

**Synnex (Thailand) Public Company Limited
and its Subsidiary**

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report



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Independent Auditor's Report

To the shareholders of Synnex (Thailand) Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Synnex (Thailand) Public Company Limited and its subsidiary ("the Group"), and of Synnex (Thailand) Public Company Limited ("the Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to be 'Bunyarit Thanormcharoen'.

(Bunyarit Thanormcharoen)
Certified Public Accountant
Registration No. 7900

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2015

Synnex (Thailand) Public Company Limited and its Subsidiary
Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2014	2013	2014	2013
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	64,944,557	93,726,692	42,951,163	85,263,493
Trade accounts receivable	6	2,822,616,986	2,393,515,389	2,829,513,411	2,386,664,588
Inventories	7	1,947,918,431	1,360,374,869	1,940,389,442	1,349,725,752
Rebate receivable		257,729,429	261,449,923	257,729,429	261,449,923
Short-term loan to subsidiary	4	-	-	30,000,000	-
Other current assets	8	100,787,621	78,869,257	81,208,325	78,501,175
Total current assets		5,193,997,024	4,187,936,130	5,181,791,770	4,161,604,931
<i>Non-current assets</i>					
Investment in subsidiary	9	-	-	9,000,000	8,000,000
Other long-term investment	10	20,618,568	18,474,028	19,618,568	17,474,028
Property, plant and equipment	11	330,080,355	352,302,275	320,434,351	350,841,341
Deferred tax assets	12	83,502,412	76,429,796	82,791,637	76,061,533
Others non-current assets		19,080,303	19,495,679	19,022,842	19,422,547
Total non-current assets		453,281,638	466,701,778	450,867,398	471,799,449
Total assets		5,647,278,662	4,654,637,908	5,632,659,168	4,633,404,380

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

Synnex (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity	Note	2014	2013	2014	2013
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	13	1,646,908,905	532,081,999	1,646,908,905	532,081,999
Trade accounts payable	14	1,401,889,949	1,632,355,264	1,397,971,468	1,630,584,415
Other payables	15	67,278,576	52,961,075	68,615,972	54,225,640
Current portion of long-term loans	13	120,000,000	120,000,000	120,000,000	120,000,000
Short-term loan from subsidiary	13	-	-	-	20,000,000
Income tax payable		5,939,585	3,229,672	5,939,584	2,914,793
Accrued expenses	16	190,162,423	145,293,117	188,159,509	138,839,511
Other current liabilities		11,877,484	28,288,709	10,970,201	25,988,329
Total current liabilities		3,444,056,922	2,514,209,836	3,438,565,639	2,524,634,687
Non-current liabilities					
Long-term loans from financial institutions	13	18,500,000	38,500,000	18,500,000	38,500,000
Employee benefit obligations	17	32,948,087	28,780,138	31,684,983	27,013,696
Other non-current liabilities		21,386,658	16,267,663	21,380,047	16,261,052
Total non-current liabilities		72,834,745	83,547,801	71,565,030	81,774,748
Total liabilities		3,516,891,667	2,597,757,637	3,510,130,669	2,606,409,435
Equity					
Share capital:	18				
Authorised share capital		800,000,000	800,000,000	800,000,000	800,000,000
Issued and paid-up share capital		770,328,649	770,328,649	770,328,649	770,328,649
Additional paid in capital:					
Premium on ordinary shares	18	350,872,541	350,872,541	350,872,541	350,872,541
Surplus on treasury shares		52,835,830	52,835,830	52,835,830	52,835,830
Retained earnings					
Appropriated					
Legal reserve	19	80,000,000	80,000,000	80,000,000	80,000,000
Unappropriated		862,648,038	797,550,621	861,771,838	767,665,295
Other components of equity		7,242,849	5,292,630	6,719,641	5,292,630
Equity attributable to owners of the Company		2,123,927,907	2,056,880,271	2,122,528,499	2,026,994,945
Non-controlling interests		6,459,088	-	-	-
Total equity		2,130,386,995	2,056,880,271	2,122,528,499	2,026,994,945
Total liabilities and equity		5,647,278,662	4,654,637,908	5,632,659,168	4,633,404,380

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

Synnex (Thailand) Public Company Limited and its Subsidiary
Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
Note	2014	2013	2014	2013	
		(in Baht)			
Income from operations					
Revenue from sale of goods	4	19,069,243,799	18,740,594,587	19,039,911,424	18,707,689,011
Revenue from rendering of services	4	22,749,012	18,281,865	15,952,705	12,237,617
Total income		19,091,992,811	18,758,876,452	19,055,864,129	18,719,926,628
Cost of operations					
Cost of sale of goods	4, 23	(18,290,285,604)	(17,797,204,881)	(18,271,741,398)	(17,781,869,787)
Cost of rendering of services		(9,500,624)	(8,863,424)	(4,957,045)	(5,485,411)
Total cost		(18,299,786,228)	(17,806,068,305)	(18,276,698,443)	(17,787,355,198)
Gross profit		792,206,583	952,808,147	779,165,686	932,571,430
Gain on exchange rate		53,997,334	42,672,148	54,075,664	42,738,658
Dividend received	4	794,274	-	31,414,929	-
Other income	4	21,001,581	14,497,561	23,053,841	16,152,441
Profit before expenses		867,999,772	1,009,977,856	887,710,120	991,462,529
Selling expenses	23	(299,598,111)	(294,817,483)	(297,289,651)	(290,365,789)
Administrative expenses	23	(293,199,015)	(384,697,545)	(287,169,722)	(381,085,945)
Key management personnel compensation	4	(28,216,000)	(30,862,800)	(28,216,000)	(30,862,800)
Finance cost	24	(22,205,901)	(23,334,496)	(22,225,079)	(23,625,113)
Total expenses		(643,219,027)	(733,712,324)	(634,900,452)	(725,939,647)
Profit before income tax expense		224,780,745	276,265,532	252,809,668	265,522,882
Income tax expense	25	(43,672,646)	(54,422,351)	(43,153,829)	(52,271,979)
Profit for the year		181,108,099	221,843,181	209,655,839	213,250,903
Other comprehensive income					
Gain (loss) from revaluation of available-for-sale investment	10	2,144,540	(5,228,970)	2,144,540	(5,228,970)
Defined benefit plan actuarial gains (losses)	17	293,234	-	(360,775)	-
Income tax on other comprehensive income	12	(487,555)	1,045,794	(356,754)	1,045,794
Total other comprehensive income for the year		1,950,219	(4,183,176)	1,427,011	(4,183,176)
Total comprehensive income for the year		183,058,318	217,660,005	211,082,850	209,067,727
Profit (loss) attributable to:					
Owners of the Company		181,897,702	221,843,181	209,655,839	213,250,903
Non-controlling interests		(789,603)	-	-	-
Profit for the year		181,108,099	221,843,181	209,655,839	213,250,903
Total comprehensive income attributable to:					
Owners of the Company		183,847,921	217,660,005	211,082,850	209,067,727
Non-controlling interests		(789,603)	-	-	-
Profit for the year		183,058,318	217,660,005	211,082,850	209,067,727
Basic earnings per share (in Baht)	26	0.24	0.29	0.27	0.28

