	132,797	188,579	20,610	(4,050)	5,620	-	
Synnex (Shenyang) Ltd.	95,100	211,988	102,878	109,110	14,207	(3,945)	1,013	-	
Synnex (Tianjin) Ltd.	142,650	170,977	23,354	147,623	6,195	(4,429)	(3,726)	-	
Synnex (Hangzhou) Ltd.	158,500	231,943	46,033	185,910	16,373	4,738	4,516	-	
Synnex (Qingdao) Ltd.	158,500	207,602	40,600	167,002	10,015	(230)	(198)	-	
Synnex (Guangzhou) Ltd.	380,400	409,941	2,438	407,503	26,288	(888)	1,847	-	
Synnex (Xi’an) Ltd.	126,800	234,934	101,694	133,240	13,846	20	2,002	-	
Synnex (Suzhou) Ltd.	190,200	203,481	(151)	203,632	4,872	(6,156)	9,358	-	
Synnex (Wuhan) Ltd.	158,500	195,902	27,961	167,941	19,034	5,848	4,446	-	

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Company name	Capital	Total Assets	Total liabilities	Net Asset Value	Operating income	Operating income	Net Income	Earnings per share (after tax)	Note*
Synnex (Jinan) Ltd.	158,500	220,319	64,972	155,347	-	(4,570)	(3,324)	-	
Synnex (Zhengzhou) Ltd.	158,500	262,992	114,281	148,711	9,292	(6,399)	(5,210)	-	
Synnex (Changsha) Ltd.	126,800	126,473	545	125,928	-	(1,427)	(634)	-	
Synnex (Ningbo) Ltd.	126,800	254,294	129,525	124,769	-	(1,572)	(3,994)	-	
Synnex (Hefei) Ltd.	193,370	331,727	150,422	181,305	-	(12,806)	(11,192)	-	
Synnex (Nanchang) Ltd.	126,800	265,615	131,036	134,579	-	(888)	7,346	-	
Synnex (Harbin) Ltd.	158,500	365,554	218,246	147,308	-	(1,725)	(7,219)	-	
Synnex (Chongqing) Ltd.	19,020	19,203	-	19,203	-	(2)	71	-	
Synnex (Xiamen) Ltd.	190,200	237,721	48,006	189,715	-	(1,414)	(615)	-	
Yude (Shanghai) Warehousing Co., Ltd.	12,433	15,286	15,826	(540)	3,860	(13,598)	(9,992)	-	
Synnex Technology Development Ltd.	259,030	959,299	671,725	287,574	1,776,525	21,034	16,116	-	

* The capital of the overseas group enterprises is calculated based on historical exchange rate; balance sheet is calculated based on the exchange rate of the reporting date; income statement is calculated based on the average exchange rate of the current year and denominated in NT Dollars. The exchange rate is as follows:

Reporting date exchange rate for 2014.12.31: US$1=NT$31.70; HK$1=NT$4.09; A$1=NT$25.96; THB$1=NT$0.99; RMB$1=NT$5.18

Average exchange rate for 2014: US$1=NT$30.35; HK$1=NT$3.94; A$1=NT$27.38; THB$1=NT$0.96; RMB$1=NT$4.93

** Refers to Consolidated Financial Statements.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2014 AND 2013

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

Report of Independent Accountants

PWCR14003808

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

We have audited the accompanying consolidated balance sheets of Synnex Technology International Corporation and its subsidiaries as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of $1,521,817 thousand and $1,391,056 thousand, both constituting 1% of the consolidated total assets as of December 31, 2014 and 2013, and total operating revenues of both $0 thousand, both and constituting 0% of the consolidated total operating revenues for the years then ended, and net loss before income tax of $5,209 thousand and $26,553 thousand, both constituting 0% of the consolidated net income before income tax for the years then ended. In addition, we did not audit the financial statements of certain investee companies accounted for under the equity method. The share of profit of associates and joint ventures accounted for under the equity method amounted to $1,054,715 thousand and $924,194 thousand for the years ended December 31, 2014 and 2013, respectively, with their related investment amounting to $9,320,072 thousand and $7,846,795 thousand as of December 31, 2014 and 2013, respectively. Those financial statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of the other independent accountants.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other independent accountants provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other independent accountants, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Synnex Technology International Corporation and its subsidiaries as of December 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in conformity with the “Rules Governing the Preparations of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the parent company only financial statements of Synnex Technology International Corporation (not presented herein) as of and for the years ended December 31, 2014 and 2013, and have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan
March 16, 2015

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 consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of the independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2014		December 31, 2013	
	Assets	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 22,632,188	17	$ 11,469,901	9
1110	Financial assets at fair value through profit or loss-current	6(2)	10,893	-	109,036	-
1125	Available-for-sale financial assets-current	6(3)	1,616,259	1	1,823,764	2
1150	Notes receivable-net	6(5)	6,344,647	5	5,486,421	5
1170	Accounts receivable-net	6(6)	38,707,137	28	39,754,661	32
1180	Accounts receivable-related parties-net	7	263,295	-	121,117	-
1200	Other receivables		8,225,648	6	9,049,054	7
1210	Other receivables-related parties	7	17,254	-	12,197	-
1220	Current tax assets	6(30)	40,047	-	-	-
130X	Inventories, net	6(7)	31,181,915	23	32,591,311	26
1410	Prepayments		2,774,295	2	1,672,968	1
1470	Other current assets		717,951	-	40,694	-
11XX	**Total current assets**		112,531,529	82	102,131,124	82
	Non-current assets					
1523	Available-for-sale financial assets-noncurrent	6(3)	18,074	-	8,036	-
1543	Financial assets measured at cost-noncurrent	6(4)	1,804,515	1	1,863,586	2
1550	Investments accounted for under the equity method	6(8)	10,081,235	8	8,577,047	7
1600	Property, plant and equipment, net	6(9)	6,737,367	5	5,847,671	5
1760	Investment property, net	6(10)	1,594,489	1	1,569,244	1
1780	Intangible assets	6(11)	413,243	-	407,761	-
1840	Deferred income tax assets	6(30)	597,910	1	500,495	-
1900	Other non-current assets	6(6)(12) and 8	2,908,975	2	3,549,693	3
15XX	**Total non-current assets**		24,155,808	18	22,323,533	18
1XXX	**Total assets**		$ 136,687,337	100	$ 124,454,657	100

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2014		December 31, 2013	
	Liabilities and Equity	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13)	$ 39,966,358	29	$ 32,278,077	26
2110	Short-term notes and bills payable	6(14)	6,430,000	5	4,140,000	3
2120	Financial liabilities at fair value through profit or loss-current	6(2)	4,226	-	1,149	-
2150	Notes payable		950,991	1	400,110	-
2170	Accounts payable		29,571,905	22	29,709,597	24
2180	Accounts payable-related parties	7	176,381	-	26,023	-
2200	Other payables	6(15)	7,360,297	5	7,994,114	7
2220	Other payables-related parties	7	3,716	-	8,922	-
2230	Current income tax liabilities	6(30)	978,815	1	832,080	1
2300	Other current liabilities	6(16)	324,661	-	5,274,005	4
21XX	**Total current liabilities**		85,767,350	63	80,664,077	65
	Non-current liabilities					
2540	Long-term borrowings	6(17)	4,041,750	3	-	-
2570	Deferred income tax liabilities	6(30)	157,212	-	160,350	-
2600	Other non-current liabilities	6(18)	512,364	-	281,836	-
25XX	**Total non-current liabilities**		4,711,326	3	442,186	-
2XXX	**Total liabilities**		90,478,676	66	81,106,263	65
	Equity attributable to owners of parent					
	Share capital	6(20)				
3110	Share capital-common stock		15,885,209	12	15,885,209	13
	Capital surplus	6(21)				
3200	Capital surplus		14,331,857	11	14,264,632	11
	Retained earnings	6(22)				
3310	Legal reserve		5,594,393	4	5,066,993	4
3320	Special reserve		1,965,774	1	1,670,628	2
3350	Unappropriated retained earnings		7,425,704	5	7,662,176	6
	Other equity interest	6(23)				
3400	Other equity interest		123,889	-	(1,965,775)	(2)
31XX	**Equity attributable to owners of the parent**		45,326,826	33	42,583,863	34
36XX	**Non-controlling interest**		881,835	1	764,531	1
3XXX	**Total equity**		46,208,661	34	43,348,394	35
	Significant contingent liabilities and unrecognized contract commitments	9				
	Total liabilities and equity		$ 136,687,337	100	$ 124,454,657	100

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

See report of independent accountants dated March 16, 2015.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

			For the year ended December 31, 2014		For the year ended December 31, 2013	
		Notes	Amount	%	Amount	%
4000	**Operating revenues**	6(24) and 7	$ 331,532,594	100	$ 330,259,753	100
5000	**Operating costs**	6(7)	(320,007,409)	(97)	(319,200,976)	(97)
5950	**Gross profit, net**		11,525,185	3	11,058,777	3
	Operating expenses	6(18)(19)(28)(29)				
6100	Selling expenses		4,138,854	1	4,980,530	1
6200	General and administrative expenses		(2,936,652)	(1)	(2,198,967)	(1)
6000	**Total operating expenses**		(7,075,506)	(2)	(7,179,497)	(2)
6900	**Operating income**		4,449,679	1	3,879,280	1
	Non-operating income and expenses					
7010	Other income	6(25)	1,642,441	1	1,442,670	1
7020	Other gains and losses	6(26)	(297,149)	-	663,434	-
7050	Finance costs	6(27)	(706,562)	-	(578,421)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(8)	1,128,824	-	984,861	-
7000	**Total non-operating income and expenses**		1,767,554	1	2,512,544	1
7900	**Profit before tax**		6,217,233	2	6,391,824	2
7950	Income tax expense	6(30)	(962,037)	(1)	(959,316)	(1)
8200	**Profit**		$ 5,255,196	1	$ 5,432,508	1
	Other comprehensive income					
8310	Cumulative translation differences of foreign operations	6(23)	$ 2,295,038	1	($ 544,570)	-
8325	Unrealized (loss) gain on valuation of available-for-sale financial assets	6(3)(23)	(197,766)	-	9,219	-
8360	Actuarial gain on defined benefit plan	6(18)	11,849	-	11,478	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for under the equity method	6(8)(23)	123,216	-	(61,162)	-
8399	Income tax relating to the components of other comprehensive income	6(8)(23)	(199)	-	(4,850)	-
8300	Other comprehensive income (loss) for the year, net of tax		$ 1,985,706	1	($ 589,885)	-
8500	Total comprehensive income for the year		$ 7,240,902	2	$ 4,842,623	1
	Profit, attributable to:					
8610	Owners of parent		$ 5,024,099	1	$ 5,273,995	1
8620	Non-controlling interest		231,097	-	158,513	-
	Profit		$ 5,255,196	1	$ 5,432,508	1
	Comprehensive income attributable to:					
8710	Owners of parent		$ 7,123,598	2	$ 4,684,110	1
8720	Non-controlling interest		117,304	-	158,513	-
	Total comprehensive income for the year		$ 7,240,902	2	$ 4,842,623	1
	Earnings per share		$ 3.16		$ 3.32	
9750	**Basic earnings per share**	6(31)				
9850	**Diluted earnings per share**	6(31)	$ 3.16		$ 3.23	

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

See report of independent accountants dated March 16, 2015.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				Retained earnings			Other equity interest				
	Notes	Share capital-common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain or loss on available -for-sale financial assets	Total	Non-controlling interest	Total equity
2013											
Balance at January 1, 2013		$ 15,838,869	$ 14,030,505	$ 4,485,382	$ 165,580	$ 7,639,092	($ 1,610,859)	$ 244,495	$ 40,793,064	$ -	$ 40,793,064
Appropriations of 2012 earnings	6(22)										
Provision for legal reserve		-	-	581,611	-	(581,611)	-	-	-	-	-
Provision for special reserve		-	-	-	1,505,048	(1,505,048)	-	-	-	-	-
Distribution of cash dividends		-	-	-	-	(3,173,778)	-	-	(3,173,778)	-	(3,173,778)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	68,569	-	-	-	-	-	68,569	-	68,569
Common stock issued for employee stock options	6(19)	45,860	163,666	-	-	-	-	-	209,526	-	209,526
Convertible bond conversions	6(17)	480	1,892	-	-	-	-	-	2,372	-	2,372
Non-controlling interest increase		-	-	-	-	-	-	-	-	606,018	606,018
Other comprehensive income for 2013	6(23)	-	-	-	-	9,526	(610,675)	11,264	(589,885)	-	(589,885)
Net income for 2013		-	-	-	-	5,273,995	-	-	5,273,995	158,513	5,432,508
Balance at December 31, 2013		$ 15,885,209	$ 14,264,632	$ 5,066,993	$ 1,670,628	$ 7,662,176	($ 2,221,534)	$ 255,759	$ 42,583,863	$ 764,531	$ 43,348,394
2014											
Balance at January 1, 2014		$ 15,885,209	$ 14,264,632	$ 5,066,993	$ 1,670,628	$ 7,662,176	($ 2,221,534)	$ 255,759	$ 42,583,863	$ 764,531	$ 43,348,394
Appropriations of 2013 earnings	6(22)										
Provision for legal reserve		-	-	527,400	-	(527,400)	-	-	-	-	-
Provision for special reserve		-	-	-	295,146	(295,146)	-	-	-	-	-
Distribution of cash dividend		-	-	-	-	(4,447,860)	-	-	(4,447,860)	-	(4,447,860)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	67,225	-	-	-	-	-	67,225	-	67,225
Other comprehensive income for 2014	6(23)	-	-	-	-	9,835	2,287,452	(197,788)	2,099,499	(113,793)	1,985,706
Net income for 2014		-	-	-	-	5,024,099	-	-	5,024,099	231,097	5,255,196
Balance at December 31, 2014		$ 15,885,209	$ 14,331,857	$ 5,594,393	$ 1,965,774	$ 7,425,704	$ 65,918	$ 57,971	$ 45,326,826	$ 881,835	$ 46,208,661

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

See report of independent accountants dated March 16, 2015.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the years ended December 31	
	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax for the year		$ 6,217,233	$ 6,391,824
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(28)	288,546	396,278
Amortization	6(11)(12)(28)	54,999	47,842
Provision for bad debts expense	6(6)	306,594	277,169
Net (gain) loss on financial assets/liabilities at fair value through profit or loss	6(2)(26)	(32,785)	3,659
Loss on inventory value decline	6(7)	90,138	175,016
Loss on obsolescence	6(7)	4,596	6,820
Interest expense	6(27)	706,562	578,421
Interest income	6(25)	(776,333)	(589,003)
Dividend income	6(25)	(112,929)	(128,557)
Share of profit of associates and joint ventures accounted for under the equity method	6(8)	(1,128,824)	(984,861)
Cash dividends on investments accounted for under the equity method		147,115	135,590
Loss on disposal of property, plant and equipment	6(26)	1,284	6,170
Depreciation of investment property	6(10)	60,389	66,968
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		134,005	-
Notes and accounts receivable		306,055	400,590
Inventories		1,314,662	(3,485,719)
Other receivables		818,349	(2,714,038)
Prepayments		(1,101,327)	1,929,697
Other current assets		(677,257)	(40,694)
Overdue receivables		(898,185)	(543,992)
Net changes in liabilities relating to operating activities			
Notes and accounts payable		563,547	3,412,402
Other payables		(610,289)	(703,361)
Other current liabilities		47,871	(176,870)
Other non-current liabilities		91,172	(8,802)
Cash generated from operations		5,815,188	4,452,549
Interest paid		(733,169)	(506,594)
Interest received		776,333	589,003
Dividend received		112,929	128,557
Income tax paid		(922,025)	(1,111,446)
Net cash provided by operating activities		5,049,256	3,552,069

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		For the years ended December 31	
	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from capital reduction of financial assets carried at cost		$ 61,606	$ 94,651
Increase in investments accounted for under the equity method		(23,037)	(969)
Net cash proceeds from change in consolidated entities		-	238,024
Acquisition of fixed assets	6(33)	(984,195)	(1,758,224)
Decrease (increase) in investment property	6(10)	1,574	(55,634)
Proceeds from disposal of property, plant and equipment		6,099	44,596
Acquisition of intangible assets	6(33)	(59,688)	(63,783)
Decrease (increase) in long-term prepaid rents		17,472	(88,569)
Decrease (increase) in refundable deposits		(21,563)	57,375
Decrease (increase) in restricted time deposits		2,963	(79,962)
Decrease (increase) in time deposits over one year		1,016,544	(1,016,544)
Increase in other non-current assets		(67,391)	(20,656)
Net cash used in investing activities		(49,616)	(2,649,695)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		7,688,281	787,608
Increase in short-term notes and bills payable		2,290,000	160,000
(Decrease) increase in guarantee deposits received		139,356	(90,872)
Increase in long-term loans		4,041,750	-
Proceeds from exercise of employee stock options		-	209,526
Change in non-controlling interest		-	(10,195)
Repayment of bonds payable		(5,000,000)	(151,800)
Payment of cash dividends	6(21)	(4,447,860)	(3,173,778)
Net cash used in financing activities		4,711,527	(2,269,511)
Effects of changes in foreign exchange rates		1,451,120	(156,974)
(Decrease) increase in cash and cash equivalents		11,162,287	(1,524,111)
Cash and cash equivalents at beginning of the year		11,469,901	12,994,012
Cash and cash equivalents at end of the year		$ 22,632,188	$ 11,469,901

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

See report of independent accountants dated March 16, 2015.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,

EXCEPT AS OTHERWISE INDICATED)

1. HISTORYAND ORGANIZATION

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

A. Assembly and sale of computers and computer peripherals;

B. Sale of communication products;

C. Sale of consumer electronic products;

D. Sale of electronic products and components; and

E. Maintenance 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 AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 16, 2015.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

None.

