

Synnex Technology International Corp.

2018 General Shareholders' Meeting

Minute

Agenda for 2018 General Shareholders' Meeting of Synnex Technology International Corp.

- I. Time: 9:00am, June 12, 2018 (Tuesday)
- II. Location: Auditorium, 3F, Central Pictures Ba-De Building, No. 260, Section 2, Ba-De Road, Taipei City
- III. Total outstanding Synnex shares : 1,667,946,968shares
- IV. Total shares represented by shareholders present in person or by proxy : 1,371,027,209 shares Percentage of shares held by shareholders present in person or by proxy : 82.19%
- V. Chairman : Miao Feng-Chiang, the Chairman of the Board of Directors
- VI. Recorder : Lin Shu-Chen
- VII. Directors present : Director Tu Shu-Wu, Independent Director Way Yung-Do and Mitac Inc. Representative Director Yang Hsiang-Yun
- VIII. Announcement to start meeting
- IX. Chairman's Statements (omitted)
- X. Reports
 - No. 1
Subject: The Company's 2017 business report is submitted for review.
Description: Please refer to Attachment 1.
 - No. 2
Subject: The Audit Committee's report on the audit on the Company's 2017 closing statements is submitted for review.
- XI. Approvals

No. 1

(Proposed by Board of Directors)

Subject: The Company's 2017 closing statements are submitted for approval.

Description: **(I)** The Company's 2017 business report and financial statements have been approved by board resolution and submitted to the Audit Committee for audit. Please refer to Attachments 1 and 3 hereto for relevant information.

(II) Please approve.

Resolution: Voting Results : Shares represented at the time of voting : 1,362,823,183

Voting Results*	% of the total represented share present
Votes in favor : 1,130,108,261votes (714,806,454 votes)	89.92%
Votes against : 46,138votes (46,138 votes)	0.01%
Votes invalid : none	0.00%
Votes abstained : 232,668,784votes (213,985,930 votes)	17.07%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

No. 2

(Proposed by Board of Directors)

Subject: The Company's 2017 profit distribution proposal is submitted for approval.

Description: **(I)** The Company realized after-tax profit of NT\$6,114,895,634 in 2017. The profit distribution table is provided below. Cash dividend for this year will be distributed with the minimum unit of N\$1 (digits after the decimal point to be ignored). The total number of fractional amounts will be included as the Company's other income. In this year's profit distribution, profit realized in 2017 will first be distributed. Any shortfall will then be distributed out of the undistributed profit after 1998.

2017 Profit Distribution Table

	Unit: NT\$
(I) Carry-forward of undistributed profit from previous period	\$3,125,644,502
Minus: Adjustment for 2017 reserved earnings	(33,371,277)
Undistributed profit after adjustment	3,092,273,225
(II) Plus: Net profit after tax in current period	6,114,895,634
Minus: Provision of legal reserve	(611,489,563)
Minus: Special reserve	(1,983,231,147)
Balance distributable for current year	3,520,174,924
Distributable profit in this period	6,612,448,149
(III) Distribution in this period	
Shareholder dividend in cash (\$2.2 per share)	(3,669,483,330)
Total amount of distribution	(3,669,483,330)
(IV) Undistributed profit carried over to following year	\$2,942,964,819

(II) Before the record date for cash dividend distribution, if the Company's number of outstanding shares is affected by any capital increase, any share buy-back or any transfer, conversion or cancellation of treasury shares, employee stock options, corporate bonds or shareholding waiver by any shareholder, and if the shareholders dividend distribution ratio is changed accordingly, the Board of Directors is authorized to make necessary adjustments and has the full discretion to handle relevant matters.

(III) Please approve.

Resolution: Voting Results : Shares represented at the time of voting : 1,362,823,183

Voting Results*	% of the total represented share present
Votes in favor : 1,134,633,066votes (719,375,659 votes)	83.25%
Votes against : 172,683 votes (132,683 votes)	0.01%
Votes invalid : none	0.00%
Votes abstained : 228,017,434votes (209,330,180votes)	16.73%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

XII. Discussions

No. 1

(Proposed by Board of Directors)

Subject: The amendment to certain provisions of the Articles of Incorporation is submitted for discussion.

Description: (I) According to actual demand of the Company, it is planned to amend certain provisions of "Articles of Incorporation" of the Company, please refer to Attachment 4 hereto for the comparison table of amended provisions.

(II) Please approve.

Resolution: Voting Results : Shares represented at the time of voting : 1,362,823,183

Voting Results*	% of the total represented share present
Votes in favor : 1,134,742,054votes (719,444,647votes)	83.26%
Votes against : 51,208 votes (51,208 votes)	0.00%
Votes invalid : none	0.00%
Votes abstained : 228,029,921votes (209,342,667 votes)	16.73%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

Subject: The amendment to certain provisions of the Procedure for Acquisition or Disposal of Assets is submitted for discussion.