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

Synnex (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

Consolidated financial statements									
		Retained earnings				Other components of equity			
		Issued and paid-up share capital	Share premium	Surplus on treasury shares	Advance received for ordinary share subscription fee	Legal reserve	Unappropriated investment	Fair value changes in available-for-sale investment	Total equity
	Note								
(in Baht)									
Year ended 31 December 2013									
Balance at 1 January 2013		693,450,275	342,353,915	52,835,830	6,850,160	70,500,000	808,117,056	9,475,806	1,983,583,042
Transactions with owners, recorded directly in equity									
Contributions by and distributions									
to owners of the Company									
Shares options exercised	18, 20	7,219,175	8,518,626	-	(15,737,801)	-	-	-	-
Advance received for ordinary share subscription fee during the year	20	-	-	-	8,887,641	-	-	-	8,887,641
Dividends to owners of the Company	27	69,659,199	-	-	-	-	(222,909,616)	-	(153,250,417)
Total contributions by and distributions to owners of the Company		76,878,374	8,518,626	-	(6,850,160)	-	(222,909,616)	-	(144,362,776)
Comprehensive income for the year									
Profit		-	-	-	-	-	221,843,181	-	221,843,181
Other comprehensive income		-	-	-	-	-	-	(4,183,176)	(4,183,176)
Total comprehensive income for the year		-	-	-	-	-	221,843,181	(4,183,176)	217,660,005
Transfer to legal reserve									
Balance at 31 December 2013	19	770,328,649	350,872,541	52,835,830	-	80,000,000	797,550,621	5,292,630	2,056,880,271

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

Synnex (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

Consolidated financial statements										
		Retained earnings		Other components of equity						
				Fair value changes in available-for-sale investment	Defined benefit plan actuarial gains	Total other components of equity	Non-controlling interests	Total equity		
				Unappropriated						
				(in Bakh)						

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

Synnex (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

Separate financial statements								
Note	Issued and paid-up share capital	Share premium	Surplus on treasury shares	Advance received for ordinary share subscription fee	Retained earnings		Other components of equity	Total equity
					Legal reserve	Unappropriated investment		
(in Baht)								
Year ended 31 December 2013								
	693,450,275	342,353,915	52,835,830	6,850,160	70,500,000	786,824,008	9,475,806	1,962,289,994
Balance at 1 January 2013								
Transactions with owners, recorded directly in equity								
Contributions by and distributions								
to owners of the Company								
18, 20	7,219,175	8,518,626	-	(15,737,801)	-	-	-	-
20	-	-	-	8,887,641	-	-	-	8,887,641
27	69,659,199	-	-	-	-	(222,909,616)	-	(153,250,417)
Total contributions by and distributions								
to owners of the Company								
	76,878,374	8,518,626	-	(6,850,160)	-	(222,909,616)	-	(144,362,776)
Comprehensive income for the year								
Profit	-	-	-	-	-	213,250,903	-	213,250,903
Other comprehensive income	-	-	-	-	-	-	(4,183,176)	(4,183,176)
Total comprehensive income								
for the year								
	-	-	-	-	-	213,250,903	(4,183,176)	209,067,727
Transfer to legal reserve								
19	-	-	-	-	9,500,000	(9,500,000)	-	-
Balance at 31 December 2013								
	770,328,649	350,872,541	52,835,830	-	80,000,000	767,665,295	5,292,630	2,026,994,945

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

Synnex (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity

		Separate financial statements						
Note	Issued and paid-up share capital	Retained earnings			Other components of equity			
		Share premium	Surplus on treasury shares	Legal reserve	Unappropriated (in Baht)	Fair value changes in available-for-sale investment	Defined benefit plan actuarial losses	Total other components of equity
Year ended 31 December 2014	770,328,649	350,872,541	52,835,830	80,000,000	767,665,295	5,292,630	-	5,292,630
Balance at 1 January 2014								2,026,994,945
Transactions with owners, recorded directly in equity								
Distributions to owners of the Company								
Dividends to owners of the Company	-	-	-	-	(115,549,296)	-	-	(115,549,296)
Total distributions to owners of the Company	-	-	-	-	(115,549,296)	-	-	(115,549,296)
Comprehensive income for the year								
Profit	-	-	-	-	209,655,839	-	-	209,655,839
Other comprehensive income	-	-	-	-	-	1,715,632	(288,621)	1,427,011
Total comprehensive income for the year	-	-	-	-	209,655,839	1,715,632	(288,621)	211,082,850
Balance at 31 December 2014	770,328,649	350,872,541	52,835,830	80,000,000	861,771,838	7,008,262	(288,621)	2,122,528,499

