

Stock code: 2347

# **Synnex Technology International Corp.**

## **2017 General Shareholders' Meeting Handbook**

The original of this handbook is written in Chinese language. If there is any discrepancy between the Chinese version and this English translation, the Chinese version shall prevail.

**June 7, 2017**

**Agenda for 2017 General Shareholders' Meeting of Synnex Technology  
International Corp.**

- I. Time: 9:00 a.m., June 7, 2017 (Wednesday)**
- II. Location: Auditorium, 3F, Central Pictures Ba-De Building,  
No. 260, Section 2, Ba-De Road, Taipei City**
- III. Announcement to start meeting**
- IV. Chairman's Statements**
- V. Reports**
  - (I) Report on 2016 annual operation**
  - (II) Audit Committee's report on audit of 2016 closing  
statements**
  - (III) Report on 2016 profit distributable as employee's  
compensation and director's compensation**
  - (IV) Report on merger and acquisition of BestCom  
Infotech Corp. in 2016**
- VI. Approvals**
  - (I) Approval of 2016 closing statements**
  - (II) Approval of 2016 profit distribution proposal**
- VII. Discussions**
  - (I) Discussion for amending certain provisions of the  
Articles of Incorporation**
  - (II) Discussion for amending certain provisions of the  
Procedures for Acquisition or Disposal of Assets**

**VIII. Motions**

**IX. Adjournment**

## **Reports**

### **No. 1**

**Subject:** The Company's 2016 business report is submitted for review.

**Explanation:** Please refer to Attachment 1.

### **No. 2**

**Subject:** The Audit Committee's report on the audit on the Company's 2016 closing statements is submitted for review.

**Explanation:** Please refer to Attachment 2 and 3.

### **No. 3**

**Subject:** The Report on 2016 profit distributable as employee's compensation and director's compensation is submitted for review.

**Explanation:** (I) In accordance with Article 38 of the Articles of Incorporation, the Company shall provide the balance, no more than 10% and no less than 0.01% as employee's compensation and no more than 1% as director's compensation, after its losses have been covered by Income before tax without employee's compensation and director's compensation being taken off in the current year.

(II) It is proposed to issue 0.012% employee's compensation totaling NT\$600,000 and 0.12% director's compensation totaling NT\$6,000,000 in 2016, all of which to be issued in cash.

**No. 4**

**Subject:** The report on merger and acquisition of BestCom Infotech Corp. in 2016 is submitted for review.

**Explanation:** (I) In respond to the consideration of future management strategy and integration of group resources, as approved by Audit Committee/Special Committee and Board of Directors of both parties on April 27, 2016, the Company and the subsidiary BestCom Infotech Corp., in which the Company holds 96.27% of stocks, carried out conversion of stock in accordance with Article 30 of Enterprises Mergers and Acquisitions Act, the record date of conversion of stock was July 18, 2016, after conversion, BestCom Infotech Corp. became the subsidiary 100% held by the Company.

(II) These conversion of stock case has been completed and the change registration has been approved by Ministry of Economic Affairs on August 29, 2016 for the record.

(III) This Subject is reported at this General Shareholders' Meeting in accordance with Article 7(2) of Enterprises Mergers and Acquisitions Act.

## Approvals

### No. 1 (Proposed by Board of Directors)

**Subject:** The Company's 2016 closing statements are submitted for approval.

**Explanation:** (I) The Company's 2016 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 for relevant information.

(II) Please approve.

**Resolution:**

### No. 2 (Proposed by Board of Directors)

**Subject:** The Company's 2016 profit distribution proposal is submitted for approval.

**Explanation:** (I) The Company realized after-tax profit of NT\$4,876,678,550 in 2016. 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 shares will be included as the Company's other income. In this year's profit distribution, profit realized in 2016 will first be distributed. Any shortfall will then be distributed out of the undistributed profit after 1998.

**2016 Profit Distribution Table**

		Unit: NT\$
(I)	Carry-forward of undistributed profit from previous period	3,200,927,051
	Minus: Adjustment for 2016 reserved earnings	(85,541,845)

Undistributed profit after adjustment	3,115,385,206
(II) Plus: Net profit after tax in current period	4,876,678,550
Minus: Provision of legal reserve	(487,667,855)
Minus: Special reserve	(2,710,804,399)
Balance distributable for current year	1,678,206,296
Distributable profit in this period	4,793,591,502
(III) Distribution in this period	
Shareholder dividend in cash (\$1 per share)	(1,667,947,000)
Total amount of distribution	(1,667,947,000)
(IV) Undistributed profit carried over to following year	3,125,644,502

(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:

## **Discussions**

### **No. 1 (Proposed by Board of Directors)**

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

**Explanation:** (I) It is proposed that certain provisions of the Articles of Incorporation be amended in accordance with the actual requirements of the Company. Please refer to Attachment 4 for the Comparison Table for Amendments to the Articles of Incorporation.  
(II) Please approve.