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

According to Financial-Supervisory-Securities-Auditing No. 1030010325 issued on April 3, 2014, commencing 2015, companies with shares listed on the TWSE or traded on the Taiwan GreTai Securities Market or Emerging Stock Market shall adopt the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC and the "Regulations Governing the Preparation of Financial Reports by Securities Issuers " effective January 1, 2015 (collectively referred herein as the "2013 version of IFRSs") in preparing the consolidated financial statements. The related new standards, interpretations and amendments are listed below:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendments to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendments to IFRS 1)	July 1, 2011
Government loans (amendments to IFRS 1)	January 1, 2013
Disclosures－Transfers of financial assets (amendments to IFRS 7)	July 1, 2011
Disclosures－Offsetting financial assets and financial liabilities (amendments to IFRS 7)	January 1, 2013
IFRS 10, 'Consolidated financial statements'	January 1, 2013 (Investment entities: January 1, 2014)
IFRS 11,'Joint arrangements'	January 1, 2013
IFRS 12,'Disclosure of interests in other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013
Presentation of items of other comprehensive income (amendments to IAS 1)	July 1, 2012
Deferred tax: recovery of underlying assets (amendments to IAS 12)	January 1, 2012
IAS 19 (revised), 'Employee benefits'	January 1, 2013
IAS 27,'Separate financial statements' (as amended in 2011)	January 1, 2013
IAS 28,'Investments in associates and joint ventures' (as amended in 2011)	January 1, 2013
Offsetting financial assets and financial liabilities (amendments to IAS 32)	January 1, 2014
IFRIC 20, 'Stripping costs in the production phase of a surface mine'	January 1, 2013
Improvements to IFRSs 2010	January 1, 2011
Improvements to IFRSs 2009－2011	January 1, 2013

Based on the Group's assessment, the adoption of the 2013 version of IFRSs has no significant impact on the consolidated financial statements of the Group, except for the following:

A. IAS 19 (revised), 'Employee benefits'

The revised standard eliminates the corridor approach and requires actuarial gains and losses to be recognised immediately in other comprehensive income. Past service cost will be recognized immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expenses, is recognised in other comprehensive income. An entity is required to recognise termination benefits at the earlier of when the entity can no longer withdraw an offer of those benefits and when it recognises any related restructuring costs. Additional disclosures are required to present how defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows.

B. IFRS 10, 'Consolidated financial statements'

The standard replaces the requirements relating to consolidated financial statements in IAS 27, 'Consolidated and separate financial statements' and IAS 27 therefore is renamed 'Separate financial statements'; the standard also supersedes requirements in SIC-12, 'Consolidation-special purpose entities'. The standard defines the principle of control that an investor controls an investee if and only if the investor has all three elements of control.

C. IAS 1, 'Presentation of financial statements'

The amendment requires entities to separate items presented in OCI classified by nature into two groups on the basis of whether they are potentially reclassifiable to profit or loss subsequently when specific conditions are met. If the items are presented before tax then the tax related to each of the two groups of OCI items (those that might be reclassified and those that will not be reclassified) must be shown separately. Accordingly, the Group will adjust its presentation of the statement of comprehensive income.

D. IFRS 12, 'Disclosure of interests in other entities'

The standard integrates the disclosure requirements for subsidiaries and associates. Also, the Group will disclose additional information about its interests in consolidated entities accordingly.

E. IFRS 13, 'Fair value measurement'

The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard sets out a framework for measuring fair value using the assumptions that market participants would use when pricing the asset or liability; for non-financial assets, fair value is determined based on the highest and best use of the asset. Also, the standard requires disclosures about fair value measurements. Based on the Group's assessment, the adoption of the standard has no significant impact on its consolidated financial statements, and the Group will disclose additional information about fair value measurements accordingly.

(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 2013 version of IFRSs as endorsed by the FSC:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
IFRS 9, 'Financial instruments'	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
Accounting for acquisition of interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
IFRS 15, 'Revenue from contracts with customers'	January 1, 2017
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	January 1, 2016
Agriculture: bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Defined benefit plans: employee contributions (amendments to IAS 19R)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Group is assessing the potential impact of the new standards, interpretations and amendments above. The impact on the consolidated financial statements will be disclosed when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1)Compliance statement

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

(2)Basis of preparation

A. Except for the following items, 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) Available-for-sale financial assets measured at fair value.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets plus unrecognised past service cost, and less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment 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 special purpose entities) over which the Group has the power to govern the financial and operating policies. In general, control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. 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, 2014 and 2013:

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
Synnex Technology International Corporation	Synnex Global Ltd.	Investment holding company	100	100	PwC
Synnex Technology International Corporation	Seper Marketing Corporation	Sales of computers and computer peripherals	100	100	PwC
Synnex Technology International Corporation	E-Fan Investments CO., LTD.	Investment company	100	100	PwC
Synnex Global Ltd.	King's Eye Investments Ltd.	Investment holding company	100	100	PwC
Synnex Global Ltd.	Peer Developments Ltd.	Investment holding company	100	100	PwC
Synnex Global Ltd.	Synnex Mauritius Ltd.	Investment holding company	100	100	PwC
Synnex Global Ltd.	Synnex China Holdings Ltd.	Investment holding company	100	100	PwC
Synnex Global ltd.	Trade Vanguard Global Ltd.(Note)	Investment holding company	100	-	PwC
King's Eye Investments Ltd.	Fortune Ideal Ltd.	Real estate investments	100	100	Other
King's Eye Investments Ltd.	Laser Computer Holdings Ltd.	Investment holding company	100	100	PwC
King's Eye Investments Ltd.	Synnex Australia Pty. Ltd.	Sales of computers and computer peripherals	100	100	PwC
King's Eye Investments Ltd.	Synnex New Zealand Ltd.	Sales of computers and computer peripherals	100	100	PwC
King's Eye Investments Ltd.	Synnex Electronics Hong Kong Ltd.	Sales of electronic components	100	100	PwC
King's Eye Investments Ltd.	Syntech Asia Ltd.	Sales of electronic components	100	100	PwC
King's Eye Investments Ltd.	Golden Thinking Ltd.	Real estate investments	100	100	Other
King's Eye Investments Ltd.	PT. Synnex Metrodata Indonesia	Sales of computers and computer peripherals	50.3	50.3	PwC
Laser Computer Holdings Ltd.	Laser Computer (China) Ltd.	Sales of computers and computer peripherals	100	100	PwC
Laser Computer Holdings Ltd.	Synnex Technology International (HK) Ltd.	Sales of computers and computer peripherals	100	100	PwC
Peer Developments Ltd.	LianXiang Technology (Shenzhen) Ltd.	Sales of electronic components	100	100	PwC
Synnex China Holdings Ltd.	Synnex Investments (China) Ltd.	Investment holding company	100	100	PwC
Synnex Investments (China) Ltd.	Synnex Distributions (China) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments	Synnex (Beijing)	Sale of computers	100	100	PwC

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
(China) Ltd.	Ltd.	and computer peripherals			
Synnex Investments (China) Ltd.	Synnex (Shanghai) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Tianjin) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Chengdu) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Nanjing) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Shenyang) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Hangzhou) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Qingdao) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Guangzhou) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Xi'an) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Suzhou) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Wuhan) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Jinan) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Changsha) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Zhengzhou) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Ningbo) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Hefei) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Nanchang) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments	Synnex (Harbing)	Sale of computers	100	100	PwC

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) December 31, 2014	Ownership (%) December 31, 2013	Description
(China) Ltd.	Ltd.	and computer peripherals			
Synnex Investments (China) Ltd.	Synnex (Chongqing) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Synnex (Xiamen) Ltd.	Sale of computers and computer peripherals	100	100	PwC
Synnex Investments (China) Ltd.	Yude (Shanghai) Warehouse Co., Ltd.	Warehouse services	80	80	PwC
Synnex Distributions (China) Ltd.	Synnex Technology Development (Beijing) Ltd.	Sale of computers and computer peripherals	100	100	PwC

Note: These companies were incorporated in 2014.

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

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

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(4)Foreign currency translation

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

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group still 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 these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still 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 pay off 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 paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off 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)<u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets held for trading or financial assets designated as at fair value through profit or loss on initial recognition. Financial assets are classified in this category of held for trading if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as financial assets held for trading unless they are designated as hedges. Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on 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 or investment strategy.

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. Financial assets at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in profit or loss.

(8)<u>Available-for-sale financial assets</u>

A. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

B. On a regular way purchase or sale basis, available-for-sale financial assets are recognised and derecognised using trade date accounting.

C. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial assets are recognised in other comprehensive income. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in ‘financial assets measured at cost’.

(9) Loans and receivables

Accounts receivable are loans and receivables originated by the entity. They are created by the entity by selling goods or providing services to customers in the ordinary course of business. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. However, short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(10) Impairment of financial assets

A. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(a) Significant financial difficulty of the issuer or debtor;

(b) A breach of contract, such as a default or delinquency in interest or principal payments;

(c) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) The disappearance of an active market for that financial asset because of financial difficulties;

(f) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(g) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered;

(h) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

C. When the Group assesses that there has been objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(a) Financial assets measured at amortised cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(b) Financial assets measured at cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(c) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, then such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(11) Derecognition of financial assets

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

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Lease receivables/ leases (lessor)

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

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the the moving-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) 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 that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting 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. When the Group disposes its investment in an associate, if it 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 still retains significant influence over this associate, then 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.

(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 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 balance sheet date. 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	20 – 50 years
Utilities equipment	7 – 15 years
Computer equipment	3 – 7 years
Transportation equipment	7 years
Furniture and fixtures	5 years
Machinery and equipment	5 – 20 years
Leasehold improvements	3 years

(16) Leased assets/ leases (lessee)

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

(17) 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. The estimated useful lives of property, plant and equipment are as follows:

Buildings	20 – 50 years
Utilities equipment	7 – 15 years

(18) 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.

(19) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use shall be 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.

(20) Borrowings

A. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Notes and accounts payable

Notes and accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

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

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on 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. Financial liabilities at fair value through profit or loss are initially recognised at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured and stated at fair value, and any changes in the fair value of these financial liabilities are recognised in profit or loss.

(23) Derecognition of financial liabilities

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

(24) 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.

(25) Financial liabilities and equity instruments

Bonds payable:

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument ('capital surplus-stock warrants') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument (capital surplus-stock warrants). Convertible corporate bonds are accounted for as follows:

A. Call options and put options embedded in convertible corporate bonds are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

C. Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in 'capital surplus—stock warrants' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable—net' as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the above-mentioned liability component plus the book value of capital surplus – stock warrants.

(26) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Any changes in the fair value are recognised in profit or loss.

(27) Provisions

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

(28) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expenses 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, together with adjustments for unrecognised past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Actuarial gains and losses arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise.

iii. Past service costs are recognised immediately in profit or loss if vested immediately; if not, the past service costs are amortised on a straight-line basis over the vesting period.

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 termination benefits when it is demonstrably committed to a termination, when it has a detailed formal plan to terminate the employment of current employees and when it can no longer withdraw the plan. In the case of an offer made by the Group to encourage voluntary termination of employment, the termination benefits are recognised as expenses only when it is probable that the employees are expected to accept the offer and the number of the employees taking the offer can be reliably estimated. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

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

Employees' bonus and directors' and supervisors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the stockholders at their stockholders' meeting subsequently, the differences should be recognised based on the accounting for changes in estimates. The Group calculates the number of shares of employees' stock bonus based on the fair value per share at the previous day of the stockholders' meeting held in the year following the financial reporting year, and after taking into account the effects of ex-rights and ex-dividends.

(29) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(30) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% 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 liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income 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 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 Group 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 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 acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(31) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are approved by the Company’s shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales of goods

The Group sells information, communication, electronic and consumer electronic products. Revenue is measured at the fair value of the consideration received or receivable taking into account of value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods should be recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

The Group provides maintenance services. Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the proportion of contract costs incurred for services performed as of the financial reporting date to the estimated total costs for the service contract. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable.

(33) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

A. Financial assets—impairment of equity investments

The Group follows the guidance of IAS 39 to determine whether a financial asset—equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an equity investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

B. Investment property

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

C. Revenue recognition on a net/gross basis

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

(a) The Group has primary responsibilities for the goods or services it provides;

(b) The Group bears inventory risk;

(c) The Group has the latitude in establishing prices for the goods or services, either directly or indirectly.

(d) The Group bears credit risk of customers.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of tangible and intangible assets (excluding goodwill)

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

B. Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units. Please refer to Note 6(11) for the information of goodwill impairment.

As of December 31, 2014, the Group recognised goodwill amounting to $314,809.

C. Realisability of deferred income tax assets

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred income tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred income tax assets.

As of December 31, 2014, the Group recognised deferred income tax assets amounting to $597,910.

D. Evaluation of inventories

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

As of December 31, 2014, the carrying amount of inventories was $31,181,915.

E. Calculation of accrued pension obligations

When calculating the present value of defined pension obligations, the Group must apply judgements and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and expected rate of return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations.

As of December 31, 2014, the carrying amount of accrued pension obligations was $239,086.

F. Financial assets—fair value measurement of unlisted stocks without active market

The fair value of unlisted stocks held by the Group that are not traded in an active market is determined considering those companies' recent funding raising activities and technical development status, fair value assessment of other companies of the same type, market conditions and other economic indicators existing on balance sheet date. Any changes in these judgements and estimates will impact the fair value measurement of these unlisted stocks. Please refer to Note 12(3) for the financial instruments fair value information.

As of December 31, 2014, the carrying amount of unlisted stocks was $228,482.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2014	December 31, 2013
Cash on hand and revolving funds	$ 128,504	$ 1,891
Checking accounts and demand deposits	2,657,106	3,792,736
Time deposits	19,846,578	7,675,274
	$ 22,632,188	$ 11,469,901

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. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. The Group has no cash and cash equivalents pledged to others.

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

	December 31, 2014	December 31, 2013
Financial assets held for trading		
Listed (TSE and OTC) stocks	$ 9,188	$ 111,583
Valuation adjustment of financial assets held for trading	1,705	(2,663)
Non-hedging derivatives – foreign exchange forward	-	116
Total	$ 10,893	$ 109,036
Financial liabilities held for trading		
Non-hedging derivatives - foreign exchange forward	$ 4,226	$ 1,149

A. The Group recognised net gain of $32,785 and $3,200 on financial assets held for trading for the years ended December 31, 2014 and 2013, respectively,

B. The related information of derivative financial instruments of the subsidiaries is as follows:

Foreign exchange forward

		December 31, 2014	
The subsidiaries	Items	Book Value	Nominal Principal (in thousands)
Synnex Technology International (HK) Ltd.	Buy USD sell HKD	($ 2,753)	USD 44,000
Synnex New Zealand	Buy USD sell NZD	(807)	USD 1,690
Synnex New Zealand	Buy AUD sell NZD	(258)	AUD 450
Synnex Australia	Buy USD sell AUD	(408)	USD 11,000

		December 31, 2013	
			Nominal Principal
The subsidiaries	Items	Book Value	(in thousands)
Synnex Technology International (HK) Ltd.	Buy USD sell HKD	($ 370)	USD 12,000
Synnex New Zealand	Buy USD sell NZD	116	USD 1,253
Synnex New Zealand	Buy AUD sell NZD	(758)	AUD 220
PT.SMI	Buy USD sell IDR	(7)	USD 500
PT.SMI	Buy USD sell IDR	(7)	USD 500
PT.SMI	Buy USD sell IDR	(7)	USD 500

In 2014 and 2013, the subsidiaries of the Company undertook forward exchange contracts with local banks to hedge risks put to foreign currency assets and liabilities arising from fluctuations in exchange rates. The Group recognised gain on valuation amounting to $499 and $5,826 for the years ended December 31, 2014 and 2013, respectively.