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

Synnex (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
Note	2014	2013	2014	2013
	(in Baht)			
Cash flows from operating activities				
Profit for the year	181,108,099	221,843,181	209,655,839	213,250,903
Adjustments for				
Depreciation and amortisation	42,567,205	41,884,852	40,775,556	40,623,100
Gain from current investment	(370)	(68,824)	(71)	(12,367)
Interest income	(519,263)	(7,373,115)	(407,060)	(7,284,318)
Dividend income	(794,274)	-	(31,414,929)	-
Finance cost	22,205,901	23,334,496	22,225,079	23,625,113
Unrealised loss on exchange	1,172,522	22,986,135	1,172,524	22,935,018
Bad and doubtful debts expense	45,669,548	140,900,283	45,577,405	140,900,283
Reversal of allowance for decline in value of inventories	(10,223,444)	(41,030,220)	(12,347,203)	(41,030,220)
(Gain) loss on disposal of property, plant and equipment	(865,434)	745,941	(864,390)	745,941
Employee benefit expense	4,461,183	3,724,584	4,310,512	3,425,880
Inventory donation expense	11,050,362	7,557,509	11,050,362	7,557,509
Income tax expense	43,672,646	54,422,351	43,153,829	52,271,979
	339,504,681	468,927,173	332,887,453	457,008,821
Changes in operating assets and liabilities				
Trade accounts receivable	(474,551,090)	79,986,128	(488,206,174)	80,371,338
Inventories	(588,370,480)	235,195,551	(589,366,849)	238,733,381
Rebate receivable	3,720,494	5,615,244	3,720,494	5,615,244
Other current assets	(20,825,267)	(25,312,925)	(2,720,516)	(25,091,970)
Other non-current assets	(1,929,968)	(4,208,740)	(1,905,968)	(4,245,843)
Trade accounts payable	(231,857,892)	261,290,246	(234,005,524)	261,203,089
Other payables	14,317,501	28,448,475	14,390,332	28,161,687
Accrued expenses	43,276,566	(21,283,780)	47,727,258	(21,448,875)
Other current liabilities	(16,411,225)	4,923,954	(15,018,128)	3,387,912
Other non-current liabilities	5,118,995	641,342	5,118,995	641,341
Cash (used in) from operating activities	(928,007,685)	1,034,222,668	(927,378,627)	1,024,336,125
Income tax paid	(49,685,825)	(116,190,252)	(47,215,896)	(114,295,017)
Net cash (used in) from operating activities	(977,693,510)	918,032,416	(974,594,523)	910,041,108
Cash flows from investing activities				
Interest received	519,263	7,373,115	407,060	7,284,318
Dividends received	794,274	-	31,414,929	-
Purchase of current investment	-	(90,001,000)	-	(80,001,000)
Sale of current investment	70,194	90,000,000	13,437	80,000,000
Purchase of other long-term investment	-	(5,302,317)	-	(4,302,317)
Purchase of property, plant and equipment	(18,831,080)	(88,234,522)	(8,874,625)	(87,697,951)
Sale of property, plant and equipment	1,722,633	4,630,448	1,702,182	4,630,448
Purchase of intangible assets	(26,060)	-	(26,060)	-
Loan to subsidiary	-	-	(30,000,000)	-
Net cash outflow on acquisition of subsidiary	-	-	(1,000,000)	-
Net cash from used in investing activities	(15,750,776)	(81,534,276)	(6,363,077)	(80,086,502)

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

Synnex (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2014	2013	2014	2013
		(in Baht)			
Cash flows from financing activities					
Increase (decrease) in bank overdrafts and short-term loans from financial institutions		1,114,826,906	(569,204,705)	1,114,826,906	(569,204,705)
Interest paid		(20,613,161)	(24,316,483)	(20,632,339)	(24,607,100)
Dividends paid to owners of the Company		(115,551,594)	(153,250,417)	(115,549,297)	(153,250,417)
Proceeds from exercise of shares options		-	15,737,801	-	15,737,801
Proceeds from borrowings from financial institutions		120,000,000	80,000,000	120,000,000	80,000,000
Repayment of borrowings from financial institutions		(140,000,000)	(120,000,000)	(140,000,000)	(120,000,000)
Proceeds from borrowings from subsidiary		-	-	-	20,000,000
Repayment of borrowings from subsidiary		-	-	(20,000,000)	(10,000,000)
Decrease in advance received for ordinary share subscription fee		-	(6,850,160)	-	(6,850,160)
Proceeds from increase in ordinary shares of subsidiary		6,000,000	-	-	-
Net cash from (used in) financing activities		964,662,151	(777,883,964)	938,645,270	(768,174,581)
Net (decrease) increase in cash and cash equivalents		(28,782,135)	58,614,176	(42,312,330)	61,780,025
Cash and cash equivalents at 1 January		93,726,692	35,112,516	85,263,493	23,483,468
Cash and cash equivalents at 31 December	5	64,944,557	93,726,692	42,951,163	85,263,493
Non-cash transactions					
Share dividends paid		-	69,659,199	-	69,659,199
Increase (decrease) in fair value of available-for-sale investment		2,144,540	(5,228,970)	2,144,540	(5,228,970)
Decrease (increase) in defined benefit plan actuarial gains (losses)		(293,234)	-	360,775	-

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

Synnex (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

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Synnex (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 25 February 2015.

1 General information

Synnex (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 433 Sukontasawat Road, Lardprao, Lardprao, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand on 30 November 2007.

The Company’s major shareholders during the financial year were T.K.S. Technology Public Company Limited (38.51% shareholding) and King’s Eye Investment Ltd. (34.99% shareholding) incorporated in Thailand and British Virgin Islands, respectively.

The principal activities of the Company are the importation and distribution of computer equipment. Details of the Company’s subsidiary as at 31 December 2014 and 2013 are given in notes 4 and 9.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 10	Interim Financial Reporting and Impairment

The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

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Notes to the financial statements

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 31.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for which is available-for-sale financial assets are measured at fair value.

(c) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3(p)	Current and deferred taxation
Note 17	Measurement of defined benefit obligations

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Subsidiary

Subsidiary is entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiary have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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Notes to the financial statements

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group entities at exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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Notes to the financial statements

(f) Investments

Investments in subsidiary

Investments in subsidiary in the separate financial statements of the Company are accounted for using the cost method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

The fair value of financial instruments classified as held for trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(g) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Notes to the financial statements

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	5 - 20 years
Machinery and equipment	5 - 10 years
Computer	3 - 5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years
Leasehold improvement	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

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Notes to the financial statements

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at cost.

(j) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(k) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

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Notes to the financial statements

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee Joint Investment Program

The Group operates Employee Joint Investment Program for the Group's employees to purchase the Company's shares through Employee Joint Investment Program, being a defined contribution plan, the assets for which are held in a separate agent. The Program is funded by payments from employees and by the Group. The Group's contributions to the Program are charged to the profit or loss in the year to which they relate.