**Resolution:**

### **No. 2 (Proposed by Board of Directors)**

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

**Explanation:** (I) It is proposed that certain provisions of the Procedure for Acquisition or Disposal of Assets be amended in accordance with the law. Please refer to Attachment 5 for the Comparison Table for Amendments to the Procedures for Acquisition or Disposal of Assets.  
(II) Please approve.

**Resolution:**

**Motions**

**Adjournment**

## Attachment 4

# Synnex Technology International Corporation

## Comparison Table for Amendment to the Articles of Incorporation

No.	Amended Clause	Original Clause	Reason for Amendment
Article 2`	<p>The Company operates the following businesses:</p> <ol style="list-style-type: none"> <li>1. F113050 Computer and business machine and equipment wholesale business.</li> <li>2. F118010 Information software wholesale business.</li> <li>3. F113070 Telecommunications equipment wholesale business.</li> <li>4. F119010 Electronic materials wholesale business.</li> <li>5. F113110 Battery wholesale business.</li> <li>6. F116010 Photographic equipment wholesale business.</li> <li>7. IE01010 Telecommunications account agency business.</li> <li>8. CC011110 Computer and peripheral equipment manufacturing business.</li> <li>9. JA02010 Electric appliance and electronic product repair business.</li> <li>10. F401021 Telecommunications control emission equipment importation business.</li> <li>11. G801010 Warehousing business.</li> <li>12. F401010 International trade</li> </ol>	<p>The Company operates the following businesses:</p> <ol style="list-style-type: none"> <li>1. F113050 Computer and business machine and equipment wholesale business.</li> <li>2. F118010 Information software wholesale business.</li> <li>3. F113070 Telecommunications equipment wholesale business.</li> <li>4. F119010 Electronic materials wholesale business.</li> <li>5. F113110 Battery wholesale business.</li> <li>6. F116010 Photographic equipment wholesale business.</li> <li>7. IE01010 Telecommunications account agency business.</li> <li>8. CC011110 Computer and peripheral equipment manufacturing business.</li> <li>9. JA02010 Electric appliance and electronic product repair business.</li> <li>10. F401021 Telecommunications control emission equipment importation business.</li> <li>11. G801010 Warehousing business.</li> <li>12. F401010 International trade</li> </ol>	<p>Amendment pursuant to actual requirement.</p>

	<p>business.</p> <p>13. I301010 Information software service business.</p> <p>14. ZZ999999 Any business that is not prohibited or restricted by law, except business requiring approval.</p> <p>15. F108031 Medical equipment wholesale business.</p> <p>16. F208031 Medical equipment retail business.</p>	<p>business.</p> <p>13. I301010 Information software service business.</p> <p>14. ZZ999999 Any business that is not prohibited or restricted by law, except business requiring approval.</p> <p>15. F108031 Medical equipment wholesale business.</p> <p>16. F208031 Medical equipment retail business.</p> <p>17. <del>G101061 Truck Freight Transportation.</del></p>	
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 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</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 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</p>	<p>The number of date of the current amendment are added.</p>

	<p>1997. The eleventh amendment was made on 13 May 1998. The twelfth amendment was made on 7 May 2000. 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. <u>The twenty-sixth amendment was made on 7 June 2017.</u></p>	<p>1997. The eleventh amendment was made on 13 May 1998. The twelfth amendment was made on 7 May 2000. 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.</p>	
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## Attachment 5

# Synnex Technology International Corporation

## Comparison Table on Amendments to the Procedures for Acquisition or Disposal of Assets

No.	Amended clause	Original clause	Reason for amendment
Article 2	<p>(Scope of application)</p> <p>The scope of assets so-called in these Regulations includes:</p> <p>I. Stock, government bonds, corporate bonds, financial bonds; negotiable securities, depository receipt, call (put) <u>warrant</u>, beneficial securities and asset-backed securities etc. in recognition of funds.</p> <p>II. Real estate (including land, house and building, investment property and land use right) and equipment.</p> <p>III. Membership certificate.</p> <p>IV. Intangible assets such as patent right, copyright, trademark right and chartered right etc.</p> <p>V. Derivatives.</p> <p>VI. Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law.</p> <p>VII. Advances of long-term investment nature provided to subsidiary.</p> <p>VIII. Other important assets.</p> <p>Matters related to the acquisition and disposal of assets mentioned above shall be handled in accordance with these Regulations.</p>	<p>(Scope of application)</p> <p>The scope of assets so-called in these Regulations includes:</p> <p>I. Stock, government bonds, corporate bonds, financial bonds; negotiable securities, depository receipt, call (put) <del>certificate</del>, beneficial securities and asset-backed securities etc. in recognition of funds.</p> <p>II. Real estate (including land, house and building, investment property and land use right) and equipment.</p> <p>III. Membership certificate.</p> <p>IV. Intangible assets such as patent right, copyright, trademark right and chartered right etc.</p> <p>V. Derivatives.</p> <p>VI. Assets acquired or disposed through merger, division, acquisition or assignment of share pursuant to law.</p> <p>VII. Advances of long-term investment nature provided to subsidiary.</p> <p>VIII. Other important assets.</p> <p>Matters related to the acquisition and disposal of assets mentioned above shall be handled in accordance with these Regulations.</p>	Amendment in accordance with the law.