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

(3) Available-for-sale financial assets

	December 31, 2014	December 31, 2013
Current items:		
Listed (TSE and OTC) stocks	$ 1,418,647	$ 1,418,647
Non-listed (TSE and OTC) stocks	272,050	272,050
Subtotal	1,690,697	1,690,697
Valuation adjustment of available-for-sale financial assets	36,543	244,048
Accumulated impairment - available-for-sale financial assets	(110,981)	(110,981)
Total	$ 1,616,259	$ 1,823,764
Non-current items:		
Listed (TSE and OTC) stocks	$ 5,153	$ 4,854
Valuation adjustment of available-for-sale financial assets	12,921	3,182
Total	$ 18,074	$ 8,036

A. The Group recognised $197,766 and $9,218 in other comprehensive income for fair value change for the years ended December 31, 2014 and 2013, respectively.

B. As of December 31, 2014 and 2013, no available-for-sale financial assets by the Group were pledged to others.

(4)Financial assets measured at cost

	December 31, 2014	December 31, 2013
Non-current items:		
Non-listed (TSE and OTC) stocks	$ 1,998,369	$ 2,050,744
Accumulated impairment - financial assets measured at cost	(193,854)	(187,158)
Total	$ 1,804,515	$ 1,863,586

A. According to the Group's intention, its investment in non-listed (TSE and OTC) stocks should be classified as 'available-for-sale financial assets'. However, as stocks are not traded in active market, and no sufficient industry information of companies similar to the Group or financial information cannot be obtained, the fair value of the investment in non-listed (TSE and OTC) stocks cannot be measured reliably. The Group classified those stocks as 'financial assets measured at cost'.

B. As of December 31, 2014 and 2013, no financial assets measured at cost held by the Group were pledged to others.

(5)Notes receivable

	December 31, 2014	December 31, 2013
Notes receivable	$ 6,361,058	$ 5,487,428
Less: allowance for bad debts	(16,411)	(1,007)
	$ 6,344,647	$ 5,486,421

A. The Group's notes receivable that were neither past due nor impaired had good credit quality.

B. Movement analysis of financial assets that were impaired is as follows:

(a) As of December 31, 2014 and 2013, the Group's notes receivable that were impaired amounted to $16,411 and $1,007, respectively.

(b) Movements on the Group provision for impairment of notes receivable are as follows:

	2014		
	Individual provision	Group provision	Total
At January 1	$ -	$ 1,007	$ 1,007
Provision for impairment	-	14,614	14,614
Net exchange differences	-	790	790
At December 31	$ -	$ 16,411	$ 16,411

	2013		
	Individual provision	Group provision	Total
At January 1	$ -	$ 1,222	$ 1,222
Reversal of impairment	-	(215)	(215)
At December 31	$ -	$ 1,007	$ 1,007

(6) Accounts receivable and overdue receivables

	December 31, 2014	December 31, 2013
Accounts receivable	$ 38,766,751	$ 40,088,614
Less: allowance for bad debts	(59,614)	(333,953)
	38,707,137	39,754,661
Overdue receivables (recorded as other non-current assets)	1,826,334	928,149
Less: allowance for bad debts	(1,138,436)	(547,558)
	687,898	380,591
	$ 39,395,035	$ 40,135,252

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, 2014 and 2013, the Group received certain security for a portion of the amounts due.

A. The ageing analysis of financial assets that was not impaired is as follows:

	December 31, 2014	December 31, 2013
Not past due	$ 31,557,555	$ 30,826,529
Up to 60 days past due	5,456,186	6,533,124
61-120 days past due	1,424,161	1,851,633
121-180 days past due	258,286	622,161
More than 181 days past due	698,847	301,805
	$ 39,395,035	$ 40,135,252

The above amounts are net of deduction of allowance for bad debts.

B. Movement analysis of financial assets that were impaired is as follows:

(a) As of December 31, 2014 and 2013, the Group's accounts receivable that were impaired amounted to $1,198,050 and $881,511, respectively.

(b)Movements on the Group's provision for impairment of accounts receivable are as follows:

	2014		
	Individual provision	Group provision	Total
At January 1	$ 589,943	$ 291,568	$ 881,511
Provision (reversal) for impairment	498,224	(206,244)	291,980
Write off of uncollectibles	(1,326)	(30,474)	(31,800)
Net exchange differences	51,595	4,764	56,359
At December 31	$ 1,138,436	$ 59,614	$ 1,198,050

	2013		
	Individual provision	Group provision	Total
At January 1	$ 472,702	$ 243,956	$ 716,658
Provision for impairment	227,318	49,851	277,169
Write off of uncollectibles	(120,549)	(19,454)	(140,003)
Effect from business combination	-	8,354	8,354
Net exchange differences	10,472	8,861	19,333
At December 31	$ 589,943	$ 291,568	$ 881,511

C. The counterparties of the Group's accounts receivable are customers from different industries and geographical regions; in order to maintain the quality of the receivables, the Group established credit risk management procedures related to operations and continues to evaluate.

The risk evaluation of individual customers takes into consideration the customer's financial position, internal and external credit ratings and historical transaction records and current economic situation amongst other factors that may affect the customers' payment ability. The Group utilises certain credit enhancement instruments when necessary; for example: require customers to pay in advance or provide collaterals to lower the customers' credit risk.

D. The maximum exposure to credit risk at December 31, 2014 and 2013 was the carrying amount of each class of accounts receivable.

E. The Group entered into an agreement with a bank to sell its accounts receivable. Under the agreement, the Group is liable for the losses incurred if these accounts receivable are not collected. Therefore, the Group did not derecognise these accounts receivable. The proceeds from the advance were included in 'short-term loans'. As of December 31, 2014, the outstanding accounts receivable sold to the bank were as follows:

Unit: USD thousand

December 31, 2014		
Accounts receivable Sold	Amount advanced	Collateral
$ 35,542	$ 35,542	None
(US$1,119)	(US$1,119)	

There was no accounts receivable sold to the bank as of December 31, 2013.

F. Information about accounts receivable that were pledged to others as collaterals is provided in Note 8.

(7) Inventories

	December 31, 2014		
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	$ 31,359,436	($ 649,101)	$ 30,710,335
Inventory in transit	471,580	-	471,580
Total	$ 31,831,016	($ 649,101)	$ 31,181,915

	December 31, 2013		
	Cost	Allowance for Valuation loss	Book value
Merchandise inventories	$ 32,309,955	($ 537,637)	$ 31,772,318
Inventory in transit	818,993	-	818,993
Total	$ 33,128,948	($ 537,637)	$ 32,591,311

The cost of inventories recognised as expense for the period:

	For the years ended December 31,	
	2014	2013
Cost of inventories sold	$ 319,912,675	$ 319,019,140
Loss on market price decline	90,138	175,016
Loss on retirement	4,596	6,820
	$ 320,007,409	$ 319,200,976

(8)Investments accounted for under equity method

A. The details are as follows:

	December 31, 2014		December 31, 2013	
	Balance	Percentage ownership	Balance	Percentage ownership
Synnex Corporation	$ 5,721,938	10.75%	$ 4,880,463	11.26%
Redington (India) Ltd.	2,773,685	23.59%	2,247,072	23.61%
Synnex (Thailand) Public Company Ltd.	824,449	40.00%	719,260	38.82%
Bestcom Infotech Corporation	761,163	40.86%	730,252	40.86%
	$ 10,081,235		$ 8,577,047	

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

	Profit/(loss) of associates	
	Years ended December 31,	
	2014	2013
Synnex Corporation	$ 545,011	$ 439,826
Redington (India) Ltd.	441,114	394,147
Bestcom Infotech Corporation	74,109	60,667
Synnex (Thailand) Public Company Ltd.	68,590	90,221
	$ 1,128,824	$ 984,861

	Share of other comprehensive income of associates	
	Years ended December 31,	
	2014	2013
Synnex Corporation	($ 38,205)	($ 55,499)
Redington (India) Ltd.	(86,543)	(5,223)
Bestcom Infotech Corporation	3,186	-
Synnex (Thailand) Public Company Ltd.	161	(3,338)
	($ 121,401)	($ 64,060)

C. The financial information of the Group's principal associates is summarised below:

	Assets	Liabilities	Revenue	Profit/(Loss)
December 31, 2014				
Synnex Corporation	$ 149,403,431	$ 90,972,107	$ 420,031,557	$ 5,464,032
Others	3,716,630	2,186,935	11,501,453	179,545
	$ 153,120,061	$ 93,159,042	$ 431,533,010	$ 5,643,577
December 31, 2013				
Synnex Corporation	$ 88,091,479	$ 47,283,519	$ 322,535,177	$ 4,530,056
Others	3,527,528	2,073,492	10,282,184	153,786
	$ 91,619,007	$ 49,357,011	$ 332,817,361	$ 4,683,842

Redington (India) Ltd. and Synnex (Thailand) Public Company Ltd. are foreign listed companies in which their respective countries have yet to reveal financial information for the period; thus in accordance with the information synchronisation principle, the abovementioned information of associates exclude these two companies.

D. The fair value of the Group's associates which have quoted market price was as follows:

	December 31, 2014	December 31, 2013
Synnex Corporation	$ 10,611,600	$ 8,619,583
Redington (India) Ltd.	6,476,245	3,397,483
Synnex (Thailand) Public Company Ltd.	858,565	848,321
Bestcom Infotech Corporation	653,585	600,877
	$ 18,599,995	$ 13,466,264

The Group is one of the major shareholders of Synnex Corporation, and the Group's chairman Mr. Matthew Miau serves as Synnex's honorary chairman. Thus, the Group has significant influence over Synnex.

(9)Property, plant and equipment

	Land	Buildings	Utilities equipment	Computer equipment	Transportation equipment	Furniture and fixtures	Tools	Leasehold improvements	Construction in progress and equipment to be inspected	Total
At January 1, 2014										
Cost	$ 1,017,430	$ 3,878,226	$ 437,175	$ 663,097	$ 167,055	$ 86,838	$ 993,753	$ 159,509	$ 671,896	$ 8,074,979
Accumulated depreciation	-	(611,335)	(218,326)	(427,886)	(103,868)	(61,644)	(688,572)	(115,677)	-	(2,227,308)
	$ 1,017,430	$ 3,266,891	$ 218,849	$ 235,211	$ 63,187	$ 25,194	$ 305,181	$ 43,832	$ 671,896	$ 5,847,671
2014										
Opening net book amount	$ 1,017,430	$ 3,266,891	$ 218,849	$ 235,211	$ 63,187	$ 25,194	$ 305,181	$ 43,832	$ 671,896	$ 5,847,671
Additions	-	131,682	6,938	33,149	2,303	13,230	60,659	12,427	755,362	1,015,750
Disposals	-	(31)	47	(5,499)	(152)	(908)	(197)	(414)	-	(7,154)
Reclassifications	-	274,133	171,867	6,153	13,418	37,679	43,707	4,008	(550,140)	825
Depreciation charge	-	(92,328)	(37,948)	(67,519)	(15,493)	(13,655)	(48,000)	(13,603)	-	(288,546)
Net exchange differences	(11,101)	124,956	6,984	1,840	730	(1,012)	(2,108)	920	47,612	168,821
Closing net book amount	$ 1,006,329	$ 3,705,303	$ 366,737	$ 203,335	$ 63,993	$ 60,528	$ 359,242	$ 47,170	$ 924,730	$ 6,737,367
At December 31, 2014										
Cost	$ 1,006,329	$ 4,418,805	$ 626,772	$ 662,718	$ 170,107	$ 132,439	$ 1,067,101	$ 165,856	$ 924,730	$ 9,174,857
Accumulated depreciation	-	(713,502)	(260,035)	(459,383)	(106,114)	(71,911)	(707,859)	(118,686)	-	(2,437,490)
	$ 1,006,329	$ 3,705,303	$ 366,737	$ 203,335	$ 63,993	$ 60,528	$ 359,242	$ 47,170	$ 924,730	$ 6,737,367

	Land	Buildings	Utilities equipment	Computer equipment	Transportation equipment	Furniture and fixtures	Tools	Leasehold improvements	Construction in progress	Total
At January 1, 2013										
Cost	$ 1,023,678	$ 3,102,118	$ 465,111	$ 666,461	$ 145,713	$ 123,390	$ 882,410	$ 178,984	$ 122,754	$ 6,710,619
Accumulated depreciation	-	(415,574)	(195,509)	(416,187)	(94,529)	(96,243)	(647,331)	(130,459)	-	(1,995,832)
	$ 1,023,678	$ 2,686,544	$ 269,602	$ 250,274	$ 51,184	$ 27,147	$ 235,079	$ 48,525	$ 122,754	$ 4,714,787
2013										
Opening net book amount	$ 1,023,678	$ 2,686,544	$ 269,602	$ 250,274	$ 51,184	$ 27,147	$ 235,079	$ 48,525	$ 122,754	$ 4,714,787
Additions	51,380	681,165	7,083	76,277	27,445	7,623	125,156	14,102	727,799	1,718,030
Acquired from business combinations	-	76,940	-	-	-	2,012	6,553	-	-	85,505
Disposals	-	(1,252)	(41,927)	(5,977)	(37)	(1,191)	(305)	(77)	-	(50,766)
Reclassifications	-	12,651	5,709	(2,640)	-	(48)	-	(32)	(191,455)	(175,815)
Depreciation charge	-	(199,964)	(32,327)	(81,665)	(15,354)	(10,209)	(39,190)	(17,569)	-	(396,278)
Net exchange differences	(57,628)	10,807	10,709	(1,058)	(51)	(140)	(22,112)	(1,117)	12,798	(47,792)
Closing net book amount	$ 1,017,430	$ 3,266,891	$ 218,849	$ 235,211	$ 63,187	$ 25,194	$ 305,181	$ 43,832	$ 671,896	$ 5,847,671
At December 31, 2013										
Cost	$ 1,017,430	$ 3,878,226	$ 437,175	$ 663,097	$ 167,055	$ 86,838	$ 993,753	$ 159,509	$ 671,896	$ 8,074,979
Accumulated depreciation	-	(611,335)	(218,326)	(427,886)	(103,868)	(61,644)	(688,572)	(115,677)	-	(2,227,308)
	$ 1,017,430	$ 3,266,891	$ 218,849	$ 235,211	$ 63,187	$ 25,194	$ 305,181	$ 43,832	$ 671,896	$ 5,847,671

Note 1: The significant components of buildings include office buildings and warehouse with main buildings and improvements, which are depreciated over 20~50 and 3 years, respectively.

Note 2: Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(10) Investment property

	Buildings	Utilities equipment	Total
At January 1, 2014			
Cost	$ 1,495,703	$ 272,243	$ 1,767,946
Accumulated depreciation	(98,663)	(100,039)	(198,702)
	$ 1,397,040	$ 172,204	$ 1,569,244
2014			
Opening net book amount	$ 1,397,040	$ 172,204	$ 1,569,244
Disposals	-	(1,803)	(1,803)
Depreciation charge	(35,137)	(25,252)	(60,389)
Net exchange differences	78,871	8,566	87,437
Closing net book amount	$ 1,440,774	$ 153,715	$ 1,569,489
At December 31, 2014			
Cost	$ 1,582,060	$ 286,067	$ 1,868,127
Accumulated depreciation	(141,286)	(132,352)	(273,638)
	$ 1,440,774	$ 153,715	$ 1,594,489

	Buildings	Utilities equipment	Total
At January 1, 2013			
Cost	$ 1,262,549	$ 206,525	$ 1,469,074
Accumulated depreciation	(62,287)	(62,501)	(124,788)
	$ 1,200,262	$ 144,024	$ 1,344,286
2013			
Opening net book amount	$ 1,200,262	$ 144,024	$ 1,344,286
Additions	4,411	51,223	55,634
Depreciation charge	(32,916)	(34,052)	(66,968)
Reclassifications	164,915	3,709	168,624
Net exchange differences	60,367	7,301	67,668
Closing net book amount	$ 1,397,039	$ 172,205	$ 1,569,244
At December 31, 2013			
Cost	$ 1,495,703	$ 272,243	$ 1,767,946
Accumulated depreciation	(98,663)	(100,039)	(198,702)
	$ 1,397,040	$ 172,204	$ 1,569,244

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

	Years ended December 31,	
	2014	2013
Rental income from the lease of the investment property	$ 437,644	$ 388,060
Direct operating expenses arising from the investment property that generated rental income in the period	$ 142,964	$ 125,116
Direct operating expenses arising from the investment property that did not generate rental income in the period	$ 43,756	$ 49,827

B. The fair value of the investment property held by the Group as of December 31, 2014 and 2013 was $2,774,602 and $1,951,316, respectively, which is based on the present value of rental revenue for the next 10 years and disposal value. 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.