(l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Investments

Revenue from investments comprises dividend and interest income from bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

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Notes to the financial statements

(n) Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

(o) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(p) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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Notes to the financial statements

In determining the amount of current tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(r) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and tax assets and liabilities.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with subsidiary is described in notes 9. Relationship with other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
T.K.S. Technologies Public Co., Ltd.	Thailand	Major shareholders, 38.51% shareholding
King's Eye Investment Ltd.	British Virgin Islands	Major shareholders, 34.99% shareholding
T.K.S Siam Press Management Co., Ltd.	Thailand	Mutual shareholding
Synnex Global Ltd.	British Virgin Islands	Indirect shareholding via King's Eye Investment Ltd.
Synnex Technology International Corporation	Taiwan	Indirect shareholding via King's Eye Investment Ltd.

Synnex (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

The pricing policies for particular types of transactions with related parties were explained further below:

Transactions	Pricing policies
Sale of goods	Market price
Rendering of service	Market price
Purchase of goods	Market price
Receiving of services	Market price
Interest received	2.5% per annum
Technical assistance and other service expense	Contractually agreed prices
Interest expense	2.5% per annum

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Sale of goods and rendering of service	-	-	56,912	44,764
Purchases of goods and receiving of service	-	-	2,222	1,067
Interest received	-	-	218	-
Dividend received	-	-	30,621	-
Technical assistance and other service expense	-	-	15,160	15,661
Interest expense	-	-	19	291
Other income	-	-	1,962	1,800
Key management personnel				
Short-term employee benefit	28,216	30,863	28,216	30,863
Other related parties				
Sale of goods or rendering of service	9,465	15,116	5,966	8,522
Purchases of goods or receiving of service	231,584	213,834	231,555	213,662
Printing services	8,872	11,263	8,872	11,263
Warehouse management expense	5,778	5,276	5,778	5,276
Technical assistance and other service expense	1,969	2,918	1,969	2,918
Dividend paid	84,928	164,709	84,928	164,709
Other income	-	64	-	64

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Prism Solutions Co., Ltd.	-	-	21,811	1,150
Other related parties				
T.K.S. Siam Press Management Co., Ltd.	1,174	928	37	916
T.K.S. Technologies Public Co., Ltd.	34	-	34	-
Total	1,208	928	21,882	2,066

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Notes to the financial statements

Trade accounts payable - related parties		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Subsidiary					
Prism Solutions Co., Ltd.		-	-	134	14
Other related parties					
T.K.S. Technologies Public Co., Ltd.		19,420	27,455	19,420	27,455
T.K.S. Siam Press Management Co., Ltd.		2,768	1,167	2,768	1,167
Total		22,188	28,622	22,322	28,636
Other payables - related parties					
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Subsidiary					
Prism Solutions Co., Ltd.		-	-	1,337	1,265
Other related parties					
T.K.S. Siam Press Managements Co., Ltd.		1,788	1,355	1,788	1,355
Synnex Global Ltd.		1,854	2,768	1,854	2,768
Synnex Technologies International Corporation		115	149	115	149
Total		3,757	4,272	5,094	5,537
Accrued expense - related parties					
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Subsidiary					
Prism Solutions Co., Ltd.		-	-	975	116
Other related party					
T.K.S. Siam Press Managements Co., Ltd.		489	366	489	366
Total		489	366	1,464	482
Loans to subsidiary					
	Interest rate	Consolidated financial statements		Separate financial statements	
	2014 2013	2014	2013	2014	2013
	<i>(% per annum)</i>	<i>(in thousand Baht)</i>			
Prism Solutions Co., Ltd.	2.5	-	-	30,000	-
Total		-	-	30,000	-

Movements during the years ended 31 December of loans to subsidiary was as follows:

Loans to subsidiary		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
At 1 January		-	-	-	-
Increase		-	-	30,000	-
At 31 December		-	-	30,000	-

Synnex (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

<i>Loans from subsidiary</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013	2014	2013
	<i>(% per annum)</i>				<i>(in thousand Baht)</i>	
Prism Solutions Co., Ltd.	-	2.5	-	-	-	20,000
Total			-	-	-	20,000

Movements during the years ended 31 December of loans from subsidiary was as follows:

<i>Loans from subsidiary</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	-	-	20,000	10,000
Increase	-	-	-	20,000
Decrease	-	-	(20,000)	(10,000)
At 31 December	-	-	-	20,000

Significant agreements with related parties

Trademark license agreement

On 11 December 2007, the Company entered into a new “Trademark Licensing Agreement” with Synnex Global Ltd. which became effective from the year 2008 onwards. The Company would be able to use the trademark without incurring any expenses when the Synnex group (holding shares via King’s Eye Investment Ltd.) holds at least 20% of the Company’s total paid-up registered share capital and without any written intention for the Company to cease the usage of the trademark from the Synnex group.

Software usage and maintenance service agreement

On 11 December 2007, the Company entered into a new “Software Usage and Maintenance Service Agreement” with Synnex Global Ltd. under which no compensation is charged from software usage. However, the consulting service is charged monthly at the rate stipulated in the agreement. The Company would be able to use the software and receive maintenance service under the agreement when the Synnex group (holding shares via King’s Eye Investment Ltd.) holds at least 20% of the Company’s total paid-up registered share capital. Later on 31 August 2014, the Company had agreed to terminate the usage of “Global” software system from the Synnex group.

Technical assistance agreement

The Company entered into a service agreement with Prism Solution Co., Ltd. to promote sales of products technically (both before and after sales), which the Company is a distributor. The Company has to pay service fee monthly that is calculated at 7% of total sales of the Company (2013: 7%) and service out of the office which after January 2014 the Company has to pay monthly fee of Baht 0.14 million (2013: Baht 0.14 million). The agreement term is for 1 year starting from 1 January 2014 to 31 December 2014.

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Notes to the financial statements

Office service agreement and rental of building agreement

The Company entered into agreement to provide office service including equipment and utilities with Prism Solutions Co., Ltd., which in the years 2014 and 2013 the Company has to receive monthly fee of Baht 0.15 million. The agreement term is for 1 year starting from 1 January to 31 December of each year and is automatically renewed unless either party gives notice or intention to terminate the agreement. Later on 31 August 2014, the Company has already terminated the agreement and entered into agreement to provide building rental to Prism Solutions Co., Ltd., which the agreement is made yearly with a rental fee of Baht 0.19 million per month. The agreement term is for 1 year starting from 1 September 2014 to 31 August 2015.