Description: **(I)** According to management demand of the Company, it is planned to amend certain provisions of Handling Procedures for Acquisition or Disposal of Assets, after amendment, the subsidiary's handling procedures for acquisition and disposal of assets of the subsidiary will be handled according to the Company's handling procedures for acquisition and disposal of assets, separate formulation of handling procedures may be exempted to simplify the administrative operation, see Attachment 5 of this Handbook for comparison table on the amended clauses.

(II) Please approve.

Resolution: Voting Results : Shares represented at the time of voting : 1,362,823,183

Voting Results*	% of the total represented share present
Votes in favor : 1,134,741,154votes (719,443,747 votes)	83.26%
Votes against : 62,424votes (62,424 votes)	0.00%
Votes invalid : none	0.00%
Votes abstained : 228,019,605votes (209,332,351 votes)	16.73%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

XIII. Elections

Subject: Please elect directors to constitute a new term of the board of directors. (Proposed by Board of Directors)

Description: **(I)** The current term of the existing directors of the Company will expire on June 11, 2018. It is proposed that new directors be elected in the 2018 general shareholders' meeting.

(II) It is proposed that 7 new directors be elected, among which 3 shall be independent directors. The new directors will take position after election and the term will be 3 years, from June 12, 2018 to June 11 2021.

(III) The mode of electing directors for this term will be subject to Article 21 of the Articles of Incorporation of the Company and relevant provisions in Company Act, all directors will be elected by adopting candidates nomination system. List of director candidates have been reviewed and passed by Board of Directors of the Company on April 27, 2018, please

refer to Attachment 6 of this Handbook for relevant materials.

(IV) Proceed with election.

Result of election:

Director :

Number	Name	Votes Received
337	Miau Feng-Chiang	993,131,542
99	Tu Shu-Wu	866,813,496
2	Mitac Inc. Representative Chou The-Chien	824,381,967
2	Mitac Inc. Representative Yang Hsiang-Yun	821,058,086

Independent Director :

Number	Name	Votes Received
A120667***	Chiao, Yu-Cheng	755,916,206
A102716***	Chang, An-Ping	755,760,183
A102143***	Way, Yung-Do	755,285,518

XIV. Other Business

Subject: The proposal to waive competition restriction for directors is presented. (Proposed by Board of Directors)

Description: **(I)** Certain directors of the Company invest in or operate companies with the same or similar business scope as the Company and serve as directors of such companies. Without jeopardizing the Company's interest, it is proposed that the shareholders' meeting approves the waiver for competition restriction for directors of the Company in accordance with Article 209 of the Company Act. If a corporate director changes its designated representative, the waiver shall also be applicable to the new representative.

(II) The waiver for competitive restriction for the new directors is as follows:

Name of director	Details of serving as director and manager in other companies	
	Company in which serves as a director	Company in which serves as a manager
Miau Feng-Chiang	Lienhwa Gas Industry Co., Ltd. Getac Technology Corporation Winbond Electronics Corporation MITAC Information Technology Corporation SYNNEX CORPORATION Cathay Financial Holdings Co., Ltd. Cathay Life Insurance Co., Ltd. Cathay Century Insurance Co., Ltd. Cathay United Bank Co. Ltd. Cathay Securities Corporation	Lien Hwa Industrial Co., Ltd. UPC Chemicals Technology Co., Ltd. MITAC Computer Co., Ltd. MITAC Holdings Corporation

Tu Shu-Wu	BestCom Infotech Corp. Harbinger Venture Management Co., Ltd. Tongda Smart Logistics Co., Ltd.	Jiarong Marketing Co., Ltd.
Mitac Inc.	MiTAC Information Technology Corporation MiTAC Holdings Corporation Ares International Corporation Far Eastern Electronic Toll Collection Co., Ltd. Harbinger Venture Management Co., Ltd.	Heli Investment Co., Ltd. Mitac Hikari Corporation
Mitac Inc. Representative Chou The-Chien	MiTAC Computer Co., Ltd. MiTAC Information Technology Corporation National Aerospace Fasteners Corporation	
Mitac Inc. Representative Yang Hsiang-Yun	Tailian International Investment Co., Ltd. Tongda Investment Co., Ltd. Zifeng Investment Co., Ltd.	Jian-Mart Co., Ltd. Lianyuan Investment Co., Ltd.
Way, Yung-Do	Vanguard International Semiconductor Corporation MiTAC Holdings Corporation Iron Force Industrial Co., Ltd. Far Eastern Department Stores Co., Ltd. Primax Electronics Ltd. Cathy Financial Holdings Cathay United Bank	Yongqin Industry Co., Ltd.
Chang, An-Ping		Taiwan Cement Co., Ltd. China Synthetic Rubber Corporation Xinchang Chemical Industry Co., Ltd. Ho-Ping Power Company Ta-Ho Maritime Corporation E-One Moli Energy Corporation
Chiao, Yu-Cheng	Walsin Technology Corporation Taiwan Cement Co., Ltd. Songyong Investment Co., Ltd.	Winbond Electronics Corporation Nuvoton Technology Corporation

(III) Please approve.