(11) Intangible assets

	Computer software cost	Goodwill	Total
At January 1, 2014			
Cost	$ 159,302	$ 296,535	$ 455,837
Accumulated amortisation	(48,076)	-	(48,076)
	$ 111,226	$ 296,535	$ 407,761
2014			
Opening net book amount	$ 111,226	$ 296,535	$ 407,761
Additions－acquired separately	18,675	-	18,675
Amortisation charge	(31,467)	-	(31,467)
Net exchange differences	-	18,274	18,274
Closing net book amount	$ 98,434	$ 314,809	$ 413,243
At December 31, 2014			
Cost	$ 177,977	$ 314,809	$ 492,786
Accumulated amortisation	(79,543)	-	(79,543)
	$ 98,434	$ 314,809	$ 413,243

	Computer software cost	Goodwill	Total
At January 1, 2013			
Cost	$ 136,532	$ 288,889	$ 425,421
Accumulated amortisation	(18,893)	-	(18,893)
	$ 117,639	$ 288,889	$ 406,528
2013			
Opening net book amount	$ 117,639	$ 288,889	$ 406,528
Additions－acquired separately	22,770	-	22,770
Amortisation charge	(29,183)	-	(29,183)
Net exchange differences	-	7,646	7,646
Closing net book amount	$ 111,226	$ 296,535	$ 407,761
At December 31, 2013			
Cost	$ 159,302	$ 296,535	$ 455,837
Accumulated amortisation	(48,076)	-	(48,076)
	$ 111,226	$ 296,535	$ 407,761

A. Amortization charges on intangible assets were recognised as administrative expenses amounting to $31,467 and $29,183 for the years ended December 31, 2014 and 2013, respectively.

B. Goodwill is allocated to cash-generating units identified by the Group as follows:

	December 31, 2014	December 31, 2013
Asia	$ 314,809	$ 296,535

C. Impairment of non-financial assets

Goodwill is allocated to cash-generating units identified by the Group. 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 into 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.

(12) Other non-current assets

	December 31, 2014	December 31, 2013
Refundable deposits	$ 242,891	$ 221,328
Long-term notes and overdue receivables	687,898	380,591
Long-term prepaid rent	1,036,486	1,053,958
Pledged time deposits	858,023	860,986
Time deposits – more than 1 year	-	1,016,544
Others	83,677	16,286
	$ 2,908,975	$ 3,549,693

The above long-term prepaid rent was mainly due to the Group signing a land use right contract for use of the land in the People's Republic of China. All rentals had been paid on the contract date. The Group recognised rental expenses of $23,532 and $18,659 for the years ended December 31, 2014 and 2013, respectively.

(13) Short-term borrowings

Type of borrowings	December 31, 2014	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 35,452	1.18%	Accounts receivable
Secured borrowings (Note 1)	307,211	3.67%~10.15%	Accounts receivable and inventories
Unsecured borrowings	39,623,605	0.85%~6.51%	None
	$ 39,966,358		

Type of borrowings	December 31, 2013	Interest rate range	Collateral
Bank borrowings			
Secured borrowings (Note 1)	$ 391,870	3.65%~9.75%	Accounts receivable and inventories
Unsecured borrowings	29,386,207	1.02%~3.8%	None
Syndicated loan from 12 banks including Taipei Fubon Commercial Bank – Item B (Note 2)	2,500,000	1.45%~1.46%	None
	$ 32,278,077		

Note 1: The borrowings of PT.Synnex Metrodata Indonesia.

Note 2: The syndicated loan from 12 banks including Taipei Fubon Commercial Bank was repaid early in March 2014.

(14) Short-term notes and bills payable

	December 31, 2014	December 31, 2013
Commercial paper payable	$ 6,430,000	$ 4,140,000
Interest rate range	0.62%~1.06%	0.64%~0.98%

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

(15) Other payables

	December 31, 2014	December 31, 2013
Dealers' bonus payable	$ 3,029,228	$ 3,335,475
Other payables - others	1,078,618	1,863,466
Accrued expenses - others	1,557,354	955,675
Temporary receipt of suppliers' payment on behalf of others	1,048,031	1,236,553
Salary payable and bonus	647,066	602,945
	$ 7,360,297	$ 7,994,114

(16) Bonds payable

	December 31, 2013
Second convertible bonds	5,000,000
Less: Discount of convertible bonds	(2,785)
	4,997,215
Less: Current portion (recorded as other current liabilities)	(4,997,215)
Total	$ -

There was no bonds payable as of December 31, 2014.

The second convertible bonds cover a period of three years and mature on January 14, 2014. Thus, the Company reclassified the second convertible bonds to "long-term loans-current portion".

A. The Company issued its first domestic unsecured convertible bonds in June 2008.

(a) Relevant information is as follows:

i. On June 25, 2008, the Company issued zero coupon, five-year unsecured convertible bonds with the principal amount of $6,000,000. The bonds were listed on the Taiwan Over-The-Counter Securities Exchange.

ii. The conversion price is set based on the terms of the convertible bonds and is subject to adjustments based on the terms of the convertible bonds if the condition of anti-dilution provision occurs.

iii. Under the terms of the convertible bonds, all bonds (redeemed, matured and converted) are retired and are not to be re-issued.

iv. The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value upon three years from the issue date.

v. Under the terms of the convertible bonds, the rights and obligations of the new shares converted from convertible bonds are the same as the issued and outstanding common stock.

(b) The fair value of convertible options amounting to $709,080 was separated from bonds payable, and was recognised in "capital reserve from stock warrants" in accordance with IAS 32. The fair value of put and call options embedded in bonds payable was separated from bonds payable, and was recognised in "financial assets or liabilities at fair value through profit or loss" in accordance with IAS 39. The effective interest rate of bonds payable was 2.7996% after separation.

(c) As of June 24, 2013, the bonds totaling $2,400 (face value) had been converted into 48 thousand shares of common stock. As a result of the conversion of the convertible bonds, "capital reserve-convertible bond's conversion premium" was increased by $2,176 and "capital reserve-stock warrants" was decreased by $284.

(d) Convertible corporate bonds that were matured but not converted yet had a carrying amount of $151,800, and had been fully redeemed as of June 27, 2013.

B. The Company issued its second domestic unsecured convertible bonds in January 2011.

(a) Relevant information is as follows:

i. On January 14, 2011, the Company issued zero coupon, three-year unsecured convertible bonds with the principal amount of $5,000,000. The bonds were listed on the Taiwan Over-The-Counter Securities Exchange.

ii. The conversion price is set based on the terms of the convertible bonds and is subject to adjustments based on the terms of the convertible bonds if the condition of anti-dilution provision occurs.

iii. Under the terms of the convertible bonds, all bonds (redeemed, matured and converted) are retired and are not to be re-issued.

iv. Under the terms of the convertible bonds, the rights and obligations of the new shares converted from convertible bonds are the same as the issued and outstanding common stock.

(b) The fair value of convertible options amounting to $210,550 was separated from bonds payable, and was recognised in "capital reserve from stock warrants" in accordance with IAS 32. The effective interest rate of bonds payable was 1.337% after separation.

(c) Convertible corporate bonds that were matured but not converted yet had a carrying amount of $5,000,000, and had been fully redeemed as of January 23, 2014.

(17) Long-term borrowings

Borrowings	Borrowing period	December 31, 2014
Syndicated loan from 9 banks including Taipei Fubon Commercial Bank – Item B	5 years from the first drawing date (August 4, 2014)	$ 4,041,750

December 31, 2013: None.

A. This syndicated loan is arranged by the Bank of Taiwan, Chang Hwa Commercial Bank, Hua Nan Commercial Bank, Taiwan Cooperative Bank, First Commercial Bank, E. Sun Commercial Bank, Taishin International Bank, China Development Industrial Bank, Taipei Fubon Commercial Bank with Bank of Taiwan as the managing bank.

B. Credit line: The total credit line was NTD8.7 billion and US$127.5 million.

(a) Item A:

The medium-term loan amount of NTD8.7 billion can only be drawn by Synnex Technology International Corporation.

(b) Item B:

The medium-term loan amount of US$127.5 million can only be drawn by Synnex Global.

C. Term of loan:

The loan’s maturity date is August 7, 2019 and August 3, 2019 for Item A and B, respectively, which is 5 years from the first drawing date of the loan.

D. Repayment method:

(a) Item A:

The outstanding principle of each withdrawal of the credit line under item A shall be fully repaid at each maturity date. The outstanding principle at the maturity dates for each withdrawal can be re-borrowed in accordance with the contract. The outstanding balance that is re-borrowed under item A can be used to pay off the original outstanding balance; for equivalent balances, the bank does not have to transfer capital for both of the transaction under item A, the contract serves as a proof for the collection of funds. Under any circumstances, the outstanding balances should be fully repaid on the final maturity date.

(b) Item B:

The outstanding principle of each withdrawal of the credit line under item A shall be fully repaid at each maturity date. The outstanding principle at the maturity dates for each withdrawal can be re-borrowed in accordance with the contract. The outstanding balance that is re-borrowed under item A can be used to pay off the original outstanding balance; for equivalent balances, the bank does not have to transfer capital for both of the transaction under item A, the contract serves as a proof for the collection of funds. Under any circumstances, the outstanding balances should be fully repaid on the final maturity date.

E. Financial commitments:

(a) Current ratio (current assets/current liabilities) is at least 100%;

(b) Liability ratio (total liabilities/tangible net equity) is less than 250%;

(c) Interest coverage ((income before tax+depreciation+amortization+interest expense)/interest expense) is at least 300%;

(d) Tangible net equity (net equity, net of intangible assets) of at least NTD30,000,000.

The financial ratios and standards are based on the annual consolidated financial statements.

F. Breach of commitments:

The managing bank, as decided and authorized in writing by the banks of the consortium, shall take one or all of the following actions below to enforce collection from the borrower in accordance with the agreement of the banks of the consortium:

(a) Notify the borrower in writing and announce the total amount of the credit line to be immediately terminated and cannot be withdrawn again;

(b) Notify the borrower in writing to announce the immediate maturity and required repayment of outstanding principle, interest and payables to the banks in the consortium and managing bank in accordance with the contract. The borrower should pay off the payables immediately;

(c) Notify the banks in the consortium to require early settlements of the borrower’s loans with the borrower’s deposits and creditor’s right;

(d) Execute the borrower’s promise to repay the loan written on the promissory note acquired in accordance with the contract;

(e) Execute the rights given by the regulations, the contract, financial guarantee documentations and other related papers; no notification, exigent notice or waived protest is required for claims within limits of the regulations;

(f) Or other methods agreed upon by the majority of the banks in the consortium.

G. Promissory note and letter of authorization:

Issue a promissory note with the managing bank as the beneficiary and the total credit lines as the carrying amount along with a letter of authorization from the borrower (the managing bank shall fill in the maturity date, starting date of interest calculation and agreed upon interest rate for the promissory note) and handed over to the managing bank for safekeeping.

(18) Pensions

A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 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.

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

	December 31, 2014	December 31, 2013
Present value of funded obligations	($ 431,045)	($ 445,223)
Fair value of plan assets	191,959	194,583
Net liability in the balance sheet (recorded as other non-current liabilities)	($ 239,086)	($ 250,640)

(c) Movements in present value of defined benefit obligations are as follows:

	2014	2013
Present value of funded obligations		
At January 1	$ 445,223	$ 459,809
Current service cost	3,886	4,485
Interest expense	8,904	6,897
Actuarial profit and loss	(11,087)	(11,986)
Benefits paid	(15,881)	(13,982)
At December 31	$ 431,045	$ 445,223

(d) Movements in fair value of plan assets are as follows:

	2014	2013
Fair value of plan assets		
At January 1	$ 194,583	$ 196,961
Expected return on plan assets	3,891	2,954
Actuarial profit and loss	762	(508)
Employer contributions	8,604	9,158
Benefits paid	(15,881)	(13,982)
At December 31	$ 191,959	$ 194,583

(e) Amounts of expenses recognised in comprehensive income statements are as follows:

	Years ended December 31,	
	2014	2013
Current service cost	$ 3,886	$ 4,485
Interest cost	8,904	6,897
Expected return on plan assets	(3,891)	(2,954)
Current pension costs	$ 8,899	$ 8,428

Details of cost and expenses recognised in comprehensive income statements are as follows:

	Years ended December 31,	
	2014	2013
Selling expenses	$ 4,898	$ 5,171
General and administrative expenses	4,001	3,257
	$ 8,899	$ 8,428

(f) Amounts of actuarial gains or losses recognised under other comprehensive income are as follows:

	Years ended December 31,	
	2014	2013
Recognition for current period	($ 11,849)	($ 11,478)
Accumulated amount	$ 17,389	$ 29,238

(g)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. The constitution of fair value of plan assets as of December 31, 2014 and 2013 is given in the Annual Labor Retirement Fund Utilisation Report published by the government.

Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilisation by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's 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.

For the years ended December 31, 2014 and 2013, the actual return on plan assets was $4,654 and $2,446, respectively.

(h)The principal actuarial assumptions used were as follows:

	2014	2013
Discount rate	2.00%	2.00%
Future salary increases	4.00%	4.00%
Expected return on plan assets	2.00%	2.00%

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

(i) Historical information of experience adjustments was as follows:

	Years ended December 31,		
	2014	2013	2012
Present value of defined benefit obligations	($ 431,045)	($ 445,223)	($ 459,809)
Fair value of plan assets	191,959	194,583	196,961
Deficit in the plan	($ 239,086)	($ 250,640)	($ 262,848)
Experience adjustments on plan liabilities	($ 11,087)	($ 9,304)	$ 20,955
Experience adjustments on plan assets	$ 762	($ 508)	($ 1,652)

(j) Expected contributions to the defined benefit pension plans of the Company within one year from December 31, 2014 amounts to $8,373.

B.(a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute 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. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2014 and 2013 were $40,294 and $40,843, respectively.

(b) No pension plan is established for Synnex Global Ltd., King's Eye Investments Ltd., Peer Developments Ltd., Synnex China Holdings Ltd., Synnex Mauritius Ltd., Laser Computer Holdings Ltd., Trade Vanguard Golobal Ltd. since these companies are not required to have an employee pension plan in accordance with the local legislation. Except for the above, other consolidated overseas subsidiaries 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. The pension costs under the defined contribution pension plan for the years ended December 31, 2014 and 2013 were $253,176 and $264,476, respectively.

(19) Share-based payment

A. Pursuant to the resolution adopted at the Board of Directors' meeting held in August 2007, the Company issued employee stock options amounting to 40,000 units, and every unit was subscribed for 1,000 common stocks. Details of the employee stock options issued as of December 31, 2013 were 40,000 units, equal to 40,000,000 common stocks. The exercise price is based on the closing price of the Company's common stock at the grant date and is subject to adjustments due to changes in the number of common shares. The vesting period of the Company's employee stock option plan is 6 years. The employees may exercise the stock options in installments within a period of 2 years after the stock options are granted.

As of December 31, 2014 and 2013, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (unit)	Contract period	Vesting conditions
Employee stock options	November 28, 2007	40,000	6 years	Cumulative exercisable amount is 25% when reaching the second year Cumulative exercisable amount is 50% when reaching the third year Cumulative exercisable amount is 75% when reaching fourth year Cumulative exercisable amount is 100% when reaching fifth year

B. Details of the share-based payment arrangements are as follows:

	Years ended December 31, 2013	
	No. of shares (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at beginning of the period	14,313	$ 46.40
Options forfeited	(9,727)	-
Options exercised	(4,586)	45.69
Options outstanding at end of the period	-	-
Options exercisable at end of the period	-	-

Note: The employee stock options had been expiring on November 28, 2013.

C. The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2013 was $47.96.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee stock options	November 28, 2007	$ 77.20	38.84%	4.75 years	0.00%	2.66%	$ 28.64

E. Expenses incurred on share-based payment transactions in 2013 were $0.

(20) Share capital

A. As of December 31, 2014, the Company's authorized capital was $22,000,000 (including $500,000 reserved for the conversion of employees' stock options which have not been issued). As of December 31, 2014, the total number of shares of common stock, at $10 (in dollars) par value per share, issued and outstanding, was 1,588,520,922 shares.

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

	2014	2013
At January 1	1,588,520,922	1,583,886,922
Employee stock options exercised	-	4,586,000
Corporate bonds converted to ordinary shares	-	48,000
At December 31	1,588,520,922	1,588,520,922

B. The Company issued common stock of 951,000 shares for the exercise of the employee stock options for the year ended December 31, 2013. The Company has completed the registration in April 2013.