Memorandum of agreement for warehouse management

The Company entered into a memorandum of agreement for warehouse management and transport and delivery of goods with T.K.S. Siam Press Management Co., Ltd. for the period of 3 years commencing from 1 September 2011 until 31 August 2014. The Company has to pay the service fee monthly, which for the years 2014 and 2013 the service fee is calculated at 2.00% - 3.00% of sales price excluding value added tax, respectively.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	1,205	646	1,154	612
Cash at banks - current accounts	15,157	48,632	15,157	48,632
Cash at banks - savings accounts	48,583	44,448	26,640	36,019
Total	64,945	93,726	42,951	85,263

Cash and cash equivalents of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	1,208	928	21,882	2,066
Other parties		3,173,089	2,699,563	3,159,219	2,691,575
Total		3,174,297	2,700,491	3,181,101	2,693,641
Less allowance for doubtful accounts		(351,680)	(306,976)	(351,588)	(306,976)
Net		2,822,617	2,393,515	2,829,513	2,386,665
Bad and doubtful debts expense for the year		45,670	140,900	45,577	140,900

Synnex (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	209	667	9,277	1,805
Overdue:				
Less than 3 months	999	261	12,605	261
	<u>1,208</u>	<u>928</u>	<u>21,882</u>	<u>2,066</u>
Other parties				
Within credit terms	1,668,572	1,411,868	1,661,548	1,406,294
Overdue:				
Less than 3 months	1,109,780	932,916	1,104,864	931,890
3 - 6 months	39,791	57,606	37,861	57,465
6 - 12 months	24,778	1,180	24,778	-
Over 12 months	330,168	295,993	330,168	295,926
	<u>3,173,089</u>	<u>2,699,563</u>	<u>3,159,219</u>	<u>2,691,575</u>
Less allowance for doubtful accounts	(351,680)	(306,976)	(351,588)	(306,976)
	<u>2,821,409</u>	<u>2,392,587</u>	<u>2,807,631</u>	<u>2,384,599</u>
Net	<u>2,822,617</u>	<u>2,393,515</u>	<u>2,829,513</u>	<u>2,386,665</u>

The normal credit term granted by the Group ranges from 30 days to 60 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	2,775,966	2,367,966	2,782,862	2,361,116
United States Dollars (USD)	46,651	25,549	46,651	25,549
Total	<u>2,822,617</u>	<u>2,393,515</u>	<u>2,829,513</u>	<u>2,386,665</u>

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Finished goods	1,887,300	1,298,785	1,877,573	1,292,121
Goods in transit	102,262	114,599	102,262	110,539
Total	<u>1,989,562</u>	<u>1,413,384</u>	<u>1,979,835</u>	<u>1,402,660</u>
Less allowance for decline in value	(41,644)	(53,009)	(39,446)	(52,934)
Net	<u>1,947,918</u>	<u>1,360,375</u>	<u>1,940,389</u>	<u>1,349,726</u>
Inventories recognised as an expense in ‘cost of sales of goods’:				
- Cost	18,301,650	17,838,235	18,285,230	17,822,900
- Reversal of write-down	(11,364)	(41,030)	(13,488)	(41,030)
Net	<u>18,290,286</u>	<u>17,797,205</u>	<u>18,271,742</u>	<u>17,781,870</u>

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Notes to the financial statements

8 Other current assets

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Refundable value added tax	47,362	1,576	46,599	1,576
Prepaid expenses	23,555	6,792	7,045	6,738
Other receivables	15,022	12,724	14,919	12,724
Other note receivables	8,079	38,433	8,079	38,433
Marketing receivable	-	16,626	-	16,626
Others	6,770	2,718	4,566	2,404
Total	100,788	78,869	81,208	78,501

9 Investment in subsidiary

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
At 1 January	8,000	8,000
Acquisitions	1,000	-
At 31 December	9,000	8,000

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Notes to the financial statements

Investments in subsidiary as at 31 December 2014 and 2013 and dividend income from the investment were as follows:

Separate financial statements											
Name of subsidiary	Type of business	Ownership Interest 2014	Interest (%)	Paid-up capital 2014	Paid-up capital 2013	Cost 2014	Cost 2013	At cost - net 2014	At cost - net 2013	Dividend Received 2014	Dividend Received 2013
Prism Solutions Co., Ltd.	Training service, repair and maintenance service of computer system, and selling computer accessories	60.00	99.99	9,000	8,000	9,000	8,000	9,000	8,000	30,261	-
Total				9,000	8,000	9,000	8,000	9,000	8,000	30,621	-

At the extraordinary meeting of the shareholders no. 3/2014 of the subsidiary held on 10 October 2014, the shareholders approved the increase in the subsidiary's authorised share capital from Baht 8 million to Baht 15 million by issuing new 70,000 ordinary shares with par value Baht 100 per share amounting to Baht 7 million. The increase in share capital was registered with the Ministry of Commerce on 10 October 2014. The Company acquired additional 10,000 shares of subsidiary totalling Baht 1 million, which represents a decrease in an ownership interest in the subsidiary to 60.00% without a change in control.

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Notes to the financial statements

10 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Other long-term investments				
Equity securities available for sale	19,619	17,474	19,619	17,474
Other debt securities available for sale	1,000	1,000	-	-
Total	20,619	18,474	19,619	17,474

Other long-term investments of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

Movements during the years ended 31 December of marketable equity securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Available-for-sale securities				
At 1 January	18,474	18,401	17,474	18,401
Purchases during the year	-	5,302	-	4,302
Valuation adjustment	2,145	(5,229)	2,145	(5,229)
At 31 December	20,619	18,474	19,619	17,474

Synnex (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

11 Property, plant and equipment

Consolidated financial statements

	Land	Buildings	Machine and Equipment	Computer	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
<i>Cost</i>									
At 1 January 2013	60,112	264,629	141,287	78,384	29,652	39,496	15,295	933	629,788
Additions	-	691	2,368	10,034	931	3,420	52	70,745	88,241
Transfers	65,260	6,131	214	15	58	-	-	(71,678)	-
Disposals	-	-	(1,652)	(1,401)	(778)	(15,972)	(4,807)	-	(24,610)
At 31 December 2013 and 1 January 2014	125,372	271,451	142,217	87,032	29,863	26,944	10,540	-	693,419
Additions	-	108	2,777	4,913	167	1,236	125	9,506	18,832
Transfers	-	-	1,928	1,114	884	-	4,758	(8,684)	-
Disposals	-	-	(627)	(3,513)	(937)	(5,103)	(1,266)	-	(11,446)
At 31 December 2014	125,372	271,559	146,295	89,546	29,977	23,077	14,157	822	700,805
<i>Depreciation</i>									
At 1 January 2013	-	95,675	93,422	62,831	19,839	36,554	10,138	-	318,459
Depreciation charge for the year	-	14,575	10,816	9,196	3,189	2,966	1,143	-	41,885
Disposals	-	-	(399)	(1,384)	(220)	(15,972)	(1,252)	-	(19,227)
At 31 December 2013 and 1 January 2014	-	110,250	103,839	70,643	22,808	23,548	10,029	-	341,117
Depreciation charge for the year	-	14,568	11,250	8,286	2,869	2,668	537	-	40,196
Disposals	-	-	(470)	(3,349)	(537)	(5,098)	(1,134)	-	(10,588)
At 31 December 2014	-	124,836	114,619	75,580	25,140	21,118	9,432	-	370,725