<p>Article 6</p>	<p>(Procedures for acquisition and disposal of real estate and equipment)  Clause I~III (not amended, omitted)  IV. Real estate or equipment valuation report  For the real estate or equipment acquired or disposed by the Company, apart from those transacted with government agency, built on private land or leased land, or acquired or disposed for business use, if the transaction amount thereof reaches to twenty percent of paid-up capital of the Company or NT\$300 Million, the valuation report issued by professional valuator shall be acquired before the occurrence date, and shall comply with the following rules:</p> <p>(I) When the limited price, specified price or special price is taken as reference for the transaction price due to special reasons, such transaction shall first be proposed to and passed by board resolution, in case of change of transaction conditions in the future, the foregoing procedures shall also apply accordingly.</p> <p>(II) If the transaction amount reaches to over NT\$1 Billion, two or more professional valutors shall be appointed for valuation.</p> <p>(III) If the valuation results of professional valuator have any one of the following circumstances, except that all valuation results of acquired assets are higher than the</p>	<p>(Procedures for acquisition and disposal of real estate and equipment)  IV. Real estate or equipment valuation report  For the real estate or equipment acquired or disposed by the Company, apart from those transacted with government agency, built on private land or leased land, or acquired or disposed for business use, if the transaction amount thereof reaches to twenty percent of paid-up capital of the Company, <del>ten percent of total assets</del>, or NT\$300 Million, the valuation report issued by professional valuator shall be acquired before the occurrence date, and shall comply with the following rules:</p> <p>(I) When the limited price, specified price or special price is taken as reference for the transaction price due to special reasons, such transaction shall first be proposed to and passed by board resolution, in case of change of transaction conditions in the future, the foregoing procedures shall also apply accordingly.</p> <p>(II) If the transaction amount reaches to over NT\$1 Billion, two or more professional valutors shall be appointed for valuation.</p> <p>(III) If the valuation results of professional valuator have any one of the following circumstances, except that all valuation results of acquired assets are higher than the</p>	<p>Amendment in accordance with the law.</p>
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	<p>transaction amount, or all valuation results of disposed assets are lower than the transaction amount, accountants shall be appointed to handle according to No. 20 regulations of Statement of Auditing Standards issued by Accounting Research and Development Foundation, and express specific opinions on the reasons for difference and the appropriateness of transaction price.</p> <p>1. The difference between valuation result and transaction amount reaches to over twenty percent of the transaction amount.</p> <p>2. The difference between the valuation results of two or more professional valuers reaches to over ten percent of the transaction amount.</p> <p>(IV) The date of report issuing by professional valuator shall not be over three months later than the contract date. But if the report applies the assessed present value of the same period and not exceeds six months, submissions may be issued by the original professional valuator.</p>	<p>transaction amount, or all valuation results of disposed assets are lower than the transaction amount, accountants shall be appointed to handle according to No. 20 regulations of Statement of Auditing Standards issued by Accounting Research and Development Foundation, and express specific opinions on the reasons for difference and the appropriateness of transaction price.</p> <p>1. The difference between valuation result and transaction amount reaches to over twenty percent of the transaction amount.</p> <p>2. The difference between the valuation results of two or more professional valuers reaches to over ten percent of the transaction amount.</p> <p>(IV) The date of report issuing by professional valuator shall not be over three months later than the contract date. But if the report applies the assessed present value of the same period and not exceeds six months, submissions may be issued by the original professional valuator.</p>	
Article 8	<p>(Procedures for acquisition and disposal of membership certificate, intangible assets and other important assets)</p> <p>Clause I~III not amended, omitted</p> <p>IV. Obtain expert's opinion</p> <p>If the transaction amount of the</p>	<p>(Procedures for acquisition and disposal of membership certificate, intangible assets and other important assets)</p> <p>IV. Obtain expert's opinion</p> <p>If the transaction amount of the</p>	Amendment in accordance with the law.