Resolution: Voting Results : Shares represented at the time of voting : 1,362,823,183

Voting Results*	% of the total represented share present
Votes in favor : 1,070,027,292votes (654,729,885 votes)	78.51%
Votes against : 30,047,002 votes (30,047,002votes)	2.20%
Votes invalid : none	0.00%
Votes abstained : 262,748,889votes (244,061,635 votes)	19.27%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

XV. Motions

XVI. Adjournment

Synnex Technology International Corporation Comparison Table for Amendment to the Articles of Incorporation

No.	Amended clause	Original clause	Reason for amendment
Article 21	<p>The Company sets seven to <u>ten</u> directors, among which at least three of them are independent directors.</p> <p>The mode of electing directors is subject to the candidates nomination system as stipulated in Company Act, and shareholders shall elect directors from the list of director candidates.</p> <p>Election of directors shall be handled pursuant to Article 198 of Company Act, independent directors and non-independent directors shall be elected at the same time and calculated into elected quota respectively, and those who have won votes representing more election rights will be elected as independent directors and non-independent directors.</p>	<p>The Company sets seven to <u>nigh</u>t directors, among which at least three of them are independent directors.</p> <p>The mode of electing directors is subject to the candidates nomination system as stipulated in Company Act, and shareholders shall elect directors from the list of director candidates.</p> <p>Election of directors shall be handled pursuant to Article 198 of Company Act, independent directors and non-independent directors shall be elected at the same time and calculated into elected quota respectively, and those who have won votes representing more election rights will be elected as independent directors and non-independent directors.</p>	Amendment pursuant to actual requirement.
Article 41	<p>These articles of association were established through unanimous approval by all founders on 1 September 1988 and took official effect after approval by the competent authority. The same shall be applicable in case of any amendment. The first amendment was made on 27 September 1990. The second amendment was made on 18 June 1991. The third amendment</p>	<p>These articles of association were established through unanimous approval by all founders on 1 September 1988 and took official effect after approval by the competent authority. The same shall be applicable in case of any amendment. The first amendment was made on 27 September 1990. The second amendment was made on 18 June 1991. The third amendment was made</p>	The number of date of the current amendment is added.

<p>was made on 6 April 1992. The fourth amendment was made on 18 March 1993. The fifth amendment was made on 22 October 1993. The sixth amendment was made on 11 May 1994. The seventh amendment was made on 20 May 1995. The eighth amendment was made on 28 March 1996. The ninth amendment was made on 18 April 1997. The tenth amendment was made on 18 April 1997. The eleventh amendment was made on 13 May 1998. The twelfth amendment was made on 7 May 1999. The thirteenth amendment was made on 2 May 2000. The fourteenth amendment was made on 11 May 2001. The fifteenth amendment was made on 21 May 2002. The sixteenth amendment was made on 28 May 2003. The seventeenth amendment was made on 10 June 2005. The eighteenth amendment was made on 13 June 2007. The nineteenth amendment was made on 11 June 2008. The twentieth amendment was made on 17 June 2010. The twenty-first amendment was made on 10 June 2011. The twenty-second amendment was made on 13 June 2012. The twenty-third amendment was made on 11 June 2014. The twenty-fourth amendment was made on 12 June 2015. The twenty-fifth amendment was made on 8 June 2016. The twenty-sixth amendment was made on 7 June 2017. <u>The twenty-seventh amendment was made on 12 June 2018.</u></p>	<p>on 6 April 1992. The fourth amendment was made on 18 March 1993. The fifth amendment was made on 22 October 1993. The sixth amendment was made on 11 May 1994. The seventh amendment was made on 20 May 1995. The eighth amendment was made on 28 March 1996. The ninth amendment was made on 18 April 1997. The tenth amendment was made on 18 April 1997. The eleventh amendment was made on 13 May 1998. The twelfth amendment was made on 7 May 1999. The thirteenth amendment was made on 2 May 2000. The fourteenth amendment was made on 11 May 2001. The fifteenth amendment was made on 21 May 2002. The sixteenth amendment was made on 28 May 2003. The seventeenth amendment was made on 10 June 2005. The eighteenth amendment was made on 13 June 2007. The nineteenth amendment was made on 11 June 2008. The twentieth amendment was made on 17 June 2010. The twenty-first amendment was made on 10 June 2011. The twenty-second amendment was made on 13 June 2012. The twenty-third amendment was made on 11 June 2014. The twenty-fourth amendment was made on 12 June 2015. The twenty-fifth amendment was made on 8 June 2016. The twenty-sixth amendment was made on 7 June 2017.</p>	
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Synnex Technology International Corporation Comparison Table on Amendments to the Procedure for the Acquisition or Disposal of Assets