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Notes to the financial statements

Consolidated financial statements

	Land	Buildings	Machine and Equipment	Computer	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
<i>Net book value</i>									
At 1 January 2013									
Owned assets	<u>60,112</u>	<u>168,954</u>	<u>47,865</u>	<u>15,553</u>	<u>9,813</u>	<u>2,942</u>	<u>5,157</u>	<u>933</u>	<u>311,329</u>
At 31 December 2013 and 1 January 2014									
Owned assets	<u>125,372</u>	<u>161,201</u>	<u>38,378</u>	<u>16,389</u>	<u>7,055</u>	<u>3,396</u>	<u>511</u>	<u>-</u>	<u>352,302</u>
At 31 December 2014									
Owned assets	<u>125,372</u>	<u>146,723</u>	<u>31,676</u>	<u>13,966</u>	<u>4,837</u>	<u>1,959</u>	<u>4,725</u>	<u>822</u>	<u>330,080</u>

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 153 million (2013: Baht 150 million).

Security

At 31 December 2014 the Group's properties with a net book value of Baht 217 million (2013: Baht 229 million) were subject to a registered debenture to secure bank loans (see note 13).

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Notes to the financial statements

Separate financial statements

	Land	Buildings	Machine and Equipment	Computer	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
Cost									
At 1 January 2013	60,112	264,629	138,387	73,244	29,526	39,496	15,295	933	621,622
Additions	-	691	2,349	9,522	925	3,420	52	70,745	87,704
Transfers	65,260	6,131	214	15	58	-	-	(71,678)	-
Disposals	-	-	(1,652)	(1,401)	(778)	(15,972)	(4,807)	-	(24,610)
At 31 December 2013 and 1 January 2014	125,372	271,451	139,298	81,380	29,731	26,944	10,540	-	684,716
Additions	-	108	2,664	3,788	158	1,143	-	1,014	8,875
Transfers	-	-	447	-	-	-	-	(447)	-
Disposals	-	-	(627)	(3,466)	(937)	(5,103)	(1,266)	-	(11,399)
At 31 December 2014	125,372	271,559	141,782	81,702	28,952	22,984	9,274	567	682,192
Depreciation									
At 1 January 2013	-	95,675	90,563	59,793	19,756	36,554	10,138	-	312,479
Depreciation charge for the year	-	14,575	10,800	7,969	3,170	2,966	1,143	-	40,623
Disposals	-	-	(399)	(1,384)	(220)	(15,972)	(1,252)	-	(19,227)
At 31 December 2013 and 1 January 2014	-	110,250	100,964	66,378	22,706	23,548	10,029	-	333,875
Depreciation charge for the year	-	14,586	11,130	7,059	2,792	2,662	215	-	38,444
Disposals	-	-	(470)	(3,322)	(537)	(5,098)	(1,134)	-	(10,561)
At 31 December 2014	-	124,836	111,624	70,115	24,961	21,112	9,110	-	361,758

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Notes to the financial statements

Separate financial statements

	Land	Buildings	Machine and Equipment	Computer	Office furniture, fixtures and equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
Net book value									
At 1 January 2013									
Owned assets	<u>60,112</u>	<u>168,954</u>	<u>47,824</u>	<u>13,451</u>	<u>9,770</u>	<u>2,942</u>	<u>5,157</u>	<u>933</u>	<u>309,143</u>
At 31 December 2013 and 1 January 2014									
Owned assets	<u>125,372</u>	<u>161,201</u>	<u>38,334</u>	<u>15,002</u>	<u>7,025</u>	<u>3,396</u>	<u>511</u>	<u>-</u>	<u>350,841</u>
At 31 December 2014									
Owned assets	<u>125,372</u>	<u>146,723</u>	<u>30,158</u>	<u>11,587</u>	<u>3,991</u>	<u>1,872</u>	<u>164</u>	<u>567</u>	<u>320,434</u>

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 147 million (2013: Baht 145 million).

Security

At 31 December 2014 the Company's properties with a net book value of Baht 217 million (2013: Baht 229 million) were subject to a registered debenture to secure bank loans (see note 13).

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Notes to the financial statements

12 Deferred tax

Deferred tax assets and liability as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liability	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	85,254	77,753	1,752	1,323
Set off of tax	(1,752)	(1,323)	(1,752)	(1,323)
Net deferred tax assets	83,052	76,430	-	-

	Separate financial statements			
	Assets		Liability	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Total	84,544	77,385	1,752	1,323
Set off of tax	(1,752)	(1,323)	(1,752)	(1,323)
Net deferred tax assets	82,792	76,062	-	-

Movements in total deferred tax assets and liability during the year were as follows:

	Consolidated financial statements (Charged) / credited to:			
	At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
		(in thousand Baht)		
<i>Deferred tax assets</i>				
Accounts receivable	61,395	8,941	-	70,336
Inventories	10,602	(2,273)	-	8,329
Employee benefit obligations	5,756	892	(59)	6,589
Total	77,753	7,560	(59)	85,254
<i>Deferred tax liability</i>				
Available-for-sale investment	1,323	-	429	1,752
Total	1,323	-	429	1,752
Net	76,430	7,560	(488)	83,502

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Notes to the financial statements