	<p>Company in acquisition or disposal of membership certificate or intangible assets reaches to twenty percent of paid-up capital of the company or over NT\$300 Million, except for the transaction with government <b>agency</b>, accountants shall be appointed to give opinions on the reasonableness of transaction price before the occurrence date, and the said accountants shall handle according to No. 20 regulations of Statement of Auditing Standards issued by Accounting Research and Development Foundation,</p>	<p>Company in acquisition or disposal of membership certificate or intangible assets reaches to twenty percent of paid-up capital of the company or over NT\$300 Million, except for the transaction with government <del>authority</del>, accountants shall be appointed to give opinions on the reasonableness of transaction price before the occurrence date, and the said accountants shall handle according to No. 20 regulations of Statement of Auditing Standards issued by Accounting Research and Development Foundation,</p>	
Article 9	<p>(Procedures for handling interested party transaction)</p> <p>I. Not amended, omitted.</p> <p>II. For the assets of interested party as mentioned in Paragraph 1 of this article that are acquired or disposed by the Company, except for the sales of bonds, bonds with request for purchase or sale, and subscription or <u>buyback</u> of money market fund <u>issued by domestic securities investment trust enterprise</u>, the transaction contract thereof may be signed and the payment thereof may be made only after the following materials are consented by the Audit Committee and submitted to Board of Directors for approval:</p> <p>(I) The purpose, necessity and expected benefits of assets acquisition or disposal.</p> <p>(II) The reason of selecting the interested party as</p>	<p>(Procedures for handling interested party transaction)</p> <p>I. Not amended, omitted.</p> <p>II. For the assets of interested party as mentioned in Paragraph 1 of this article that are acquired or disposed by the Company, except for the sales of bonds, bonds with request for purchase or sale, and subscription or <del>redemption</del> of domestic money market fund, the transaction contract thereof may be signed and the payment thereof may be made only after the following materials are consented by the Audit Committee and submitted to Board of Directors for approval:</p> <p>(I) The purpose, necessity and expected benefits of assets acquisition or disposal.</p> <p>(II) The reason of selecting the interested party as transaction object.</p>	Amendment in accordance with the law.

	<p>transaction object.</p> <p>(III) For the acquisition of real estate from interested party, assess relevant materials on the reasonableness of expected transaction conditions pursuant to the provisions of Subparagraph (I) and (IV), Paragraph III of this article.</p> <p>(IV) Interested party's original acquisition date and price, transaction object, and relations between the company and interested party etc.</p> <p>(V) Anticipate the cash payment and receipts in each month in the coming one year starting from the month of contract conclusion, and assess transaction necessity and the reasonableness of application of funds.</p> <p>(VI) The valuation report or accountant's opinion issued by professional valuator and acquired pursuant to the provisions of preceding article.</p> <p>(VII) Limiting conditions of this transaction and other important matters agreed.</p>	<p>(III) For the acquisition of real estate from interested party, assess relevant materials on the reasonableness of expected transaction conditions pursuant to the provisions of Subparagraph (I) and (IV), Paragraph III of this article.</p> <p>(IV) Interested party's original acquisition date and price, transaction object, and relations between the company and interested party etc.</p> <p>(V) Anticipate the cash payment and receipts in each month in the coming one year starting from the month of contract conclusion, and assess transaction necessity and the reasonableness of application of funds.</p> <p>(VI) The valuation report or accountant's opinion issued by professional valuator and acquired pursuant to the provisions of preceding article.</p> <p>(VII) Limiting conditions of this transaction and other important matters agreed.</p>	
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Article 11	<p>(Procedures for handling merger, division, acquisition or assignment of share)</p> <p>I. Assessment and operation procedure</p> <p>(I) For handling of merger, division, acquisition or assignment of share, before convening the Board of Directors Meeting for resolution, the Company shall appoint accountant, lawyer or securities underwriter to give opinions on the reasonableness of exchange ratio, acquisition price or the cash or other properties of shareholders distributed to, and propose it to the Board of Directors for discussion and approval. <u>But for the Company's merger of subsidiary in which it directly or indirectly holds one hundred percent of outstanding shares or capital sum, or the merger between the subsidiaries in which it directly or indirectly holds one hundred percent of outstanding shares or capital sum, the reasonableness opinions issued by the foregoing experts may be exempted.</u></p>	<p>(Procedures for handling merger, division, acquisition or assignment of share)</p> <p>I. Assessment and operation procedure</p> <p>(I) For handling of merger, division, acquisition or assignment of share, before convening the Board of Directors Meeting for resolution, the Company shall appoint accountant, lawyer or securities underwriter to give opinions on the reasonableness of exchange ratio, acquisition price or the cash or other properties of shareholders distributed to, and propose it to the Board of Directors for discussion and approval.</p>	Amendment in accordance with the law.
Article 13	<p>(Time limits and contents should be announced and reported)</p> <p>I. In case of any one of the circumstances in assets acquisition or disposal, the Company shall input relevant information into the information reporting website</p>	<p>(Time limits and contents should be announced and reported)</p> <p>I. In case of any one of the circumstances in assets acquisition or disposal, the Company shall input relevant information into the information reporting website</p>	Amendment in accordance with the law.