C. For the status of the exercise of the employee stock options for 2013, please refer to Note 6(19).

D. The Company issued common stock (Deposited Shares) through global depository shares (GDSs) in Europe, Asia and the USA in 1997 and 1999. Each GDS represents 4 Deposited Shares. The GDSs may not be offered, sold or delivered, directly or indirectly, in the R.O.C. As of December 31, 2014, the total number of GDSs outstanding was 906,363 units, representing 3,625,463 shares of common stock. The main terms and conditions of the GDSs are as follows:

(a) Voting

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

(b) Sale and withdrawal of GDSs

Under current R.O.C. law, the shares represented by the GDSs may not be withdrawn by holders of GDSs. Commencing three months after the initial issuance of GDSs, a holder of GDSs may, provided that the Company has delivered to the custodian physical share certificates in respect of the Deposited Shares, request the Depositary to sell or cause to be sold on behalf of such holder the shares represented by such GDSs.

(c) Dividends

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

(21) Capital surplus

Pursuant to the R.O.C. Company Law, capital reserve 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 Law requires that the amount of capital reserve to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserve should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2014					
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures	Employee stock options	Stock options	Total
At January 1	$ 13,626,940	$ 340,678	$ 68,569	$ -	$ 228,445	$ 14,264,632
Changes in equity of associates and joint ventures	-	-	67,225	-	-	67,225
At December 31	$ 13,626,940	$ 340,678	$ 135,794	$ -	$ 228,445	$ 14,331,857

	2013					
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures	Employee stock options	Stock options	Total
At January 1	$ 13,236,952	$ 340,678	$ -	$ 224,144	$ 228,729	$ 14,030,505
Employee stock options exercised	387,810	-	-	(224,144)	-	163,666
Conversion of convertible bonds	2,176	-	-	-	(284)	1,892
Changes in equity of associates and joint ventures	-	-	68,569	-	-	68,569
At December 31	$ 13,626,940	$ 340,678	$ 68,569	$ -	$ 228,445	$ 14,264,632

(22) Retained earnings

A. The Company's Articles of Incorporation provide that current year's net income, after recovering any past losses and deducting all income taxes in accordance with the law, shall be distributed in the following order: (a) set aside 10% of the net income as legal reserve, (b) set aside the special reserve in the amount of the net reduction of adjustments under the stockholders' equity for the current year related mainly to cumulative translation adjustments and unrealized loss on long-term investments, (c) set aside at least 0.01% and no more than 10% of the net income as employees' bonus, and (d) 30% to 100% of the remaining portion (plus the retained earnings carried over from the last fiscal year as permitted by the Company Law) shall be distributed as dividends to all stockholders in proportion to their individual holdings as proposed by the Board of Directors and approved at the stockholders' meeting. No less than 15% of total stockholders' dividends may be distributed in the form of cash dividends.

   In the case of employee stock bonuses, the employees of the subsidiaries meeting certain terms authorized by the Company's Chairman are included.

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

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

D. The appropriation of 2013 and 2012 earnings had been resolved at the stockholders' meeting on June 11, 2014 and June 11, 2013, respectively. Details are summarized below:

	Years ended December 31,			
	2013		2012	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 527,400	$ -	$ 581,611	$ -
Special reserve	295,146	-	1,505,048	-
Cash dividends	4,447,860	2.80	3,173,778	2.00
Employees' bonus	600	-	600	-
Directors' and supervisors' remuneration	7,600	-	10,000	-

E. As of March 16, 2015, the appropriation of 2014 earnings had not been resolved by the Board of Directors. Information on the appropriation of the Company's earnings as resolved by the Board of Directors and approved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. Employees' bonus for 2014 and 2013 was both accrued at $600; directors' and supervisors' remuneration for 2014 and 2013 was accrued at $7,600 and $10,000, respectively. They were estimated based on certain percentages (prescribed by the Company's Articles of Incorporation) of net income in current year after taking into account the legal reserve and other factors. The employees' bonus of $600 and directors' and supervisors' remuneration of $7,600 as resolved by the shareholders, had a difference of $0 and $2,400 from the amount recognised in the financial statements for the year ended December 31, 2013, respectively. The difference had been adjusted in the 2014 financial statements. Employees' bonus and directors' and supervisors' remuneration for 2012 approved at the shareholders' meeting were in agreement with the amount recognised in the 2012 financial statements.

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

(23) Other equity items

	Currency translation	Available-for-sale investments	Total
At January 1, 2014	($ 2,221,534)	$ 255,759	($ 1,965,775)
Revaluation:			
–Group	-	(197,766)	(197,766)
–Associates	-	(22)	(22)
Currency translation differences:			
–Group	2,408,831	-	2,408,831
–Associates	(121,379)	-	(121,379)
At December 31, 2014	$ 65,918	$ 57,971	$ 123,889

	Currency translation	Available-for-sale investments	Total
At January 1, 2013	($ 1,610,859)	$ 244,495	($ 1,366,364)
Revaluation:			
–Group	-	9,219	9,219
–Associates	-	2,045	2,045
Currency translation differences:			
–Group	(544,570)	-	(544,570)
–Associates	(66,105)	-	(66,105)
At December 31, 2013	($ 2,221,534)	$ 255,759	($ 1,965,775)

(24) Operating revenue

	Years ended December 31,	
	2014	2013
Sales revenue	$ 331,075,176	$ 329,693,902
Service revenue	457,418	565,851
Total	$ 331,532,594	$ 330,259,753

(25) Other income

	Years ended December 31,	
	2014	2013
Rental revenue	$ 479,023	$ 432,165
Interest income:		
Interest income from bank deposits	668,601	494,889
Other interest income	107,732	94,114
Dividend income	112,929	128,557
Others	274,156	292,945
Total	$ 1,642,441	$ 1,442,670

(26) Other gains and losses

	Years ended December 31,	
	2014	2013
Net gains on financial assets at fair value through profit or loss	$ 32,785	$ 3,200
Net currency exchange (losses) gains	(35,240)	846,395
Losses on disposal of property, plant and equipment	(1,284)	(6,170)
Related expense charges on investment property	(186,720)	(174,943)
Others	(106,690)	(5,048)
Total	($ 297,149)	$ 663,434

(27) Finance costs

	Years ended December 31,	
	2014	2013
Interest expense:		
Bank borrowings	$ 640,754	$ 459,913
Short-term notes and bills payable	63,023	49,528
Convertible bonds	2,785	68,980
Finance costs	$ 706,562	$ 578,421

(28) Expenses by nature

	Years ended December 31,	
	2014	2013
Employee benefit expense	$ 4,158,368	$ 4,196,137
Depreciation charges on property, plant and equipment	288,546	396,278
Amortisation charges on intangible assets	31,467	29,183
	$ 4,478,381	$ 4 ,621,598

(29) Employee benefit expense

	Years ended December 31, 2014	Years ended December 31, 2013
Wages and salaries	$ 3,461,834	$ 3,382,219
Labor and health insurance fees	237,361	245,984
Pension costs	302,369	313,747
Other personnel expenses	156,804	254,187
	$ 4,158,368	$ 4,196,137

(30) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2014	Years ended December 31, 2013
Current tax:		
Current tax liabilities	$ 978,815	$ 832,080
Current tax assets	(40,047)	-
Tax payable from prior years	(426,437)	(566,200)
Current tax on profits for the period	512,331	265,880
Over provision of prior year’s income tax	16,250	(233)
Prepaid income tax	540,179	596,542
Additional 10% tax on undistributed earnings	(1,312)	(55,567)
Total current tax	1,067,448	806,622
Deferred tax:		
Origination and reversal of temporary differences	(106,723)	97,127
Additional 10% tax on undistributed earnings	1,312	55,567
Total deferred tax	(105,411)	152,694
Income tax expense	$ 962,037	$ 959,316

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

	Years ended December 31, 2014	Years ended December 31, 2013
Actuarial gains/losses on defined benefit obligations	($ 2,014)	($ 1,952)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2014	Years ended December 31, 2013
Tax calculated based on profit before tax and statutory tax rate	$ 1,480,091	$ 1,559,823
Effects from items disallowed by tax regulation	(535,616)	(655,841)
Additional 10% tax on undistributed earnings	1,312	55,567
Over provision of prior year's income tax	16,250	(233)
Income tax expense	$ 962,037	$ 959,316

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

	Year ended December 31, 2014				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effects on exchange rate	December 31
Temporary differences:					
－Deferred tax assets:					
Unrealized bad debts	$ 179,477	$ 97,897	$ -	($ 2,851)	$ 274,523
Unrealized loss on inventory value decline	73,924	11,065	-	(874)	84,115
Depreciation	16,566	967	-	(180)	17,353
Unrealised exchange loss	28,017	(19,568)	-	(87)	8,362
Unused compensated absences	42,870	1,042	-	(451)	43,461
Accrued pensions	42,609	50	(2,014)	-	40,645
Unrealized accrued expenses	70,538	8,345	-	(811)	78,072
Loss carryforward	46,494	5,419	-	(534)	51,379
Subtotal	$ 500,495	$ 105,217	($ 2,014)	($ 5,788)	$ 597,910
－Deferred tax liabilities:					
Unrealised purchase discount	($ 145,982)	$ 11,752	$ -	$ 1,379	($ 132,851)
Others	(14,368)	(10,246)	-	253	(24,361)
Subtotal	($ 160,350)	$ 1,506	$ -	$ 1,632	($ 157,212)
Total	$ 340,145	$ 106,723	($ 2,014)	($ 4,156)	$ 440,698

	Year ended December 31, 2013				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effects on exchange rate	December 31
Temporary differences:					
—Deferred tax assets:					
Unrealized bad debts	$ 128,602	$ 53,196	$ -	($ 2,321)	$ 179,477
Unrealized loss on inventory value decline	45,641	29,239	-	(956)	73,924
Depreciation	28,862	(12,082)	-	(214)	16,566
Unrealised exchange loss	47,718	(19,339)	-	(362)	28,017
Unused compensated absences	3,897	39,527	-	(554)	42,870
Accrued pensions	44,711	(150)	(1,952)	-	42,609
Unrealized accrued expenses	100,027	(28,024)	-	(1,465)	70,538
Loss carryforward	40,556	6,538	-	(600)	46,494
Subtotal	$ 440,014	$ 68,905	($ 1,952)	($ 6,472)	$ 500,495
—Deferred tax liabilities:					
Unrealised purchase discount	$ -	($ 160,181)	$ -	$ 14,199	($ 145,982)
Others	(9,914)	(5,851)	-	1,397	(14,368)
Subtotal	($ 9,914)	($ 166,032)	$ -	$ 15,596	($ 160,350)
Total	$ 430,100	($ 97,127)	($ 1,952)	$ 9,124	$ 340,145

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2014	December 31, 2013
Deductible temporary differences	$ 79,922	$ 96,489

E. As of December 31, 2014, the Company's income tax returns through 2011 have been assessed and approved by the Tax Authority.

F. The subsidiaries' losses are allowed to be carried forward from 2019 to 2023.

G. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2014 and 2013, the amounts of temporary difference unrecognised as deferred tax liabilities were $6,655,433 and $5,452,224, respectively.

H. Unappropriated retained earnings:

	December 31, 2014	December 31, 2013
Earnings generated in and before 1997	$ -	$ -
Earnings generated in and after 1998	7,425,704	7,662,176
Total	$ 7,425,704	$ 7,662,176

I. As of December 31, 2014 and 2013, the balance of the imputation tax credit account was $197,590 and $287,652, respectively. The creditable tax rate was 4.74% for 2013 and is estimated to be 2.82% for 2014.

J. The Company estimated that the future taxable income will exceed the current income arising from the reversal of taxable temporary difference, thus, recognised deferred tax assets.

(31) Earnings per share

	Year ended December 31, 2014		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 5,024,099	1,588,521	$ 3.16
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	5,024,099	1,588,521	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	20	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,024,099	$ 1,588,541	$ 3.16

	Year ended December 31, 2013		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 5,273,995	1,586,646	$ 3.32
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	5,273,995	1,586,646	
Assumed conversion of all dilutive potential ordinary shares			
Employees' bonus	-	14	
Convertible bonds	68,980	66,585	
Employee stock options of the investee company	(2,285)	-	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 5,340,690	$ 1,653,245	$ 3.23

(32) Operating leases

The Group leases office buildings to others under non-cancellable operating lease agreements. For the years ended December 31, 2014 and 2013, the Group recognised rental revenue of $479,023 and $432,165, respectively. The Group has leased a series of operating leases to several companies, and these leases have terms expiring between 2015 and 2022, and some leases are renewable at the end of the lease period. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	December 31, 2014	December 31, 2013
Not later than one year	$ 71,283	$ 71,662
Later than one year but not later than five years	208,873	245,201
Later than five years	75,597	47,840
	$ 355,753	$ 364,703

(33) Non-cash transaction

A. Investing activities with partial cash payments:

	Years ended December 31, 2014	Years ended December 31, 2013
Purchase of property, plant and equipment	$ 1,015,750	$ 1,718,030
Add: opening balance of payable on equipment	59,152	96,332
Less: ending balance of payable on equipment	(95,253)	(59,152)
Effects on exchange rate	4,546	3,014
Cash paid during the period	$ 984,195	$ 1,758,224

	Years ended December 31, 2014	Years ended December 31, 2013
Purchase of intangible assets	$ 18,675	$ 22,770
Add: opening balance of other payables	49,195	90,208
Less: ending balance of other payables	(8,182)	(49,195)
Cash paid during the period	$ 59,688	$ 63,783

B. Financing activities with no cash flow effects

	Years ended December 31, 2014	Years ended December 31, 2013
Convertible bonds being converted to common stocks	$ -	$ 2,656
Corporate bonds payable being converted to current portion of long-term liabilities	$ -	$ 4,997,215

7. RELATED PARTY TRANSACTIONS

(1) Significant related party transactions and balances

A. Operating revenue

	Years ended December 31, 2014	Years ended December 31, 2013
Sales of goods:		
－Associates	$ 167,824	$ 165,495
－Other related parties	879,260	709,169
	$ 1,047,084	$ 874,664

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 ~ 130 days of the date of statement. The collection term for third parties is within 30 ~ 160 days of the date of statement.

B. Purchases of goods:

	Years ended December 31	
	2014	2013
Purchases of goods:		
－Associates	$ 219,287	$ 75,132
－Other related parties	69,303	7,815
	$ 288,590	$ 82,947

Goods and services are bought from associates on normal commercial terms and conditions.

The collection term for related parties is within 60 days of the date of statement. The collection term for third parties is within 7~45 days after receipt of goods or 30 ~ 60 days from the first day of the month following the month of the receipt.

C. Receivables from related parties

	December 31, 2014	December 31, 2013
Receivables from related parties:		
－Associates	$ 52,074	$ 39,314
－Other related parties	211,221	81,803
	$ 263,295	$ 121,117

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

D. Payable to related parties

	December 31, 2014	December 31, 2013
Accounts payable:		
－Associates	$ 116,056	$ 13,352
－Other related parties	60,325	12,671
	$ 176,381	$ 26,023

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

E. Other transactions

The details of other receivables, dividend receivable and other payables arising from information management services that the Company provides to related parties are as follows:

	December 31, 2014		December 31, 2013	
	Other receivables	Other payables	Other receivables	Other payables
Associates	$ 17,254	$ 340	$ 12,197	$ 2,789
Other related parties	-	3,376	-	6,133
	$ 17,254	$ 3,716	$ 12,197	$ 8,922

	Years ended December 31	
	2014	2013
Other income		
－Associates	$ 32,471	$ 34,734
－Other related parties	114,304	1,847
	$ 146,775	$ 36,581

(2)Key management compensation

	Years ended December 31	
	2014	2013
Salaries and other short-term employee benefits	$ 97,668	$ 122,060
Post-employment benefits (Note)	5,987	4,728
Total	$ 103,655	$ 126,788

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 December 31, 2014	Book value December 31, 2013	Purpose
Accounts receivable	$ 2,211,829	$ 1,691,791	Pledged for short-term borrowings of PT.Synnex Metrodata Indonesia and Synnex International Technology Corporation
Inventories	1,877,190	1,542,145	Pledged for short-term borrowings of PT.Synnex Metrodata Indonesia
Other non-current assets:			
Pledged time deposits	858,023	860,986	Guarantees for sales, vendors, customs duties; short-term secured loans and promissory notes.
Property, plant and Equipment:			
Land and buildings	261,868	277,317	Guarantees for secured loans of Fortune Ideal Ltd. (Actual but not used)
	$ 5,208,910	$ 4,372,239	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1)Contingencies

As of December 31, 2014 and 2013, the Group issued promissory notes to guarantee the suppliers' credit limit amounting to $718,900 and $474,320, respectively, for inventory purchases.

(2)Commitments

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

	December 31, 2014	December 31, 2013
Property, plant and equipment	$ 169,465	$ 511,151

B. Operating lease agreements

The Group leases in offices under non-cancellable operating lease agreements. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2014	December 31, 2013
Not later than one year	$ 268,811	$ 249,794
Later than one year but not later than five years	462,973	316,507
Total	$ 731,784	$ 566,301

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1)Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2014, the Group's strategy was unchanged from 2013. The gearing ratios at December 31, 2014 and 2013 were 66% and 65%, respectively.