No.	Amended article	Existing article	Explanation
Article 14	<p>(Procedure for controlling the acquisition or disposal of assets of subsidiary)</p> <p>1. Subsidiary shall also <u>handle</u> and carry out the procedure for the acquisition or disposal of assets according to relevant provisions in <u>this Procedure</u>.</p> <p>2. If the subsidiary is not a domestic public company, and its acquisition or disposal of assets meets the disclosure standards as stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Listed Company", the Company shall also handle the disclosure matters on behalf of such subsidiary.</p> <p>3. In the disclosure standards for the subsidiary, the so-called "achieves twenty percent of paid-up capital or ten percent of total assets of the company" is subject to the paid-up capital or total assets of the Company.</p>	<p>(Procedure for controlling the acquisition or disposal of assets of subsidiary)</p> <p>1. Subsidiary shall also <u>formulate</u> and carry out the procedure for the acquisition or disposal of assets according to relevant provisions in the "<u>Regulations Governing the Acquisition and Disposal of Assets by Listed Company</u>".</p> <p>2. If the subsidiary is not a domestic public company, and its acquisition or disposal of assets meets the disclosure standards as stipulated in the "Regulations Governing the Acquisition and Disposal of Assets by Listed Company", the Company shall also handle the disclosure matters on behalf of such subsidiary.</p> <p>3. In the disclosure standards for the subsidiary, the so-called "achieves twenty percent of paid-up capital or ten percent of total assets of the company" is subject to the paid-up capital or total assets of the Company.</p>	Amendment pursuant to management requirement.
Article 19	<p>(Amendment date)</p> <p>These Regulations are amended on <u>June 12, 2018</u>.</p>	<p>(Amendment date)</p> <p>These Regulations are amended on <u>June 7, 2017</u>.</p>	Update the amendment date.

Attachment 6

Director candidates			
Director	Current shareholding (Unit : share)	Education	Major experience
Miau Feng-Chiang	31,772,004	Santa Clara University MBA UC Berkeley, EECS, BSA	Chairman of Matic Inc. Chairman of Mitac Holdings Corp. Chairman of Lien Hwa Industrial Corp. Chairman of Union Petrochemical Corp. Director of Getac Technology Corp.
Tu Shu-Wu	36,156,381	Electrical and control engineering degree, National Chiao Tung University	President of Micro Electronics Corp. Vice-president of MiTAC Inc.
Mitac Inc. Representative Chou The-Chien	227,201,054	Rutgers, The State University of New Jersey, PHD in engineering	Investment special assistant to chairman, MiTAC International Corp.
Mitac Inc. Representative Yang Hsiang-Yun	227,201,054	International Corp. National Taiwan University ,MBA	Special assistant in MiTAC International Corp. CFO of MiTAC Inc. Director of Color food Corp.
Way, Yung-Do	0	MBA, University of Georgia, GA, USA	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 President and Honorary President of Deloitte Director of Deloitte International Organization U.S. Internal Auditor CPA, Georgia, USA CPA, R.O.C.
Chang, An-Ping	0	Master of Institute of Business Administration, New York University	Chairman of Chia Hsin Cement Corp. Vice Chairman of Taiwan Cement Co., Ltd Chairman of Taiwan Prosperity Chemical Corp. Chairman of GIGAMEDIA Ltd. Chairman of China Network Systems Chairman of L'Hotel de Chine Group Chairman of WYSE (USA) President of KGI Securities Director of FETNet
Chiao, Yu-Cheng	0	Master of Electrical Engineering, University of Washington	Chairman of Walsin Lihwa Corp. Chairman & Remuneration Committee Member of NUVOTON Co., Ltd.

**SYNNEX TECHNOLOGY INTERNATIONAL
CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2017 AND 2016**

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

SYNNEX TECHNOLOGY INTERNATIONAL
CORPORATION AND ITS SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2017, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Matthew Miao Feng Chiang

SYNNEX TECHNOLOGY INTERNATIONAL
CORPORATION AND ITS SUBSIDIARIES

March 19, 2018

Report of Independent Accountant Translated From Chinese

PWCR17000321

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

Opinion

We have audited the accompanying consolidated balance sheets of Synnex Technology International Corporation and its subsidiaries (the “Group”) as at December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit and the reports of other independent accountants (see information disclosed in the Other Matter - Scope of the Audit section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2017 are outlined as follows:

Key audit matter – Assessment of allowance for uncollectible accounts

Description

Please refer to Note 4(9) & (10), for accounting policies adopted for accounts receivable. Please refer to Note 5(2), for critical accounting estimates and key sources of assumption uncertainty. Please refer to Note 6(6) for details of accounts receivable.