	<p>designated by competent authority in specified format and content and according to the nature thereof within two days as of the occurrence date, and attach with relevant contract, minute book, memorandum book, valuation report, and submissions of accountant, lawyer or securities underwriter to the Company, except for otherwise prescribed by other laws, such attachments shall be kept for at least five years:</p> <p>(I) Acquire or dispose real estate from interested party, or acquire or dispose other assets other than real estate from interested party and the transaction amount thereof reaches to twenty percent of company paid-up capital, ten percent of total assets, or over NT\$300 Million. But the sales of bonds, bonds with request for purchase or sale, subscription or <u>buyback</u> of money market fund <u>issued by domestic securities investment trust enterprise</u> are not subject to this restriction.</p> <p>(II) Carry out merger, division, acquisition or assignment of share.</p> <p>(III) The loss in derivatives transactions reaches to the total amount stipulated in handling procedures or the upper loss limit in individual contract.</p>	<p>designated by competent authority in specified format and content and according to the nature thereof within two days as of the occurrence date, and attach with relevant contract, minute book, memorandum book, valuation report, and submissions of accountant, lawyer or securities underwriter to the Company, except for otherwise prescribed by other laws, such attachments shall be kept for at least five years:</p> <p>(I) Acquire or dispose real estate from interested party, or acquire or dispose other assets other than real estate from interested party and the transaction amount thereof reaches to twenty percent of company paid-up capital, ten percent of total assets, or over NT\$300 Million. But the sales of bonds, bonds with request for purchase or sale, subscription or redemption of domestic money market fund are not subject to this restriction.</p> <p>(II) Carry out merger, division, acquisition or assignment of share.</p> <p>(III) The loss in derivatives transactions reaches to the total amount stipulated in handling procedures or the upper loss limit in individual contract.</p>	
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	<p><u>(IV)</u>The type of assets acquired or disposed is the equipment for business use, and the transaction object thereof is not the interested party, and the transaction amount reaches to over NT\$1 Billion.</p> <p><u>(V)</u> For the real estate acquired by means of construction on private or leased, house distribution, sharing or sales in joint construction, the transaction amount expected to be input by the Company reaches to over NT\$500 Million.</p> <p><u>(VI)</u> For the transaction of assets other than those mentioned in foregoing five subparagraphs, or the investment in China Mainland, the transaction amount thereof reaches to twenty percent of paid-up capital of the Company or over NT\$300 Million. Except for under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Sales of bonds.</li> <li>2. For professional investors, the transaction of negotiable securities in stock exchange at home and abroad or business place of securities dealer; or the ordinary corporate bonds subscribed, <u>raised or issued in domestic primary market and the general</u></li> </ol>	<p><del>(IV)</del>For the transaction of assets other than those mentioned in foregoing <del>three</del> subparagraphs, or the investment in China Mainland, the transaction amount thereof reaches to twenty percent of paid-up capital of the Company or over NT\$300 Million. Except for under the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Sales of bonds.</li> <li>2. For professional investors, the transaction of negotiable securities in stock exchange at home and abroad or business place of securities dealer; or the negotiable securities subscribed <del>by securities dealer</del> in the primary market according to the regulations.</li> <li>3. Sales of bonds with request for purchase or sale, subscription or <del>redemption</del> of domestic money market fund.</li> </ol> <p><del>4.</del>The type of assets acquired or disposed is the <del>machinery</del> equipment for business use, and the transaction object thereof</p>	
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	<p><u>financial bonds not involved in stock right;</u> or the negotiable securities subscribed according to the regulations of <u>Taipei Exchange as recommended by a securities dealer acting as the adviser of public company due to underwriting business needs.</u></p> <p>3. The sales of bonds with request for purchase or sale, subscription or <u>buyback</u> of money market fund issued by domestic <u>securities investment trust enterprise.</u></p> <p>(VII)The calculation methods of transaction amounts mentioned in preceding <u>six subparagraphs</u> are as follows:</p> <ol style="list-style-type: none"> <li>1. Every transaction amount.</li> <li>2. The cumulative transaction amount in the acquisition or disposal of subject matter of the same nature with the same counterpart within one year.</li> <li>3. The cumulative amount in the acquisition or disposal (cumulated in acquisition and</li> </ol>	<p>is not the interested party, and the transaction amount not reaches to over NT\$500 Million.</p> <p>5-For the real estate acquired by means of construction on private or leased, house distribution, sharing or sales in joint construction, the transaction amount expected to be input by the Company not reaches to over NT\$500 Million.</p> <p>(V)The calculation methods of transaction amounts mentioned in preceding <del>four</del> <u>six</u> <del>subparagraphs</del> are as follows:</p> <ol style="list-style-type: none"> <li>1. Every transaction amount.</li> <li>2. The cumulative transaction amount in the acquisition or disposal of subject matter of the same nature with the same counterpart within one year.</li> <li>3. The cumulative amount in the acquisition or disposal (cumulated in acquisition and disposal respectively) of real estate under the same development plan within one year.</li> <li>4. The cumulative amount in the acquisition or disposal (cumulated in acquisition and disposal respectively) of the same negotiable securities within one year.</li> </ol>	
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	<p>disposal respectively) of real estate under the same development plan within one year.</p> <p>4. The cumulative amount in the acquisition or disposal (cumulated in acquisition and disposal respectively) of the same negotiable securities within one year.</p> <p>II. When the items due to be announced by the Company as required should be supplemented and corrected due to the mistake or omission upon announcement, all items shall be announced and reported again <u>within two days as of the day of knowing such mistake or omission.</u></p> <p>III. After the Company has made announcement and report according to the stipulated in Paragraph I, in case of any one of the following circumstances, the Company shall input relevant information into the information reporting website designated by competent authority in specified format and content within two days as of the occurrence date:</p> <ol style="list-style-type: none"> <li>1. Change, termination or rescission of relevant contracts signed for original transaction.</li> <li>2. Merger, division, acquisition or assignment of share fails to be accomplished according to the schedule agreed in the</li> </ol>	<p>II. II. When the items due to be announced by the Company as required should be supplemented and corrected due to the mistake or omission upon announcement, all items shall be announced and reported again.</p> <p>III. After the Company has made announcement and report according to the stipulated in Paragraph I, in case of any one of the following circumstances, the Company shall input relevant information into the information reporting website designated by competent authority in specified format and content within two days as of the occurrence date:</p> <ol style="list-style-type: none"> <li>1. Change, termination or rescission of relevant contracts signed for original transaction.</li> <li>2. Merger, division, acquisition or assignment of share fails to be accomplished according to the schedule agreed in the contract.</li> <li>3. Change of contents originally announced and reported.</li> </ol>	
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	<p>contract.</p> <p>3. Change of contents originally announced and reported.</p>		
Article 19	<p>(Amendment date)</p> <p>These Regulations are amended on <u>June 7, 2017</u>.</p>	<p>(Amendment date)</p> <p>These Regulations are amended on <del>June 12, 2015</del>.</p>	<p>Update the amendment date.</p>