(2)Financial instruments

A. Fair value information of financial instruments

Except for those listed in the table below, the carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable and other payables) are approximate to their fair values. The fair value information of financial instruments measured at fair value is provided in Note 12(3).

	December 31, 2014	
	Book value	Fair value
Financial assets:		
Other financial assets (shown as other non-current assets)	$ 1,100,914	$ 1,100,914
Financial liabilities:		
Deposits received (shown as other non-current liabilities)	$ 238,847	$ 238,847

	December 31, 2013	
	Book value	Fair value
Financial assets:		
Other financial assets (shown as other non-current assets)	$ 1,635,806	$ 1,635,806
Financial liabilities:		
Bonds payable	$ 4,997,215	$ 4,997,215
Deposits received (shown as other non-current liabilities)	99,491	99,491
Total	$ 5,096,706	$ 5,096,706

B. Financial risk management policies

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

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 various currency exposures, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group treasury. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. 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, 2014				
	Foreign Currency Amount (In thousands)		Exchange Rate	Book Value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	64,625	31.70	$	2,048,613
USD:HKD (Note)		44,666	7.75		1,415,801
USD:AUD (Note)		13,151	0.82		279,948
Non-monetary items					
INR:USD (Note)	$	5,537,846	0.0158	$	2,773,685
THB:USD (Note)		833,585	0.0312		824,449
Financial liabilities					
Monetary items					
USD:NTD	$	49,420	31.70	$	1,566,614
USD:HKD (Note)		480,872	7.75		15,242,440
USD:AUD (Note)		11,039	0.82		234,989

	December 31, 2013				
	Foreign Currency Amount (In thousands)		Exchange Rate	Book Value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	54,846	29.86	$	1,637,702
USD:HKD (Note)		136,728	7.76		4,084,886
RMB:HKD (Note)		11,247	1.28		55,230
USD:AUD (Note)		957	0.89		22,663
Non-monetary items					
INR:USD (Note)	$	4,674,136	0.0161	$	2,247,072
THB:USD (Note)		769,576	0.0313		719,260
Financial liabilities					
Monetary items					
USD:NTD	$	42,581	29.86	$	1,271,469
USD:HKD (Note)		498,015	7.76		14,878,696
USD:AUD (Note)		13,336	0.89		315,812

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

	Year ended December 31, 2014		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 20,486	$ -
USD:HKD (Note)	1%	14,158	-
USD:AUD (Note)	1%	2,799	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 15,666	$ -
USD:HKD (Note)	1%	152,424	-
USD:AUD (Note)	1%	2,350	-

	Year ended December 31, 2013		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 16,377	$ -
USD:HKD (Note)	1%	40,849	-
RMB:HKD (Note)	1%	552	-
USD:AUD (Note)	1%	227	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 12,715	$ -
USD:HKD (Note)	1%	148,787	-
USD:AUD (Note)	1%	3,158	-

Note: The functional currencies of certain subsidiaries belonging to the Group 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

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2014 and 2013 would have increased/decreased by $109 and $1,090, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $16,343 and $18,318, respectively, as a result of gains/losses on equity securities classified as available-for-sale.

Interest rate risk

i. The Group's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2014 and 2013, the Group's borrowings at variable rate were denominated in the NTD, USD and AUD.

ii. At December 31, 2014 and 2013, if interest rates on denominated borrowings had been 1% higher with all other variables held constant, post-tax profit for the years ended December 31, 2014 and 2013 would have been $9,073 and $5,127 lower, respectively, mainly as a result of higher borrowing interest expense on 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. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

ii. No credit limits were exceeded during the reporting periods, and management does not expect any significant losses from non-performance by these counterparties.

iii. The credit quality information of financial assets that are neither past due nor impaired is provided in Note 6 (6).

iv. The ageing analysis of financial assets that were past due but not impaired is provided in Note 6 (6).

v. The individual analysis of financial assets that had been impaired is provided in the statement for each type of financial assets in Note 6.

(c) Liquidity risk

i. Cash flow forecast is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities as follows:

Non-derivative financial liabilities:

December 31, 2014	Less than 1 year	1 year to 2 years	Over 2 years	Book value
Short-term borrowings	$ 40,006,380	$ -	$ -	$ 40,006,380
Short-term notes and bills payable	6,433,093	-	-	6,433,093
Financial liabilities				
Notes payable (including related parties)	950,991	-	-	950,991
Accounts payable (including related parties)	29,729,996	18,290	-	29,748,286
Other payables (including related parties)	7,135,993	77,030	150,990	7,364,013
Deposits received	-	238,847	-	238,847
Long-term borrowings	2,888	-	4,041,750	4,044,638

Non-derivative financial liabilities:

December 31, 2013	Less than 1 year	1 year to 2 years	Over 2 years	Book value
Short-term borrowings	$ 32,306,994	$ -	$ -	$ 32,306,994
Short-term notes and bills payable	4,140,968	-	-	4,140,968
Financial liabilities				
Notes payable (including related parties)	400,110	-	-	400,110
Accounts payable (including related parties)	29,733,625	1,995	-	29,735,620
Other payables (including related parties)	7,933,979	58,535	10,522	8,003,036
Bonds payable	5,000,000	-	-	5,000,000
Deposits received	-	99,491	-	99,491

Derivative financial liabilities:

December 31, 2014	Less than 1 year	1 year to 2 years	Over 2 years	Book value
Forward exchange contracts	$ 4,226	$ -	$ -	$ 4,226

Derivative financial liabilities:

December 31, 2013	Less than 1 year	1 year to 2 years	Over 2 years	Book value
Forward exchange contracts	$ 1,149	$ -	$ -	$ 1,149

iii. 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 estimation

A. The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2014 and 2013:

December 31, 2014	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 10,893	$ -	$ -	$ 10,893
Available-for-sale financial assets				
Equity securities	1,405,851	56,029	172,453	1,634,333
Total	$ 1,416,744	$ 56,029	$ 172,453	$ 1,645,226
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 4,226	$ -	$ 4,226

December 31, 2013	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Equity securities	$ 108,921	$ -	$ -	$ 108,921
Forward exchange contracts	-	116	-	116
Available-for-sale financial assets				
Equity securities	1,597,084	72,911	161,805	1,831,800
Total	$ 1,706,005	$ 73,027	$ 161,805	$ 1,940,837
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 1,149	$ -	$ 1,149

B. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity instruments and debt instruments classified as financial assets/financial liabilities at fair value through profit or loss or available-for-sale financial assets.

C. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

D. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

E. Specific valuation techniques used to value financial instruments include:

(a) Quoted market prices or dealer quotes for similar instruments.

(b) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

(c) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

Disclosures on investees are based on financial statements audited by the investees' independent accountants. The following transactions between the Company and its subsidiaries were eliminated when preparing the financial statements. The following disclosures are only for reference.

A. Loans granted:

Number	Creditor	Borrower (Note 7)	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2014 (Note 9)	Balance at December 31, 2014 (Note 9)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for shortterm financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
0	Synnex Technology International Corporation	Seper Marketing Corporation	Other receivables	Y	$ 300,000	$ 300,000	$ -	1.17%~1.28%	(Note 1)	$ -	Operating turnover	$ -	-	$ -	$ 18,130,730	$ 18,130,730	(Note 2)
3	Synnex Global Ltd.	Synnex Technology International Corporation	Other receivables	Y	1,585,000	1,585,000	459,650	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex Investments (China) Ltd.	Other receivables	Y	16,864,400	16,864,400	16,359,736	2.82%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex Technology International (H.K.) Ltd.	Other receivables	Y	12,680,000	12,680,000	9,656,676	1.36%~1.52%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	8,083,500	8,083,500	8,035,950	2.82%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Shanghai) Ltd.	Other receivables	Y	1,046,100	1,046,100	1,046,100	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Chengdu) Ltd.	Other receivables	Y	237,750	237,750	211,217	6.00%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Nanjing) Ltd.	Other receivables	Y	237,750	237,750	122,838	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Shenyang) Ltd.	Other receivables	Y	95,100	95,100	95,100	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Beijing) Ltd.	Other receivables	Y	95,100	95,100	95,100	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Xi'an) Ltd.	Other receivables	Y	126,800	126,800	94,783	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Hangzhou) Ltd.	Other receivables	Y	15,850	15,850	15,850	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Tianjin) Ltd.	Other receivables	Y	25,360	25,360	20,288	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)

Number	Creditor	Borrower (Note 7)	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2014 (Note 9)	Balance at December 31, 2014 (Note 9)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for shortterm financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
3	Synnex Global Ltd.	Synnex (Qingdao) Ltd.	Other receivables	Y	$ 158,500	$ 158,500	$ 38,040	4.32%~4.36%	(Note 1)	$ -	Operating turnover	$ -	-	$ -	$ 31,728,778	$ 90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Suzhou) Ltd.	Other receivables	Y	274,680	-	-	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Jinan) Ltd.	Other receivables	Y	237,750	237,750	54,524	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (ZhenZhou) Ltd.	Other receivables	Y	237,750	237,750	98,270	6.32%~6.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Wuhan) Ltd.	Other receivables	Y	158,500	158,500	25,360	6.32%~6.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex(Hefei) Ltd.	Other receivables	Y	193,370	193,370	133,774	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Harbing) Ltd.	Other receivables	Y	237,750	237,750	213,975	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Nanchang) Ltd.	Other receivables	Y	126,800	126,800	126,800	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex(Ningbo) Ltd.	Other receivables	Y	126,800	126,800	126,800	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Xiamen) Ltd.	Other receivables	Y	285,300	285,300	35,187	4.32%~4.36%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex (Changsha) Ltd	Other receivables	Y	126,800	126,800	-	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex Electronics Hong Kong Ltd.	Other receivables	Y	634,000	634,000	-	1.36%~1.48%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Other receivables	Y	2,816,000	2,596,000	-	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)

Number	Creditor	Borrower (Note 7)	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2014 (Note 9)	Balance at December 31, 2014 (Note 9)	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for shortterm financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Note
													Item	Value			
3	Synnex Global Ltd.	Synnex New Zealand Ltd.	Other receivables	Y	$ 264,100	$ 248,500	$ 99,400	5.79%~6.51%	(Note 1)	$ -	Operating turnover	$ -	-	$ -	$ 31,728,778	$ 90,653,652	(Note 3)
3	Synnex Global Ltd.	King's Eye Investments Ltd.	Other receivables	Y	634,000	634,000	-	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Peer Developments Ltd.	Other receivables	Y	31,700	31,700	159	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Synnex China Holdings Ltd.	Other receivables	Y	3,170,000	3,170,000	3,163,402	-	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
3	Synnex Global Ltd.	Syntech Asia Ltd.	Other receivables	Y	12,680,000	12,680,000	5,581,831	1.36%~2.16%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 3)
13	E-Fan Investments CO., LTD.	Synnex Technology International Corporation	Other receivables	Y	197,000	197,000	197,000	1.80%~2.85%	(Note 1)	-	Operating turnover	-	-	-	202,835	202,835	(Note 4)
15	Synnex Investments (China) Ltd.	Laser International Trading (Shanghai) Ltd.	Other receivables	Y	5,180,000	5,180,000	2,072,000	6.15%~6.55%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(Note 5)
5	Trade Vanguard Global Ltd.	Synnex Distributions (China) Ltd.	Other receivables	Y	3,211,600	3,211,600	3,211,600	4.20%	(Note 1)	-	Operating turnover	-	-	-	31,728,778	90,653,652	(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:

a) 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 .

b) Ceiling on total loans granted to all direct or indirect wholly-owned non-Taiwan subsidiaries of Synnex Technology International Corporation 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:

a) Limit on loans granted to a single party is 70% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation - ultimate parent company of Synnex Global Ltd.

b) Ceiling on total loans granted to all direct or indirect wholly-owned non-Taiwan subsidiaries of Synnex Technology International Corporation- ultimate parent company of Synnex Global Ltd. is 200% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation.

Note 4: Limit on loans granted to a single party by E-Fan Investments CO., LTD. and limit on total loans granted:

a) Limit on loans granted to a single party is 40% of the net assets value per the latest audited or reviewed financial statements of E-Fan Investments CO., LTD. Thus, ceiling on total loans granted to all those parties is $507,088.

b) Ceiling on total loans granted to all parties is 40% of the net assets value per the latest audited or reviewed financial statements of E-Fan Investments CO., LTD. Thus, ceiling on total loans granted to all those parties is $507,088.

Note 5: Limit on loans granted to a single party by Synnex Investments (China) Ltd. and limit on total loans granted:

a) Limit on loans granted to a single party is 70% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation - ultimate parent company of Synnex Investments (China) Ltd.

b) Ceiling on total loans granted to all direct or indirect wholly-owned non-Taiwan subsidiaries of Synnex Technology International Corporation- ultimate parent company of Synnex Investments (China) Ltd. is 200% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation.

Note 6: Limit on loans granted to a single party by Trade Vanguard Global Ltd. and limit on total loans granted:

a) Limit on loans granted to a single party is 70% of the net assets value per the latest audited or reviewed financial statements of Synnex Technology International Corporation - ultimate parent company of Trade Vanguard Global Ltd.

b) Ceiling on total loans granted to all direct or indirect wholly-owned non-Taiwan subsidiaries of Synnex Technology International Corporation- ultimate parent company of Trade Vanguard Global Ltd. is 200% of the net assets based on the latest audited or reviewed financial statements of Synnex Technology International Corporation.

Note 7: All the borrowers and the lenders are the Company's direct or indirect wholly-owned subsidiaries.

Note 8: Translated into New Taiwan Dollars using the year-end exchange rates of US: NT=1:31.7.

Note 9: The limit on loans and ending balance are resolved by the Board of Directors.

B. Provision of endorsements and guarantees to others:

Number	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2014	Outstanding endorsement/ guarantee amount at December 31, 2014	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	Note
		Company name	Relationship with the endorser/guarantor											
0	Synnex Technology International Corporation	Synnex Global Ltd.	Direct wholly-owned subsidiary	$ 45,326,826	$ 35,185,920	$ 34,584,700	$ 22,065,938	$ -	76	$ 90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Synnex Australia Pty. Ltd.	Indirect wholly-owned subsidiary	45,326,826	4,529,220	4,022,830	3,097,252	-	9	90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Synnex Technology International (H.K.) Ltd.	Indirect wholly-owned subsidiary	45,326,826	6,550,292	6,550,292	3,310,884	-	14	90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Laser International Trading(Shanghai) Ltd.	Indirect wholly-owned subsidiary	45,326,826	5,823,300	5,823,300	2,078,858	-	13	90,653,652	Y	N	Y	(Note 2)
0	Synnex Technology International Corporation	Synnex New Zealand Ltd.	Indirect wholly-owned subsidiary	45,326,826	507,552	495,170	166,455	-	1	90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Synnex Investments (China) Ltd.	Indirect wholly-owned subsidiary	45,326,826	2,380,560	-	-	-	-	90,653,652	Y	N	Y	(Note 2)

Number	Endorser/guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2014	Outstanding endorsement/ guarantee amount at December 31, 2014	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	Note
		Company name	Relationship with the endorser/guarantor											
0	Synnex Technology International Corporation	Synnex (Shanghai) Ltd.	Indirect wholly-owned subsidiary	$ 45,326,826	$ 31,080	$ 31,080	$ 11,490	$ -	-	$ 90,653,652	Y	N	Y	(Note 2)
0	Synnex Technology International Corporation	Seper Marketing Corporation	Direct wholly-owned subsidiary	45,326,826	1,410,000	1,410,000	532,395	-	3	90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Indirect wholly-owned subsidiary	45,326,826	2,579,750	2,187,300	1,129,915	-	5	90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Laser Computer (Macau) Ltd.	Indirect wholly-owned subsidiary	45,326,826	95,100	95,100	26,701	-	-	90,653,652	Y	N	N	(Note 2)
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd	Indirect wholly-owned subsidiary	45,326,826	1,949,550	1,949,550	-	-	4	90,653,652	Y	N	Y	(Note 2)
0	Synnex Technology International Corporation	Synnex Distributions (China) Ltd.and Laser International Trading (Shanghai) Company Ltd. (Note 3)	Indirect wholly-owned subsidiary	45,326,826	545,600	-	-	-	-	90,653,652	Y	N	Y	(Note 2)
0	Synnex Technology International Corporation	Synnex Investment (China) Ltd/Synnex Distributions (China) Ltd (Note 3)	Indirect wholly-owned subsidiary	45,326,826	1,331,400	1,331,400	951,000	-	3	90,653,652	Y	N	Y	(Note 2)

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

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

Note 3: The joint guarantee amount for bank loans.