The Group is primarily engaged in the sale of communication products, consumer electronic products, electronic products and components. The Group manages the collection of accounts receivable from customers and bears the associated credit risk. The management categorized the accounts receivable assessment into individual provision and group provision. For individually assessed accounts receivable, allowance is recognised on a case by case basis. The assessment process is affected by management's judgement on various factors: customers' financial conditions, internal credit ratings, historical transaction records, current economic conditions, etc. For group assessed accounts receivable, assessment process is affected by management's judgement on historical uncollectible records and makes adjustments in accordance with current economic conditions. As management's judgement on determining allowance for uncollectible accounts is relatively subjective and the estimated amount is material to the financial statements, therefore, we indicated that the assessment of allowance for uncollectible accounts as one of the key audit matters.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Obtained the Group's policy applied to assessment of allowance for uncollectible accounts. Assessed whether the allowance for uncollectible accounts policy is applied in a manner consistent between comparative and current periods of the financial statements.
2. For individually assessed accounts, selected and verified samples of managements' impairment evaluation. Discussed with management the assessment results and evaluated the adequacy of the provision.
3. For accounts assessed as a group, considered historical uncollectible records to determine whether the provision ratio of allowance for uncollectible accounts is reasonable. For significant accounts, examined subsequent collections after balance sheet date.

Key audit matter – Assessment of allowance for valuation of inventory

Please refer to Note 4(13) for description of accounting policies on allowance for inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty. Please refer to Note 6(9) for details of inventory items.

For the purpose of meeting diverse customer needs, the Group applied multi-brands and multi-product strategy. Due to the short life cycle of electronic products and the price is highly affected by market fluctuation, there is a high risk of incurring inventory valuation losses. The Group's inventory policy on inventory valuation is based on the lower of cost or net realisable value. For inventory that was checked item by item for net realisable value, the Group then applied the lower of cost or net realisable value method for recognizing loss on decline in market value.

Considering that the Group's allowance for inventory valuation losses are mainly caused by loss on decline in market value, the valuation involves subjective judgement and since the amount is material to the financial statements, therefore, we indicated the estimates of the allowance for inventory valuation as one of the key audit matters for this fiscal year.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

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

Key audit matter – Assessment of purchase rebate

Description

Please refer to Note 4(13) for accounting policies adopted for the recognition of purchase rebate. Please refer to Note 5(2) for critical accounting estimates and assumptions applied in the accounting policy for the recognition of purchase rebate.

The Group engages in various purchase contracts for different items with different suppliers. There are various types of rebate programs including incentives for certain purchase volume from vendors, purchase discounts and allowances, participations in special purchase promotions, and subsidies for marketing. The Group estimates rebates that shall be recognised in accordance with the percentage of achievement of the rebate contract terms. There are various types of rebate programs, complicated calculations and transactions with different suppliers as well as the manual process involved in the verification and calculation of rebates. All of these aforementioned factors adds to the complexity of assessing purchasing rebate. Thus, we indicated that the assessment of purchase rebate as one of the key audit matters for this fiscal year.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Obtained an understanding and tested the effectiveness of internal control over the estimation of purchase rebate. Tested the appropriate controls over contractual terms regarding rebates. Checked whether the recognition and drawing of rebate amount has been approved by the proper authority.
2. Selected samples of details of purchase rebate estimation, reviewed the inventory items and checked its supporting documents in order to assess the reasonableness of estimation.
3. First, sampled details of purchase rebate estimation without notice from suppliers that has been recognised as of the balance sheet date. Second, after the balance sheet date, selected samples that has received debit note or other supporting documents from suppliers to check whether actual rebate approximated the estimation. In addition, after balance sheet date, checked whether there was significant new rebates that should be recognised as of the balance sheet date.
4. For significant outstanding rebate receivable accounts, we sampled accounts and checked the existence of original vouchers or supporting documents or tested subsequent collections after the balance sheet date.

Other matters – Scope of the Audit

We did not audit the financial statements of certain consolidated subsidiaries. The financial statements of these subsidiaries were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the amounts and the information disclosed in Note 13 included in these financial statements, is based solely on the reports of the other independent accountants. The subsidiaries held assets of \$1,353,876 thousand and \$1,388,665 thousand, constituting 1% and 1% of the total consolidated assets as of December 31, 2017 and 2016, respectively, and generated net operating income of \$0, constituting 0% of the total consolidated net operating income for both the years then ended. Furthermore, information disclosed in Note 6(10) relative to investments accounted for under equity method and information on certain investees disclosed in Note 13 for the years ended December 31, 2017 and 2016 is based solely on the reports of the other independent accountants. Additionally, for certain investees financial

reports that were prepared under different accounting standards, we have performed required additional auditing procedures and adjusted these reports in conformity with “Rules Governing the Preparation 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. The related investment income before adjustments (including share of profit or loss of associates accounted for using equity method) was \$1,755,032 thousand and \$1,457,700 thousand for the years ended December 31, 2017 and 2016, respectively, constituting 27% and 28% of the consolidated total net operating income for the years then ended, respectively. The comprehensive income recognised for these investments accounted for using equity method was \$1,672,262 thousand and \$1,277,236 thousand, constituting 39% and 53% of consolidated total comprehensive income for the years ended December 31, 2017 and 2016, respectively. The balance of related long-term equity investments amounted to \$12,963,234 thousand and \$11,063,339 thousand, constituting 9% and 9% of the total consolidated assets as of December 31, 2017 and 2016, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Synnex Technology International Corporation as at and for the years ended December 31, 2017 and 2016.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with ROC GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Yeh, Tsui Miao