**SYNNEX TECHNOLOGY INTERNATIONAL  
CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
REPORT OF INDEPENDENT ACCOUNTANTS  
DECEMBER 31, 2016 AND 2015**

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

SYNNEX TECHNOLOGY INTERNATIONAL

CORPORATION AND ITS SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2016, 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 17, 2017

## **Report of Independent Accountant Translated From Chinese**

PWCR16000355

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, 2016 and 2015, 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, 2016 and 2015, 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

## ***Key audit 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 judgment 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 judgment on historical uncollectible records and makes adjustments in accordance with current economic conditions. As management's judgment on determining allowance for uncollectible accounts is relatively subjective and the estimated amount is material to the financial statements, therefore, we indicated that the assessment of allowance for uncollectible accounts as one of the key audit matters.

#### How our audit addressed the matter

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 assesment 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 the Group's allowance for inventory valuation losses are mainly caused by loss on decline in market value, the valuation involves subjective judgment 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 are obtained due to decline in market value, 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 item and checked its supporting document in order to assess the reasonableness of estimation.
3. First, sampled details of purchased 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 \$1,388,665 thousand and \$1,472,480 thousand, constituting 1% and 1% of the total consolidated assets as of December 31, 2016 and 2015, 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, 2016 and 2015 is based solely on the reports of the other independent accountants. Among the investees, certain investees financial reports 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 \$1,457,700 thousand and \$1,322,836 thousand for the years ended December 31, 2016 and 2015, respectively, constituting 28% and 39% 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 \$1,277,236 thousand and \$1,216,660 thousand, constituting 53% and 39% of consolidated total comprehensive income for the years then ended, respectively. The balance of related long-term equity investments amounted to \$11,063,339 thousand and \$10,382,364 thousand, constituting 9% and 8% of the total consolidated assets as of December 31, 2016 and 2015, 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, 2016 and 2015.

***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 judgment 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 17, 2017