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

Securities held by	Marketable securities	Name of issuer of securities	Relationship with the securities issuer	General ledger account	As of December 31, 2014 Number of shares	Book value	Ownership (%)	Fair value
Synnex Technology International Corporation	Common Stock	Union Petrochemical Corporation	Board chairman is the same as the company	Available-for-sale financial assets – current	60,521,806	$ 683,896	5.23%	$ 683,896
〃	〃	Lien-Hwa Industrial Corporation	〃	〃	26,313,168	538,104	3.08%	538,104
〃	〃	MiT AC Holding Corporation (Note 3)	〃	〃	7,084,475	165,777	0.92%	165,777
〃	〃	Mitac Information Technology Corporation	〃	〃	20,656,215	172,453	13.77%	172,453
〃	〃	Tong Da Investment Corporation	-	〃	4,630,492	56,029	19.99%	56,029
Total available-for-sale financial assets – current						$ 1,616,259		$ 1,616,259
Synnex Technology International Corporation	Common Stock	Mitac International Corporation (Note 1)	Board chairman is the same as the company	Financial assets carried at cost - non-current	42,368,504	$ 1,571,898	18.36%	$ 1,571,898
〃	〃	Harbinger Venture Capital Corporation	〃	〃	7,177,225	25,772	13.05%	25,772
〃	〃	Harbinger III Venture Capital Corporation	〃	〃	8,550,000	72,500	19.00%	72,500
〃	〃	Lien Yuan Investment Corp.	-	〃	9,015,254	87,969	19.99%	87,969
〃	〃	Taiwan Paging Network Inc. (Note 2)	〃	〃	1,450,000	-	3.58%	-
〃	〃	Digitimes Corp.	Board chairman is the same as the company	〃	800,000	3,193	2.68%	3,193
〃	〃	Harbinger Capital Management Co., Ltd.	Board chairman is the same as the company	〃	581,902	299	19.99%	299
Total financial assets carried at cost - non-current						$ 1,761,631		$ 1,761,631

Securities held by	Marketable securities	Name of issuer of securities	Relationship with the securities issuer	General ledger account	As of December 31, 2014 Number of shares	Book value	Ownership (%)	Fair value
Synnex Global	Common Stock	Budworth Investment Ltd.	-	Financial assets carried at cost - non-current	2,142,875	$ 11,343	13.83%	$ 11,343
〃	〃	Global Strategic Investment Inc.	-	〃	245,000	1,427	1.26%	1,427
〃	〃	Pilot View Ltd. (Note 2)	-	〃	84,457	-	1.21%	-
Total financial assets carried at cost - non-current						$ 12,770		$ 12,770
King's Eye	Common Stock	Hi Food Co., Ltd.	-	Financial assets carried at cost - non-current	2,150,000	$ 30,114	10.00%	$ 30,114
〃	〃	Listed common stock	-	Available-for-sale financial assets – non-current	11,482,000	$ 18,074	0.55%	$ 18,074
〃	〃	Listed common stock	-	Financial assets carried at cost -non-current	2,268,100	$ 10,893	0.65%	$ 10,893
Peer	Common Stock	Gapura Incorporated (Note 2)	-	Financial assets carried at cost - non-current	295,831	$ -	5.55%	$ -
Laser Holdings	Common Stock	Epro Systems（S）Pte. Ltd. (Note 2)	-	Financial assets carried at cost - non-current	10,000	$ -	2.50%	$ -

Note 1: An emerging stock Company.

Note 2: Because there was objective evidence that the financial asset was impaired, the Group had recognized full impairment loss.

Note 3: Formerly known as Mitac International Corporation.

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

E. Acquisition of real estate reaching NTD300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NTD300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NTD100 million or 20% of paid-in capital or more:

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Synnex Technology International Corporation	Syntech Asia Ltd.	Indirect wholly-owned subsidiary	(Sales)	($ 2,871,406)	(6%)	60 days	Standard selling price and collection terms	Insignificant difference	$ 3,177	-	
Synnex Technology International Corporation	Syntech Asia Ltd.	Indirect wholly-owned subsidiary	Purchases	1,854,977	4%	60 days	Standard purchasing price and payment terms	Insignificant difference	(40)	-	
Synnex Technology International Corporation	Bestcom Infotech corporation	Indirect wholly-owned subsidiary	(Sales)	(167,824)	-	60 days	Standard selling price and collection terms	Insignificant difference	52,074	1%	
Synnex Technology International Corporation	Bestcom Infotech corporation	Indirect wholly-owned subsidiary	Purchases	219,287	-	60 days	Standard purchasing price and collection term	Insignificant difference	(116,056)	(2%)	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China)Ltd.	An affiliate	(Sales)	(57,365,618)	(56%)	30 days	Standard selling price and collection terms	Insignificant difference	325,693	11%	
Synnex Technology International (HK) Ltd. and its subsidiaries	Synnex Distributions (China)Ltd.	An affiliate	Purchases	5,478,916	6%	30 days	Standard purchasing price and payment terms	Insignificant difference	(1,353)	-	
Synnex Technology International (HK)Ltd.and its subsidiaries	Synnex Technology Development (Beijing) Ltd.	An affiliate	(Sales)	(149,803)	-	30 days	Standard selling price and collection term	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)	
Synnex Technology International (HK)Ltd.and its subsidiaries	Syntech Asia Ltd.	An affiliate	(Sales)	($ 958,406)	(1%)	30 days	Standard selling price and collection term	Insignificant difference	$ 133,854	4%	
Syntech Asia Ltd.	Synnex Technology International (HK)Ltd.and its subsidiaries	An affiliate	Purchases	958,406	1%	30 days	Standard purchasing price and collection term	Insignificant difference	(133,854)	(2%)	
Syntech Asia Ltd.	Synnex Electronics Hong Kong Ltd.	An affiliate	(Sales)	(1,439,728)	(2%)	60 days	Standard selling price and collection term	Insignificant difference	-	-	
Synnex Electronics Hong Kong Ltd.	Syntech Asia Ltd.	An affiliate	Purchases	1,439,728	98%	60 days	Standard purchasing price and collection term	Insignificant difference	-	-	
Syntech Asia Ltd.	Synnex Technology International Corporation	Ultimate parent company	(Sales)	(1,854,977)	(3%)	60 days	Standard selling price and collection term	Insignificant difference	40	-	
Syntech Asia Ltd.	Synnex Technology International Corporation	Ultimate parent company	Purchases	2,871,406	4%	60 days	Standard purchasing price and collection term	Insignificant difference	(3,177)	-	
PT. Synnex Metrodata Indonesia	PT Mitra Intergrasi Informatika	Other related parties	(Sales)	(731,238)	(1%)	60 days	Standard selling price and collection term	Insignificant difference	198,260	5%	
Synnex Investments (China) Ltd	Synnex Distributions (China) Ltd	Direct wholly – owned subsidiary	(Sales)	(13,682,904)	(84%)	30 days	Standard selling price and collection term	Insignificant difference	435,815	60%	
Synnex Investments (China) Ltd	Synnex Distributions (China) Ltd	Direct wholly – owned subsidiary	Purchases	220,036	1%	30 days	Standard purchasing price and collection term	Insignificant difference	(1,653)	(1%)	

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 Development (Beijing) Ltd.	Synnex Technology International (HK) Ltd.and its subsidiaries	An affiliate	Purchases	$ 149,803	1%	30 days	Standard purchasing price and collection term	Insignificant difference	$ -	-	
Synnex Distributions (China) Ltd	Synnex Technology Development (Beijing) Ltd.	Direct wholly – owned subsidiary	(Sales)	(1,548,957)	(2%)	30 days	Standard selling price and collection term	Insignificant difference	445,596	3%	
Synnex Distributions (China) Ltd	Synnex Technology International (HK) Ltd.and its subsidiaries	An affiliate	(Sales)	(5,478,916)	(5%)	30 days	Standard selling price and collection term	Insignificant difference	1,353	-	
Synnex Distributions (China) Ltd	Synnex Technology International (HK) Ltd.and its subsidiaries	An affiliate	Purchases	57,365,618	81%	30 days	Standard purchasing price and collection term	Insignificant difference	(325,693)	(4%)	
Synnex Distributions (China) Ltd	Synnex Investments (China) Ltd	Parent company	(Sales)	(220,036)	-	30 days	Standard selling price and collection term	Insignificant difference	1,653	-	
Synnex Distributions (China) Ltd	Synnex Investments (China) Ltd	Parent company	Purchases	13,682,904	19%	30 days	Standard purchasing price and collection term	Insignificant difference	(435,815)	(6%)	
Synnex Technology Development (Beijing) Ltd.	Synnex Distributions (China) Ltd	Parent company	Purchases	1,548,957	90%	30 days	Standard purchasing price and collection term	Insignificant difference	(445,596)	(100%)	
Synnex (Shanghai) Ltd.	LianXiang Technolog (Shenzhen) Ltd	An affiliate	(Sales)	(1,255,422)	(100%)	60 days	Standard selling price and collection term	Insignificant difference	460,410	-	
LianXiang Technolog (Shenzhen) Ltd	Synnex (Shanghai) Ltd	An affiliate	Purchases	1,255,422	86%	60 days	Standard purchasing price and collection term	Insignificant difference	(460,410)	-	

H. Receivables from related parties reaching NTD100 million or 20% of paid-in capital or more:

Creditor	Counterparty	Relationship with the Company	Accounts receivable	Other accounts receivable	Balance as at December 31, 2014	Turnover rate	Overdue receivable		Subsequent collection	Allowance for bad debts
							Amount	Action adopted for overdue accounts		
Synnex Global Ltd.	Synnex Distributions (China) Ltd	Indirect wholly-owend subsidiary	$ -	$ 292,129 (Note 2)	$ 292,129	-	$ -	-	$ -	$ -
Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Indirect wholly-owend subsidiary	-	522,320 (Note 2)	522,320	-	-	-	522,320	-
Synnex Global Ltd.	Synnex Investments (China) Ltd.	Indirect wholly-owend subsidiary	-	290,134 (Note 2)	290,134	-	-	-	-	-
Synnex Global Ltd.	Syntech Asia Ltd.	Indirect wholly-owend subsidiary	-	309,086 (Note 2)	309,086	-	-	-	309,086	-
Synnex (Shanghai) Ltd	LianXiang Technolog (Shenzhen) Ltd	An affiliate	460,410	-	460,410	4.99	-	-	156,609	-
Synnex Technology International (HK) Ltd.and its subsidiaries	Synnex Distributions (China) Ltd	An affiliate	325,693	-	325,693	22.16	-	-	325,693	-
Synnex Technology International (HK) Ltd.and its subsidiaries	Syntech Asia Ltd.	An affiliate	133,854	-	133,854	22.16	-	-	133,854	-
Synnex Investment (China) Ltd	Synnex Distributions (China) Ltd	Direct wholly – owned subsidiary	435,815	-	435,815	4.32	-	-	435,815	-
Synnex Distributions (China) Ltd	Synnex Technology International (HK) Ltd.and its subsidiaries	An affiliate	-	802,197 (Note 1)	802,197	-	-	-	802,197	-

Creditor	Counterparty	Relationship with the Company	Accounts receivable	Other accounts receivable	Balance as at December 31, 2014	Turnover rate	Overdue receivable		Subsequent collection	Allowance for bad debts
							Amount	Action adopted for overdue accounts		
Synnex Distributions (China) Ltd	Synnex Technology Development (Beijing) Ltd	The parent company	$ 445,596	-	$ 445,596	13.84	$ -	-	$ 445,596	$ -
Synnex Technology International (HK)Ltd.and its subsidiaries	Synnex Technology Development (Beijing) Ltd	An affiliate	231,595	-	231,595	22.16	-	-	231,595	-
PT. Synnex Metrodata Indonesia	PT Mitra Intergrasi Informatika	Other related parties	198,260	-	198,260	11.88	-	-	-	-

Note 1: That is custody reward receivable resulting from the transaction between the Company and related party.

Note 2: Represents technical service receivables and interest receivables.

Note 3: Receivables from related parties arising on financing, please refer to Note 13(1) A. Lending to others.

I. Derivative financial instruments undertaken during the year ended December 31, 2014: Please refer to Note 6(2) of the consolidated financial statements for the year ended December 31, 2014.

J. Significant inter-company transactions during the year ended December 31, 2014:

Only discloses individual transactions over $100,000 in terms of assets and revenue.

Year ended December 31, 2014

Number	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Synnex Technology International Corporation	Syntech Asia Ltd.	Parent company to indirectly wholly-owned subsidiary	Sales	$ 2,871,406	The same with third parties	1%
6	Synnex Technology International (HK) Ltd.and its subsidiaries	Syntech Asia Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	958,406	The same with third parties	0%
6	Synnex Technology International (HK) Ltd.and its subsidiaries	Synnex Distributions (China) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	57,365,618	The same with third parties	17%
6	Synnex Technology International (HK) Ltd.and its subsidiaries	Synnex Technology Development (Beijing) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	149,803	The same with third parties	0%
15	Synnex Investment (China) Ltd	Synnex Distributions (China) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	13,682,904	The same with third parties	4%

Number	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
17	Synnex Distributions (China) Ltd	Synnex Technology Development (Beijing) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	$ 1,548,957	The same with third parties	0%
17	Synnex Distributions (China) Ltd	Synnex Technology International (HK)Ltd.and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	5,478,916	The same with third parties	2%
17	Synnex Distributions (China) Ltd	Synnex Investment (China) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	220,036	The same with third parties	0%
21	Syntech Asia Ltd.	Synnex Electronics Hong Kong Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	1,439,728	The same with third parties	0%
21	Syntech Asia Ltd.	Synnex Technology International Corporation	Indirectly wholly-owned subsidiary to parent company	Sales	1,854,977	The same with third parties	1%
18	Synnex (Shanghai) Ltd	LianXiang Technolog (shenzhen) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	1,255,422	The same with third parties	0%
22	PT. Synnex Metrodata Indonesia	PT Mitra Intergrasi Informatika	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Sales	731,238	The same with third parties	0%
6	Synnex Technology International (HK) Ltd.and its subsidiaries	Synnex Technology Development (Beijing) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	231,595	The same with third parties	0%
6	Synnex Technology International (HK) Ltd.and its subsidiaries	Syntech Asia Ltd.	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	133,854	The same with third parties	0%
18	Synnex (Shanghai) Ltd	LianXiang Technolog (Shenzhen) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	460,410	The same with third parties	0%
6	Synnex Technology International (HK) Ltd.and its subsidiaries	Synnex Distributions (China) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	325,693	The same with third parties	0%
15	Synnex Investment (China) Ltd	Synnex Distributions (China) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	435,815	The same with third parties	0%
17	Synnex Distributions (China) Ltd	Synnex Technology Development (Beijing) Ltd	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	445,596	The same with third parties	0%
22	PT. Synnex Metrodata Indonesia	PT Mitra Intergrasi Informatika	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Accounts receivable	198,260	The same with third parties	0%

				Transaction			
Number	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
3	Synnex Global Ltd.	Synnex Distributions (China) Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	$ 292,129	Note 2	0%
3	Synnex Global Ltd.	Synnex Investment (China) Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	290,134	Note 2	0%
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	522,320	Note 2	0%
3	Synnex Global Ltd.	Syntech Asia Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	309,086	Note 2	0%
15	Synnex Distributions (China) Ltd	Synnex Technology International (HK) Ltd.and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other receivables	802,197	Note 1	1%
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other income	160,790	Note 3	0%
3	Synnex Global Ltd.	Synnex Distributions (China) Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other income	109,207	Note 3	0%
3	Synnex Global Ltd.	Syntech Asia Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other income	289,533	Note 3	0%
3	LianXiang Technolog (shenzhen) Ltd	Syntech Asia Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Other income	122,237	Note 3	0%
3	Synnex Global Ltd.	Synnex Technology International (HK) Ltd.and its subsidiaries	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Intest income	115,588	Note 4	0%
3	Synnex Global Ltd.	Synnex Australia Pty. Ltd.	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Intest income	321,774	Note 4	0%
3	Synnex Global Ltd.	Synnex Investment (China) Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Intest income	544,406	Note 4	0%
3	Synnex Global Ltd.	Synnex Distributions (China) Ltd	Directly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Intest income	306,999	Note 4	0%
15	Synnex Investment (China) Ltd	Synnex Technology International (HK) Ltd.and its subsidiaries	Indirectly wholly-owned subsidiary to indirectly wholly-owned subsidiary	Intest income	189,100	Note 4	0%

Note 1: Represents custody reward receivable resulting from the transaction between the Company and related party.

Note 2: Represents technical service receivable and interest receivable.

Note 3: Represents technical service revenue from the Company's provision of technical service to related parties.

Note 4: Represents interest revenue from the Company's provision of loans to related parties.

Note 5: Receivables from related parties arising on financing, please refer to Note 13(1) A. Lending to others.