Wu, Yu-Lung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 19, 2018

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2017 AND 2016

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2017		December 31, 2016	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,714,960	4	\$ 7,474,322	6
1110	Financial assets at fair value through profit or loss-current	6(2)	609,254	1	534,178	1
1125	Available-for-sale financial assets-current	6(3)	1,351,569	1	1,506,147	1
1150	Notes receivable-net	6(5)	7,813,861	6	7,685,827	6
1160	Notes receivable-related parties	7	8,813	-	240	-
1170	Accounts receivable-net	6(6), 8	48,195,050	35	40,830,646	32
1180	Accounts receivable-related parties	7	224,600	-	384,225	-
1200	Other receivables	6(8)	7,228,657	5	7,344,037	6
1210	Other receivables-related parties	7	210	-	590	-
1220	Current tax assets	6(29)	34,053	-	222,828	-
130X	Inventories, net	6(9), 8	36,259,016	26	33,648,105	26
1410	Prepayments		3,143,821	2	2,394,068	2
1470	Other current assets	8	76,719	-	158,110	-
11XX	Current assets		<u>110,660,583</u>	<u>80</u>	<u>102,183,323</u>	<u>80</u>
Non-current assets						
1523	Available-for-sale financial assets-noncurrent	6(3)	48,861	-	51,269	-
1543	Financial assets measured at cost-noncurrent	6(4)	1,721,020	1	1,723,497	1
1550	Investments accounted for under the equity method	6(10)	13,031,738	9	11,132,423	9
1600	Property, plant and equipment, net	6(11)	6,857,063	5	6,835,286	5
1760	Investment property, net	6(12)	1,247,092	1	1,331,010	1
1780	Intangible assets	6(13)	641,440	-	702,559	1
1840	Deferred income tax assets	6(29)	823,130	1	1,307,316	1
1900	Other non-current assets	and 8	3,770,341	3	2,564,487	2
15XX	Non-current assets		<u>28,140,685</u>	<u>20</u>	<u>25,647,847</u>	<u>20</u>
1XXX	Total assets		<u>\$ 138,801,268</u>	<u>100</u>	<u>\$ 127,831,170</u>	<u>100</u>

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2017 AND 2016

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2017		December 31, 2016	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(15)	\$ 36,080,920	26	\$ 38,687,813	30
2110	Short-term notes and bills payable	6(16)	8,580,000	6	5,420,000	4
Financial liabilities at fair value through profit or loss						
2120	-current	6(2)	645	-	-	-
2150	Notes payable		3,268,210	3	1,564,010	1
2160	Notes payable - related parties	7	97	-	-	-
2170	Accounts payable		34,553,760	25	29,540,632	23
2180	Accounts payable-related parties	7	20,745	-	-	-
2200	Other payables	6(17)	7,288,832	5	6,749,042	6
2220	Other payables-related parties	7	3,440	-	3,953	-
2230	Current income tax liabilities	6(29)	1,230,772	1	1,043,353	1
2300	Other current liabilities		318,552	-	314,517	-
21XX	Current liabilities		<u>91,345,973</u>	<u>66</u>	<u>83,323,320</u>	<u>65</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(29)	164,299	-	144,304	-
2600	Other non-current liabilities	6(18)	529,166	-	481,050	1
25XX	Non-current liabilities		<u>693,465</u>	<u>-</u>	<u>625,354</u>	<u>1</u>
2XXX	Total liabilities		<u>92,039,438</u>	<u>66</u>	<u>83,948,674</u>	<u>66</u>
Equity attributable to owners of parent						
Share capital						
		6(19)				
3110	Share capital-common stock		16,679,470	12	16,679,470	13
Capital surplus						
		6(20)				
3200	Capital surplus		14,364,858	11	14,196,063	11
Retained earnings						
		6(21)				
3310	Legal reserve		6,903,070	5	6,415,402	5
3320	Special reserve		2,837,318	2	126,513	-
3350	Unappropriated retained earnings		9,207,169	7	7,992,064	6
Other equity interest						
		6(22)				
3400	Other equity interest		(4,820,548)	(4)	(2,837,318)	(2)
31XX	Equity attributable to owners of the parent		<u>45,171,337</u>	<u>33</u>	<u>42,572,194</u>	<u>33</u>
36XX	Non-controlling interest		<u>1,590,493</u>	<u>1</u>	<u>1,310,302</u>	<u>1</u>
3XXX	Total equity		<u>46,761,830</u>	<u>34</u>	<u>43,882,496</u>	<u>34</u>
Significant contingent liabilities and unrecognized contract commitments						
		9				
3X2X	Significant events after the balance sheet date	11				
	Total liabilities and equity		<u>\$ 138,801,268</u>	<u>100</u>	<u>\$ 127,831,170</u>	<u>100</u>