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2016		December 31, 2015	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 7,474,322	6	\$ 13,898,657	11
1110	Financial assets at fair value through profit or loss-current	6(2)	534,178	1	424,108	-
1125	Available-for-sale financial assets-current	6(3)	1,506,147	1	1,415,009	1
1150	Notes receivable-net	6(5)	7,685,827	6	8,187,190	6
1160	Notes receivable-related parties-net	7	240	-	-	-
1170	Accounts receivable-net	6(6)	40,830,646	32	38,147,636	28
1180	Accounts receivable-related parties-net	7	384,225	-	104,175	-
1200	Other receivables	6(8)	7,344,037	6	7,723,546	6
1210	Other receivables-related parties	7	590	-	62,718	-
1220	Current tax assets	6(29)	222,828	-	172,509	-
130X	Inventories, net	6(9)	33,648,105	26	35,258,681	26
1410	Prepayments		2,394,068	2	2,769,713	2
1470	Other current assets	8	158,110	-	466,222	1
11XX	<b>Total current assets</b>		<u>102,183,323</u>	<u>80</u>	<u>108,630,164</u>	<u>81</u>
<b>Non-current assets</b>						
1523	Available-for-sale financial assets-noncurrent	6(3)	51,269	-	18,290	-
1543	Financial assets measured at cost-noncurrent	6(4)	1,723,497	1	1,805,312	2
1550	Investments accounted for under the equity method	6(10)	11,132,423	9	11,161,302	8
1600	Property, plant and equipment, net	6(11)	6,835,286	5	7,060,838	5
1760	Investment property, net	6(12)	1,331,010	1	1,511,552	1
1780	Intangible assets	6(13)	702,559	1	449,841	-
1840	Deferred income tax assets	6(29)	1,307,316	1	1,188,197	1
1900	Other non-current assets	6(6)(14) and 8	2,564,487	2	2,962,022	2
15XX	<b>Total non-current assets</b>		<u>25,647,847</u>	<u>20</u>	<u>26,157,354</u>	<u>19</u>
1XXX	<b>Total assets</b>		<u>\$ 127,831,170</u>	<u>100</u>	<u>\$ 134,787,518</u>	<u>100</u>

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2016		December 31, 2015	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(15)	\$ 38,687,813	30	\$ 47,654,101	36
2110	Short-term notes and bills payable	6(16)	5,420,000	4	5,300,000	4
Financial liabilities at fair value through profit or loss						
2120	-current	6(2)	-	-	7,684	-
2150	Notes payable	7	1,564,010	1	1,252,099	1
2170	Accounts payable		29,540,632	23	28,783,381	21
2180	Accounts payable-related parties	7	-	-	12,196	-
2200	Other payables	6(17)	6,749,042	6	5,842,171	4
2220	Other payables-related parties	7	3,953	-	8,809	-
2230	Current income tax liabilities	6(29)	1,043,353	1	1,229,110	1
2300	Other current liabilities		314,517	-	255,156	-
21XX	<b>Total current liabilities</b>		<u>83,323,320</u>	<u>65</u>	<u>90,344,707</u>	<u>67</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(29)	144,304	-	111,979	-
2600	Other non-current liabilities	6(18)	481,050	1	455,540	-
25XX	<b>Total non-current liabilities</b>		<u>625,354</u>	<u>1</u>	<u>567,519</u>	<u>-</u>
2XXX	<b>Total liabilities</b>		<u>83,948,674</u>	<u>66</u>	<u>90,912,226</u>	<u>67</u>
<b>Equity attributable to owners of parent</b>						
<b>Share capital</b>						
		6(19)				
3110	Share capital-common stock		16,679,470	13	15,885,209	12
<b>Capital surplus</b>						
		6(20)				
3200	Capital surplus		14,196,063	11	14,139,722	10
<b>Retained earnings</b>						
		6(21)				
3310	Legal reserve		6,415,402	5	6,096,802	5
3320	Special reserve		126,513	-	-	-
3350	Unappropriated retained earnings		7,992,064	6	6,823,082	5
<b>Other equity interest</b>						
		6(22)				
3400	Other equity interest		( 2,837,318)	( 2)	( 126,513)	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>42,572,194</u>	<u>33</u>	<u>42,818,302</u>	<u>32</u>
36XX	<b>Non-controlling interest</b>		<u>1,310,302</u>	<u>1</u>	<u>1,056,990</u>	<u>1</u>
3XXX	<b>Total equity</b>		<u>43,882,496</u>	<u>34</u>	<u>43,875,292</u>	<u>33</u>
<b>Significant contingent liabilities and unrecognized contract commitments</b>						
		9				
3X2X	<b>Significant events after the balance sheet date</b>	11				
<b>Total liabilities and equity</b>			<u>\$ 127,831,170</u>	<u>100</u>	<u>\$ 134,787,518</u>	<u>100</u>

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

See report of independent accountants dated March 17, 2017.



SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Share capital- common stock	Capital surplus	Retained earnings			Other equity interest		Total	Non-controlling interest	Total equity
				Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain or loss on available -for-sale financial assets			
<b>2015</b>											
Balance at January 1, 2015		\$ 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
Appropriations of 2014 earnings	6(21)										
Provision for legal reserve		-	-	502,409	-	( 502,409)	-	-	-	-	-
Provision for special reserve		-	-	-	( 1,965,774)	1,965,774	-	-	-	-	-
Distribution of cash dividend		-	-	-	-	( 5,242,119)	-	-	( 5,242,119)	-	( 5,242,119)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	( 192,135)	-	-	-	-	-	( 192,135)	-	( 192,135)
Other comprehensive loss for 2015	6(22)	-	-	-	-	( 9,863)	( 132,916)	( 117,486)	( 260,265)	( 57,527)	( 317,792)
Net income for 2015		-	-	-	-	3,185,995	-	-	3,185,995	232,682	3,418,677
Balance at December 31, 2015		<u>\$ 15,885,209</u>	<u>\$ 14,139,722</u>	<u>\$ 6,096,802</u>	<u>\$ -</u>	<u>\$ 6,823,082</u>	<u>(\$ 66,998)</u>	<u>(\$ 59,515)</u>	<u>\$ 42,818,302</u>	<u>\$ 1,056,990</u>	<u>\$ 43,875,292</u>
<b>2016</b>											
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 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>

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

See report of independent accountants dated March 17, 2017.