Note 6: Endorsement and guarantees between the Company and subsidiaries, please refer to Note 13(1) B. Endorsements and guarantees for others.

Note 7: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense.

(2) Information on investees (not including investees in Mainland China)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net profit (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognised by the Company for the year ended December 31, 2014	Footnote
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
Synnex Technology International Corporation	Synnex Global Ltd.	British Virgin Islands	Investment holding company	$ 17,607,381	$ 17,607,381	548,250,000	100.00	$ 56,756,989	$ 4,716,711	$ 4,716,711	
Synnex Technology International Corporation	Bestcom Infotech corporation	Taipei	Sales of computers and computer peripherals	515,983	515,983	42,166,777	40.86	761,163	179,544	74,109	
Synnex Technology International Corporation	E-Fan Investments CO., LTD	Taipei	Investment company	1,145,384	1,145,384	22,500,000	100.00	507,088	21,453	21,453	
Synnex Technology International Corporation	Seper Marketing Corporation	Taipei	Sales of computers and computer peripherals	1,426	1,426	100,000	100.00	30,607	27,175	27,175	
Synnex Global	Peer Developments Ltd.	British Virgin Islands	Investment holding company	992,210	992,210	30,200,001	100.00	5,868,410	598,783	-	Note 1
Synnex Global	King's Eye Investments Ltd.	British Virgin Islands	Investment holding company	1,980,521	1,980,521	62,477,000	100.00	6,990,317	1,739,081	-	Note 1
Synnex Global	Synnex China Holdings Ltd.	British Virgin Islands	Investment holding company	3,176,340	3,176,340	100,200,000	100.00	7,940,282	168,692	-	Note 1
Synnex Global	Synnex Mauritius Ltd.	Mauritius	Investment holding company	760,800	760,800	24,000,000	100.00	2,876,069	440,469	-	Note 1
Synnex Global	Trade Vanguard Global Ltd.	British Virgin Islands	Investment holding company	3,170,000	-	618,556,715	100.00	3,459,070	46,561	-	Note 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2014			Net profit (loss) of the investee for the year ended December 31, 2014	Investment income (loss) recognised by the Company for the year ended December 31, 2014	Footnote
				Balance as at December 31, 2014	Balance as at December 31, 2013	Number of shares	Ownership (%)	Book value			
King's Eye	Laser Computer Holdings Ltd.	British Virgin Islands	Sales of computers and computer peripherals	$ 1,168,050	$ 1,168,050	36,850,001	100.00	$ 2,052,548	$ 705,440	$ -	Note 1
King's Eye	Synnex Australia Pty. Ltd.	Australia	Sales of computers and computer peripherals	941,015	941,015	33,250,000	100.00	2,120,590	397,877	-	Note 1
Synnex Global	Synnex Australia Pty. Ltd.	Australia	Sales of computers and computer peripherals	6,072,582	5,934,716	-	-	6,072,582	-	-	Note 2
King's Eye	Synnex New Zealand Ltd.	New Zealand	Sales of computers and computer peripherals	32,397	32,397	1,500,000	100.00	86,920	6,164	-	Note 1
Synnex Global	Synnex New Zealand Ltd.	New Zealand	Sales of computers and computer peripherals	173,970	182,180	-	-	173,970	-	-	Note 2
King's Eye	Synnex Electronics Hong Kong Ltd.	Hong Kong	Sales of electronic components	9,510	9,510	299,999	100.00	82,695	31,576	-	Note 1
King's Eye	Syntech Asia Ltd.	Hong Kong	Sales of electronic components	9,510	9,510	300,000	100.00	933,997	499,042	-	Note 1
King's Eye	Synnex (Thailand) Public Company Ltd.	Thailand	Sales of computers and computer peripherals	303,098	277,844	308,126,830	40.00	824,449	173,694	-	Note 1
King's Eye	Fortune Ideal Ltd.	Hong Kong	Real estate	59,295	59,295	14,500,000	100.00	133,111	17,532	-	Note 1
Synnex Global	Fortune Ideal Ltd.	Hong Kong	Real estate	211,593	230,323	-	-	211,593	-	-	Note 2
King's Eye	Golden Thinking Ltd.	Hong Kong	Real estate	114,500	114,500	28,000,000	100.00	(32,839)	(30,255)	-	Note 1
Synnex Global	Golden Thinking Ltd.	Hong Kong	Real estate	1,129,360	1,130,422	-	-	1,129,360	-	-	Note 2
King's Eye	PT. Synnex Metrodata Indonesia	Indonesia	Sales of computers and computer peripherals	384,014	384,014	150,000	50.30	692,714	466,168	-	Note 1
Peer	Synnex Corporation	USA	Sales of computers and computer peripherals	730,844	730,844	4,282,895	10.75	5,721,938	5,464,032	-	Note 1
Synnex Mauritius	Redington (India) Ltd.	India	Sales of computers and computer peripherals	651,055	651,055	94,295,940	23.59	2,773,685	1,869,127	-	Note

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

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

(3) Information on investments in Mainland China

Investee in Mainland China	Main business activities	Paid-in capital (Note 11)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 11)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 3)	Book value of investment in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Laser Computer (Beijing) Company Ltd.(Note 4)	Sales of computers and computer peripherals	$ 4,755	2	$ 4,755	$ -	$ -	$ 4,755	$ -	100	$ -	$ -	$ -	(Note 2) (Note 5)
Laser International Trading (Shanghai) Company Ltd.	International trade	31,700	2	31,700	-	-	31,700	134,004	100	134,004	414,098	-	(Note 2) (Note 6)
Hi Food (Shanghai) Company Ltd.	Manufacture and sales of food	634,000	2	57,060	-	-	57,060	-	10	-	57,060	-	(Note 2) (Note 7)
Synnex Investments (China) Ltd.	Investment holding company	6,340,000	2	4,850,100	-	-	4,850,100	168,738	100	168,738	11,103,628	-	(Note 2) (Note 8)
Synnex Distributions (China) Ltd.	Manufacture and sales of computers and computer peripherals	7,291,000	2	7,291,000	-	-	7,291,000	165,537	100	165,537	10,061,189	-	(Note 2) (Note 8)
Synnex (Shanghai) Ltd.	Manufacture and sales of computers and computer peripherals	697,400	2	697,400	-	-	697,400	127,189	100	127,189	1,460,540	-	(Note 2) (Note 8)
Synnex (Beijing) Ltd.	Manufacture and sales of computers and computer peripherals	285,300	2	285,300	-	-	285,300	2,951	100	2,951	376,131	-	(Note 2) (Note 8)

Investee in Mainland China	Main business activities	Paid-in capital (Note 11)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 11)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 3)	Book value of investment in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Synnex (Nanjing) Ltd.	Manufacture and sales of computers and computer peripherals	$ 158,500	2	$ 158,500	$ -	$ -	$ 158,500	$ 5,620	100	$ 5,620	$ 188,579	$ -	(Note 2) (Note 8)
Synnex (Chengdu) Ltd.	Manufacture and sales of computers and computer peripherals	158,500	2	158,500	-	-	158,500	8,195	100	8,195	188,097	-	(Note 2) (Note 8)
Synnex (Shenyang) Ltd.	Manufacture and sales of computers and computer peripherals	95,100	2	95,100	-	-	95,100	1,013	100	1,013	109,110	-	(Note 2) (Note 8)
Synnex (Tianjin) Ltd.	Manufacture and sales of computers and computer peripherals	142,650	2	142,650	-	-	142,650	(3,726)	100	(3,726)	147,623	-	(Note 2) (Note 8)
Synnex (Hangzhou) Ltd.	Manufacture and sales of computers and computer peripherals	158,500	2	158,500	-	-	158,500	4,516	100	4,516	185,911	-	(Note 2) (Note 8)
Synnex (Qingdao) Ltd	Manufacture and sales of computers and computer peripherals	158,500	2	158,500	-	-	158,500	(198)	100	(198)	167,003	-	(Note 2) (Note 8)
Synnex (Quangzhou) Ltd.	Manufacture and sales of computers and computer peripherals	380,400	2	380,400	-	-	380,400	1,847	100	1,847	407,502	-	(Note 2) (Note 8)
Synnex (Xi'an) Ltd.	Manufacture and sales of computers and computer peripherals	126,800	2	126,800	-	-	126,800	2,002	100	2,002	133,241	-	(Note 2) (Note 8)

Investee in Mainland China	Main business activities	Paid-in capital (Note 11)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 11)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 3)	Book value of investment in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Synnex (Suzhou) Ltd.	Manufacture and sales of computers and computer peripherals	$ 190,200	2	$ 190,200	$ -	$ -	$ 190,200	$ 9,358	100	$ 9,358	$ 203,633	$ -	(Note 2) (Note 8)
Synnex (Wuhan) Ltd.	Manufacture and sales of computers and computer peripherals	158,500	2	158,500	-	-	158,500	4,446	100	4,446	167,940	-	(Note 2) (Note 8)
Synnex(Jinan) Ltd.	Manufacture and sales of computers and computer peripherals	158,500	2	158,500	-	-	158,500	(3,324)	100	(3,324)	155,347	-	(Note 2) (Note 8)
Synnex(Zengzhou) Ltd.	Manufacture and sales of computers and computer peripherals	158,500	2	158,500	-	-	158,500	(5,210)	100	(5,210)	148,711	-	(Note 2) (Note 8)
Synnex (changsha) Ltd.	Manufacture and sales of computers and computer peripherals	126,800	2	126,800	-	-	126,800	(634)	100	(634)	125,928	-	(Note 2) (Note 8)
Synnex (Ningbo) Ltd.	Manufacture and sales of computers and computer peripherals	126,800	2	126,800	-	-	126,800	(3,994)	100	(3,994)	124,769	-	(Note 2) (Note 8)
Synnex (Hefei) Ltd.	Manufacture and sales of computers and computer peripherals	193,370	2	126,800	66,570	-	193,370	(11,192)	100	(11,192)	181,305	-	(Note 2) (Note 8)
Synnex (Nanchang) Ltd.	Manufacture and sales of computers and computer peripherals	126,800	2	126,800	-	-	126,800	7,346	100	7,346	134,581	-	(Note 2) (Note 8)

Investee in Mainland China	Main business activities	Paid-in capital (Note 11)	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2014	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2014 (Note 11)		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Net income of investee as of December 31, 2014	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2014 (Note 3)	Book value of investment in Mainland China as of December 31, 2014	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2014	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Synnex (Harbing) Ltd.	Manufacture and sales of computers and computer peripherals	158,500	2	$ 158,500	$ -	$ -	$ 158,500	($ 7,219)	100	($ 7,219)	$ 147,308	$ -	(Note 2) (Note 8)
Synnex (Chongqing) Ltd.	Manufacture and sales of computers and computer peripherals	19,020	2	19,020	-	-	19,020	71	100	71	19,203	-	(Note 2) (Note 8)
Synnex (Xiamen) Ltd.	Manufacture and sales of computers and computer peripherals	190,200	2	85,590	104,610	-	190,200	(615)	100	(615)	189,716	-	(Note 2) (Note 8)
Synnex Technology Development (Beijing) Ltd.	Manufacture and sales of computers and computer peripherals	259,030	2	-	-	-	-	16,116	100	16,116	287,574	-	(Note 2) (Note 9)
LianXiang Technology (Shenzhen) Ltd	Sales of electronic Components	6,340	2	6,340	-	-	6,340	11,453	100	11,453	85,400	-	(Note 2) (Note 10)
Yude (Shanghai) Warehouse Co., Ltd.	Warehouse service	12,433	2	-	-	-	-	(9,992)	80	(7,994)	(432)	-	(Note 2) (Note 8)
	Total			$ 16,038,615	$ 171,180		$ 16,209,795						

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 indirectly 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., totaling US$13,000, US$22,000, US$9,000, US$1,000 and US$2,000 thousand, respectively, was changed to being owned by Synnex Investments (China) Ltd.

Note 3: According to the subsidiaries' financial statements audited by the independent accountants.

Note 4: The net asset value of the subsidiaries was negative and its operations were discontinued.

Note 5: The above company, located in Mainland China, is a 100% owned subsidiary of Synnex Technology International (HK) Ltd.. Laser Computer (Beijing) Company Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US$150 thousand.

Note 6: The above companies, located in Mainland China, are 100% owned subsidiaries of Groupware Solutions Ltd., which is a wholly-owned subsidiary of Synnex Technology International (HK) Ltd. Synnex Technology International (HK) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is US$1,000 thousand.

Note 7: The above company, located in Mainland China, is a 10% owned invested company of Hi Food Co., Ltd. Hi Food Co., Ltd. is an indirect owned by the Company accounted for under the cost method. Total membership contribution is US$1,800 thousand.

Note 8: The above company, located in Mainland China, Synnex Investments (China) Ltd. is 100% owned subsidiaries 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 year-end exchange rate of US$1:NTD31.7.

Note 9: The above company, located in Mainland China, is a 100% owned subsidiary of Synnex Distributions (China) Ltd.. Synnex Technology Development (Beijing) Ltd. is an indirect wholly-owned subsidiary of the Company. Total membership contribution is RMB$50,000 thousand.

Note 10: The above company, located in Mainland China, is a 100% owned subsidiary of Peer Developments Ltd.. LianXiang Technology (Shenzhen) Limited is an indirect wholly-owned subsidiary of the Company. Total membership contribution is USD$200,000 thousand.

Note 11: Translated into New Taiwan Dollars using the year-end exchange rate of US$1:NTD31.7 and RMB$1:NTD5.1806.

B. Information of investment in Mainland China

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2014	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Synnex Technology International Corporation	$ 16,209,795	$ 16,219,305	$ 27,196,096

C. Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas: None.

14. SEGMENT INFORMATION

(1)General information

The Company is primarily engaged in the sale of communication, computers and computer peripherals, electronic components and consumer electronic products. The Company operates business by geographic areas. The Board of Directors and management team set up operating strategies and allocate resources based on the operating performance of each area of sales.

(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)Information about segment

The segment information provided to the chief operating decision-maker for the reportable segments for the years ended December 31, 2014 and 2013 was as follows:

Year ended December 31, 2014

	Taiwan	Asia	Australia and New Zealand	Reconciliation	Total
Revenue from external customers	$ 44,747,873	$ 233,549,980	$ 53,234,741	$ -	$ 331,532,594
Inter-segment revenue	2,873,521	84,407,288	111,949	(87,392,758)	-
Segment revenue	$ 47,621,394	$ 317,957,268	$ 53,346,690	($ 87,392,758)	$ 331,532,594
Segment profit	$ 327,072	$ 3,209,598	$ 913,009	$ -	$ 4,449,679
Segment assets	$ 17,466,662	$ 97,891,117	$ 21,329,558	$ -	$ 136,687,337

Year ended December 31, 2013

	Taiwan	Asia	Australia and New Zealand	Reconciliation	Total
Revenue from external customers	$ 45,884,197	$ 236,093,292	$ 48,282,264	$ -	$ 330,259,753
Inter-segment revenue	2,431,265	103,180,357	96,985	(105,708,607)	-
Segment revenue	$ 48,315,462	$ 339,273,649	$ 48,379,249	($ 105,708,607)	$ 330,259,753
Segment profit	$ 940,217	$ 2,330,202	$ 608,861	$ -	$ 3,879,280
Segment assets	$ 16,895,297	$ 18,481,910	$ 89,077,450	$ -	$ 124,454,657

Note: Consolidated liabilities are not disclosed because it is not provided to the chief operating decision-maker.

(4)Reconciliation for segment income (loss)

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

A reconciliation of reportable segment profit to the income before income tax for the years ended December 31, 2014 and 2013 is provided as follows:

	For the year ended December 31, 2014	For the year ended December 31, 2013
Reportable segment profit	$ 4,449,679	$ 3,879,280
Total non-operating revenue and expenses	1,767,554	2,512,544
Income before income tax	$ 6,217,233	$ 6,391,824

B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that of the financial statements. The reconciliation and offset of the reportable segments' assets are provided in Note 14(3).

(5)Information on products and services

	For the year ended December 31, 2014		For the year ended December 31, 2013	
Product revenue	$	331,075,176	$	329,693,902
Others		457,418		565,851
Total	$	331,532,594	$	330,259,753

(6)Geographical information

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

	Year ended December 31, 2014				Year ended December 31, 2013			
	Revenue		Non-current assets		Revenue		Non-current assets	
Taiwan	$	44,747,873	$	1,388,269	$	45,884,197	$	1,450,696
China and Hong Kong		233,549,980		6,507,870		235,530,312		5,602,796
Australia		50,308,063		1,484,824		45,761,549		1,426,392
Others		2,926,678		400,622		3,083,695		398,750
Total	$	331,532,594	$	9,781,585	$	330,259,753	$	8,878,634

(7)Major customer information

In 2014 and 2013, no single customer accounted for more than 10% of net operating revenue. Accordingly, no major customer information is presented.