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2017 AND 2016

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

		Years ended December 31,				
		2017		2016		
	Notes	Amount	%	Amount	%	
4000	Sales revenue	6(23) and 7	\$ 364,207,877	100	\$ 342,696,453	100
5000	Operating costs	6(9)	(351,346,513)	(97)	(330,565,489)	(97)
5950	Net operating margin		<u>12,861,364</u>	<u>3</u>	<u>12,130,964</u>	<u>3</u>
	Operating expenses	6(18)(27) (28)				
6100	Selling expenses		(5,290,902)	(1)	(4,301,741)	(1)
6200	General and administrative expenses		(2,638,898)	(1)	(3,559,991)	(1)
6000	Total operating expenses		<u>(7,929,800)</u>	<u>(2)</u>	<u>(7,861,732)</u>	<u>(2)</u>
6900	Operating profit		<u>4,931,564</u>	<u>1</u>	<u>4,269,232</u>	<u>1</u>
	Non-operating income and expenses					
7010	Other income	6(24)	1,268,516	-	1,297,200	-
7020	Other gains and losses	6(25)	498,585	-	(647,223)	-
7050	Finance costs	6(26)	(578,518)	-	(656,692)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(10)	<u>1,759,191</u>	<u>1</u>	<u>1,462,960</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>2,947,774</u>	<u>1</u>	<u>1,456,245</u>	<u>1</u>
7900	Profit before income tax		7,879,338	2	5,725,477	2
7950	Income tax expense	6(29)	(1,465,099)	-	(600,741)	-
8200	Profit for the year		<u>\$ 6,414,239</u>	<u>2</u>	<u>\$ 5,124,736</u>	<u>2</u>

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2017 AND 2016

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

	Notes	Years ended December 31,			
		2017		2016	
		Amount	%	Amount	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311					
8349					
8310					
Components of other comprehensive income that will be reclassified to profit or loss					
8361					
8362					
8370					
8360					
8300					
8500					
Profit, attributable to:					
8610					
8620					
Comprehensive income attributable to:					
8710					
8720					
Earnings per share					
9750					
9850					

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2017 AND 2016
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Retained earnings				Other equity interest			Total	Non-controlling interest	Total equity
		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			
2016											
Balance at January 1, 2016		\$ 15,885,209	\$ 14,139,722	\$ 6,096,802	\$ -	\$ 6,823,082	-\$ 66,998	-\$ 59,515	\$ 42,818,302	\$ 1,056,990	\$ 43,875,292
Appropriations of 2015 earnings	6(21)										
Provision for legal reserve		-	-	318,600	-	(318,600)	-	-	-	-	-
Provision for special reserve		-	-	-	126,513	(126,513)	-	-	-	-	-
Distribution of cash dividend		-	-	-	-	(2,382,781)	-	(2,382,781)	-	(2,382,781)	-
Distribution of stock dividend		794,261	-	-	-	(794,261)	-	-	-	-	-
Change in net assets of the associate and joint ventures accounted for under the equity method		-	56,341	-	-	(66,825)	-	(10,484)	-	(10,484)	-
Other comprehensive (loss) income for 2016	6(22)	-	-	-	-	(18,717)	(2,977,178)	266,373	(2,729,522)	5,255	(2,724,267)
Net income for 2016		-	-	-	-	4,876,679	-	-	4,876,679	248,057	5,124,736
Balance at December 31, 2016		<u>\$ 16,679,470</u>	<u>\$ 14,196,063</u>	<u>\$ 6,415,402</u>	<u>\$ 126,513</u>	<u>\$ 7,992,064</u>	<u>(\$ 3,044,176)</u>	<u>\$ 206,858</u>	<u>\$ 42,572,194</u>	<u>\$ 1,310,302</u>	<u>\$ 43,882,496</u>
2017											
Balance at January 1, 2017		\$ 16,679,470	\$ 14,196,063	\$ 6,415,402	\$ 126,513	\$ 7,992,064	(\$ 3,044,176)	\$ 206,858	\$ 42,572,194	\$ 1,310,302	\$ 43,882,496
Appropriations of 2016 earnings	6(21)										
Provision for legal reserve		-	-	487,668	-	(487,668)	-	-	-	-	-
Provision for special reserve		-	-	-	2,710,805	(2,710,805)	-	-	-	-	-
Distribution of cash dividend		-	-	-	-	(1,667,947)	-	(1,667,947)	-	(1,667,947)	-
Change in net assets of the associate and joint ventures accounted for under the equity method		-	167,496	-	-	(61)	-	-	167,435	-	167,435
Difference between consideration and carrying amount of subsidiaries disposed	6(31)	-	-	-	-	(17,171)	461	(50)	(16,760)	99,842	83,082
Capital surplus transferred from unclaimed dividends		-	1,299	-	-	-	-	-	1,299	-	1,299
Other comprehensive (loss) income for 2017	6(22)	-	-	-	-	(16,139)	(2,206,110)	222,469	(1,999,780)	(118,994)	(2,118,774)
Net income for 2017		-	-	-	-	6,114,896	-	-	6,114,896	299,343	6,414,239
Balance at December 31, 2017		<u>\$ 16,679,470</u>	<u>\$ 14,364,858</u>	<u>\$ 6,903,070</u>	<u>\$ 2,837,318</u>	<u>\$ 9,207,169</u>	<u>(\$ 5,249,825)</u>	<u>\$ 429,277</u>	<u>\$ 45,171,337</u>	<u>\$ 1,590,493</u>	<u>\$ 46,761,830</u>