	Consolidated financial statements		
	(Charged) / credited to:		
	At 1 January 2013	Profit or loss (in thousand Baht)	Other comprehensive income
			At 31 December 2013
Deferred tax assets			
Accounts receivable	33,534	27,861	-
Inventories	18,808	(8,206)	-
Employee benefit obligations	5,011	745	-
Total	57,353	20,400	-
Deferred tax liability			
Available-for-sale investment	2,369	-	(1,046)
Total	2,369	-	(1,046)
Net	54,984	20,400	1,046
			76,430
Separate financial statements			
(Charged) / credited to:			
	At 1 January 2014	Profit or loss (in thousand Baht)	Other comprehensive income
			At 31 December 2014
Deferred tax assets			
Accounts receivable	61,395	8,923	-
Inventories	10,587	(2,698)	-
Employee benefit obligations	5,403	862	72
Total	77,385	7,087	72
Deferred tax liability			
Available-for-sale investment	1,323	-	429
Total	1,323	-	429
Net	76,062	7,087	(357)
			82,792
Separate financial statements			
(Charged) / credited to:			
	At 1 January 2013	Profit or loss (in thousand Baht)	Other comprehensive income
			At 31 December 2013
Deferred tax assets			
Accounts receivable	33,534	27,861	-
Inventories	18,793	(8,206)	-
Employee benefit obligations	4,717	686	-
Total	57,044	20,341	-
Deferred tax liability			
Available-for-sale investment	2,369	-	(1,046)
Total	2,369	-	(1,046)
Net	54,675	20,341	1,046
			76,062

Synnex (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements

13 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current					
Short-term loans from financial institutions					
Secured		-	270,000	-	270,000
Unsecured		1,646,909	262,082	1,646,909	262,082
		<u>1,646,909</u>	<u>532,082</u>	<u>1,646,909</u>	<u>532,082</u>
Bank overdraft and short-term loans from financial institutions		<u>1,646,909</u>	<u>532,082</u>	<u>1,646,909</u>	<u>532,082</u>
Current portion of long-term loans from financial institutions					
Secured		120,000	120,000	120,000	120,000
		<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>
Short-term loans from subsidiary	4				
Unsecured		-	-	-	20,000
		<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total current interest-bearing liabilities		<u>1,766,909</u>	<u>652,082</u>	<u>1,766,909</u>	<u>672,082</u>
Non-current					
Long-term loans from financial institutions					
Secured		18,500	38,500	18,500	38,500
		<u>18,500</u>	<u>38,500</u>	<u>18,500</u>	<u>38,500</u>
Total non-current interest-bearing liabilities		<u>18,500</u>	<u>38,500</u>	<u>18,500</u>	<u>38,500</u>

The periods to maturity of interest-bearing liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	1,766,909	652,082	1,766,909	672,082
After one year but within five years	18,500	38,500	18,500	38,500
Total	<u>1,785,409</u>	<u>690,582</u>	<u>1,785,409</u>	<u>710,582</u>

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Notes to the financial statements

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Property, plant and equipment	217,064	229,172	217,064	229,172
Total	217,064	229,172	217,064	229,172

As at 31 December 2014 the Group and the Company had unutilised credit facilities totalling Baht 2,546 million (2013: Baht 4,697 million).

The short-term loans from financial institutions were bank overdrafts, trust receipts payable and promissory notes with maturity periods ranging from 1 - 3 months, carrying interest rate at MMR per annum.

The secured current portion of long-term loans from financial institutions carrying interest rate at FDR 6 months +2% per annum.

Loans from financial institutions were long-term loan and secured promissory notes were secured by land together with construction and machinery of the Company. In addition, the transfer of beneficial right of insurance claim on securities and parts of goods to the lenders at Baht 720 million of secured amount.

The Company shall comply with the following:

- Maintain the debt to equity ratio to not more than 2.75 to 1 time the loan is completely repaid.
- Synnex Technology International Corp. or King's Eye Investment Ltd. and T.K.S Technology Public Co., Ltd. shall remain as the shareholders, either directly or indirectly, at all time and each company must hold the shares at the not less than 30% of the issued and fully paid-up registered share capital.

Interest-bearing liabilities of the Group and the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

14 Trade accounts payable

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	22,188	28,622	22,322	28,636
Other parties		1,379,702	1,603,733	1,375,649	1,601,948
Total		1,401,890	1,632,355	1,397,971	1,630,584

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Notes to the financial statements

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	769,419	806,399	766,470	805,334
United States Dollars (USD)	632,471	825,956	631,501	825,250
Total	<u>1,401,890</u>	<u>1,632,355</u>	<u>1,397,971</u>	<u>1,630,584</u>

15 Other accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related parties	4	3,757	4,272	5,094	5,537
Other parties		63,522	48,689	63,522	48,689
Total		<u>67,279</u>	<u>52,961</u>	<u>68,616</u>	<u>54,226</u>

The Group's and the Company's other payables as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

16 Accrued expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Accrued sale rebate	145,332	88,549	146,307	88,665
Accrued bonus	29,077	42,361	27,977	36,097
Accrued operating expenses	11,179	11,954	9,503	11,650
Others	4,574	2,429	4,373	2,428
Total	<u>190,162</u>	<u>145,293</u>	<u>188,160</u>	<u>138,840</u>

17 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Statement of financial position obligations for:				
Other long-term employee benefits	32,948	28,780	31,685	27,014
Total	<u>32,948</u>	<u>28,780</u>	<u>31,685</u>	<u>27,014</u>

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Notes to the financial statements

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Statement of comprehensive income				
Recognised in profit or loss:				
Other long-term employee benefits	4,461	3,724	4,310	3,426
Total	4,461	3,724	4,310	3,426
Recognised in other comprehensive income:				
Actuarial (gains) losses recognised in the year	(293)	-	361	-
Cumulative actuarial (gains) losses recognised	(293)	-	(361)	-

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	28,780	25,056	27,014	23,588
Current service costs and interest	4,461	3,724	4,310	3,426
Defined benefit plan actuarial (gains) losses	(293)	-	361	-
Defined benefit obligations at 31 December	32,948	28,780	31,685	27,014

Expense recognised in profit or loss (Note 22).

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current service costs and interest	4,461	3,724	4,310	3,426
Total	4,461	3,724	4,310	3,426

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Administrative expenses	4,461	3,724	4,310	3,426
Total	4,461	3,724	4,310	3,426

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Notes to the financial statements

Actuarial gains and losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Included in retained earnings:				
At 1 January	-	-	-	-
Recognised during the year	(293)	-	361	-
At 31 December	(293)	-	361	-

Principal actuarial assumptions at the reporting date:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(%)</i>			
Discount rate	4.76	4.0585	4.76	4.0585
Future salary increases	9.27	3 and 5	9.27	3 and 5

Assumptions regarding future mortality are based on published statistics and mortality tables.