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2016	2015
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before income tax for the year		\$ 5,725,477	\$ 3,737,552
Adjustments to reconcile profit before income tax to net cash (used in) provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(11)(27)	347,261	310,258
Amortization	6(13)(27)	57,596	31,981
Amortization of land use rights	6(14)	21,610	-
Provision for bad debts expense	6(5)(6)	379,780	1,050,386
Net loss (gain) on financial assets/liabilities at fair value through profit or loss	6(2)(25)	( 103,820)	( 18,437)
Decline in (gain from reversal of) market value and loss for obsolete and slow-moving inventories	6(9)	13,408	( 40,569)
Loss on obsolescence	6(9)	5,941	5,449
Interest expense	6(26)	656,692	831,145
Interest income	6(24)	( 429,641)	( 1,027,500)
Dividend income	6(24)	( 143,936)	( 124,749)
Loss (gain) on disposal of financial assets	6(25)	( 135,699)	-
Impairment loss on financial assets	6(25)	40,000	85,000
Share of profit of associates and joint ventures accounted for under the equity method	6(10)	( 1,462,960)	( 1,404,223)
Cash dividends on investments accounted for under the equity method		302,920	282,889
Loss (gain) on disposal of investments accounted for under the equity method		( 127,709)	-
Loss on remeasurement recognition of investments accounted for under the equity method at fair value	6(25)(31)	42,359	-
Loss (gain) on disposal of property, plant and equipment and investment property	6(25)	303	12,739
Depreciation of investment property	6(12)	62,411	63,942
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		( 13,934)	( 391,320)
Notes and accounts receivable		( 545,345)	( 1,181,364)
Inventories		2,210,520	( 4,041,646)
Other receivables		483,004	( 314,521)
Prepayments		393,035	4,582
Other current assets		334,430	251,729
Overdue receivables		( 71,577)	( 883,799)
Long-term lease and installment receivables		22,988	-
Net changes in liabilities relating to operating activities			
Notes and accounts payable		438,042	( 651,601)
Other payables		730,522	( 722,012)
Other current liabilities		52,330	( 69,505)
Other non-current liabilities		36,557	12,049
Cash inflow (outflow) generated from operations		9,322,565	( 4,191,545)
Interest paid		( 667,896)	( 834,406)
Interest received		429,641	1,027,500
Dividend received		143,936	124,749
Income tax paid		( 972,001)	( 926,725)
Net cash provided by (used in) operating activities		<u>8,256,245</u>	<u>( 4,800,427)</u>

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2016 AND 2015

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31,	
		2016	2015
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from disposal of available-for-sale financial assets		\$ 232,517	\$ -
Proceeds from capital reduction of financial assets carried at cost		114,827	800
Proceeds from disposal of investments accounted for using equity method		250,357	-
Net cash flow from acquisition of subsidiaries (net of cash acquired)	6(31)	( 945,088)	-
Acquisition of property, plant and equipment		( 513,982)	( 970,911)
Proceeds from disposal of property, plant and equipment and investment property		7,780	34,353
Increase in investment property		( 438)	( 3,969)
Acquisition of intangible assets	6(33)	( 86,271)	( 31,287)
(Increase) decrease in refundable deposits		( 465,345)	19,621
Decrease (increase) in restricted time deposits		799,858	( 202,397)
(Increase) decrease in other non-current assets		( 132,281)	4,535
Net cash used in investing activities		<u>( 738,066)</u>	<u>( 1,149,255)</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term loans		( 9,216,677)	7,687,743
Decrease in short-term notes and bills payable		( 180,000)	( 1,130,000)
Decrease in guarantee deposits received		( 31,642)	( 68,873)
Decrease in long-term loans		-	( 4,041,750)
Payment of cash dividends	6(21)	( 2,382,781)	( 5,242,119)
Net cash (used in) provided by financing activities		<u>( 11,811,100)</u>	<u>( 2,794,999)</u>
Effects of changes in foreign exchange rates		<u>( 2,131,414)</u>	<u>11,150</u>
Decrease in cash and cash equivalents		( 6,424,335)	( 8,733,531)
Cash and cash equivalents at beginning of the year		13,898,657	22,632,188
Cash and cash equivalents at end of the year		<u><u>█ \$ 7,474,322</u></u>	<u><u>█ \$ 13,898,657</u></u>

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

See report of independent accountants dated March 17, 2017.