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax for the year		\$ 7,879,338	\$ 5,725,477
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(11)(27)	340,836	347,261
Amortization	6(13)(27)	59,349	57,596
Amortization of land use rights	6(14)	19,886	21,610
Provision for bad debts expense	6(5)(6)	293,574	379,780
Net gain on financial assets/liabilities at fair value through profit or loss	6(2)(25)	(30,909)	(103,820)
(Gain from reversal of) decline in market value and loss for obsolete and slow-moving inventories	6(9)	(119,452)	13,408
Loss on obsolescence	6(9)	-	5,941
Interest expense	6(26)	578,518	656,692
Interest income	6(24)	(373,526)	(429,641)
Dividend income	6(24)	(151,777)	(143,936)
Share of profit of associates and joint ventures accounted for under the equity method	6(10)	(1,759,191)	(1,462,960)
Cash dividends on investments accounted for under the equity method		407,166	302,920
Impairment loss on financial assets	6(25)	-	40,000
(Gain) loss on disposal of property, plant and equipment and investment property	6(25)	(2,097)	303
Depreciation of investment property	6(12)	57,782	62,411
Loss on remeasurement recognition of investments accounted for under the equity method at fair value	6(25)(32)	-	42,359
Gain on disposal of financial asset investments	6(25)	(357,363)	(135,699)
Gain on disposal of investments accounted for under the equity method		-	(127,709)
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		(43,522)	(13,934)
Notes and accounts receivable		(7,383,841)	(545,345)
Inventories		(2,491,459)	2,210,520
Prepayments		(749,753)	393,035
Other receivables		154,248	483,004
Other current assets		88,274	334,430
Overdue receivables		(284,249)	(71,577)
Long-term lease and installment receivables		(33,364)	22,988
Net changes in liabilities relating to operating activities			
Notes and accounts payable		6,738,170	438,042
Other payables		447,104	730,522
Other current liabilities		4,035	52,330
Other non-current liabilities		46,292	36,557
Cash inflow (outflow) generated from operations		3,334,069	9,322,565
Interest paid		(561,897)	(667,896)
Interest received		373,526	429,641
Dividend received		151,777	143,936
Income tax paid		(595,035)	(972,001)
Net cash provided by operating activities		2,702,440	8,256,245

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2017	2016
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of available-for-sale financial assets		\$ 733,492	\$ 232,517
Proceeds from capital reduction of financial assets carried at cost		-	114,827
Proceeds from disposal of investments accounted for using equity method		-	250,357
Acquisition of investments accounted for using equity method		(922,145)	-
Net cash flow from acquisition of subsidiaries	6(32)	-	(945,088)
Acquisition of property, plant and equipment	6(34)	(497,298)	(513,982)
Increase in investment property		(2,119)	(438)
Proceeds from disposal of property, plant and equipment and investment property		7,336	7,780
Acquisition of intangible assets	6(34)	(41,072)	(86,271)
Increase in refundable deposits		(98,160)	(465,345)
(Increase) decrease in restricted time deposits		(1,136,323)	799,858
Decrease (increase) in other non-current assets		106,101	(132,281)
Net cash used in investing activities		(1,850,188)	(738,066)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans		(2,606,893)	(9,216,677)
Decrease (increase) in short-term notes and bills payable		3,160,000	(180,000)
Increase (decrease) in guarantee deposits received		1,824	(31,642)
Payment of cash dividends	6(21)	(1,667,947)	(2,382,781)
Proceeds from disposal of subsidiaries (retained control)		83,082	-
Net cash used in financing activities		(1,029,934)	(11,811,100)
Effects of changes in foreign exchange rates		(1,581,680)	(2,131,414)
Decrease in cash and cash equivalents		(1,759,362)	(6,424,335)
Cash and cash equivalents at beginning of the year		7,474,322	13,898,657
Cash and cash equivalents at end of the year		\$ 5,714,960	\$ 7,474,322

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