18 Share capital

		Par value per share (in Baht)	2014		2013	
	Note		Number	Baht	Number	Baht
			<i>(thousand shares / thousand Baht)</i>			
Authorised						
At 1 January						
- ordinary shares		1	800,000	800,000	705,000	705,000
Issue of new shares		1	-	-	95,000	95,000
At 31 December						
- ordinary shares		1	800,000	800,000	800,000	800,000
Issued and paid-up						
At 1 January						
- ordinary shares		1	770,329	770,329	693,450	693,450
Issue of new shares	20, 27	1	-	-	76,879	76,879
At 31 December						
- ordinary shares		1	770,329	770,329	770,329	770,329

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group all rights are suspended until those shares are reissued.

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Notes to the financial statements

Share premium

		Par value	2014		2013	
	Note	per share	Number	Baht	Number	Baht
		(in Baht)	(thousand shares / thousand Baht)			
Share premium						
At 1 January						
- ordinary shares		1	350,873	350,873	342,354	342,354
Issue of new shares	20	1	-	-	8,519	8,519
At 31 December						
- ordinary shares		1	350,873	350,873	350,873	350,873

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Surplus on treasury shares

The surplus on treasury shares represents the accumulated surplus on sale of treasury shares, net of any deficits on sale or cancellation of treasury shares. The surplus on treasury shares is not available for dividend distribution.

19 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

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20 Warrants

In June 2013, for the warrant exercise no. 9, there were 4.08 million units of warrant exercised to purchase 4.08 million shares at Baht 2.18 per share aggregating to Baht 8.89 million. The Company is in the process of registration with the Ministry of Commerce. Therefore, the statement of position as at 30 June 2013 recorded the transaction separately from the shareholders' equity under the caption of "Advance received for ordinary share subscription fee". In July 2013, The Company has completed process of registration. Then, the Company has transferred advance received for ordinary share subscription fee to be "issued and paid-up share capital" at Baht 4.08 million and "premium on ordinary" shares at Baht 4.81 million.

On 28 June 2013 was the expired date to exercise.

21 Segment information

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- *Segment 1* Trading computer components.
- *Segment 2* Providing computers service and training

None of these segments meets the quantitative thresholds for determining reportable segments in 2014 or 2013.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Information about reportable segments:

	Trading computer components	2013	Providing computers service and training	2013	Total reportable segments	2013
	2014		2014	2013	2014	
			<i>(in thousand Baht)</i>			
External revenue	19,085,197	18,752,827	6,796	6,049	19,091,993	18,758,876
Inter-segment revenue	59,134	44,594	15,160	16,407	74,294	61,001
Total segment revenue	19,144,331	18,797,421	21,956	22,456	19,166,287	18,819,877
Profit before income tax	207,597	270,905	17,184	5,361	224,781	276,266
Segment assets	5,090,970	4,104,732	9,646	1,461	5,100,616	4,106,193

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Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2014	2013
	<i>(in thousand Baht)</i>	
Assets		
Total assets for reportable segments	5,100,616	4,106,193
Deferred tax asset	83,502	76,430
Current investments	-	70
Other long-term investment	20,619	18,474
Other assets	442,542	453,471
Consolidated total assets	5,647,279	4,654,638

Geographical segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Major Customer

The Company has no major customer for external revenue.

22 Employee benefit expense

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Salaries and wages	220,959	208,704	206,742	197,359
Overtime and bonus	25,159	37,604	25,099	36,591
Contribution to defined contribution plans	7,615	6,603	7,164	6,250
Long term employee benefit	4,461	3,725	4,310	3,426
Others	46,858	43,057	43,326	40,450
Total	305,052	299,693	286,641	284,076

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2.0% to 5.0% of their basic salaries and by the Group at rates ranging from 2.0% to 5.0% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

On 26 December 2013, the Company received the approval of Employee Joint Investment Program (EJIP) from Securities and Exchange Commission (SEC) in accordance with the notification of the SEC, SorJor 12/2009, dated 10 June 2009. EJIP is an investment program for the periodic accumulative buying of the Company's shares, established to serve as another means of compensating Company employees and executives.

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23 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Purchases of goods	18,832,954	17,493,867	18,813,644	17,479,157
Changes in inventories of finished goods	(588,516)	240,335	(585,452)	239,812
Loss on obsolete inventories	(11,364)	(41,030)	(13,488)	(41,030)
Others	57,212	104,033	57,037	103,931
Total	18,290,286	17,797,205	18,271,741	17,781,870
<i>Included in cost of rendering services:</i>				
Employee benefit expenses	192	148	-	-
Others	9,309	8,715	4,957	5,485
Total	9,501	8,863	4,957	5,485
<i>Included in selling expenses:</i>				
Employee benefit expenses	155,543	148,423	139,644	135,044
Transportation expenses	63,341	65,304	63,162	65,234
Marketing expenses	45,203	34,093	44,925	33,501
Depreciation of plant and equipment	2,539	3,998	2,539	3,998
Others	32,972	42,999	47,020	52,589
Total	299,598	294,817	297,290	290,366
<i>Included in administrative expenses:</i>				
Employee benefit expenses	149,509	151,122	146,997	149,032
Bad debt and allowance for bad debt	45,577	140,900	45,577	140,900
Depreciation of plant and equipment	37,663	37,887	35,905	36,625
Donation expenses	11,130	8,914	11,130	8,914
Others	49,320	45,875	47,561	45,615
Total	293,199	384,698	287,170	381,086

24 Finance costs

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Interest expense:</i>				
Subsidiary	-	-	19	291
Bank loans and overdrafts	22,206	23,334	22,206	23,334
Total interest expense	22,206	23,334	22,225	23,625

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25 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		51,233	74,822	50,241	72,613
		<u>51,233</u>	<u>74,822</u>	<u>50,241</u>	<u>72,613</u>
Deferred tax expense					
Movements in temporary differences	12	(7,560)	(20,400)	(7,087)	(20,341)
		<u>(7,560)</u>	<u>(20,400)</u>	<u>(7,087)</u>	<u>(20,341)</u>
Total income tax expense		<u>43,673</u>	<u>54,422</u>	<u>43,154</u>	<u>52,272</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		224,781		276,266
Income tax using the Thai corporation tax rate	20	44,956	20	55,253
Income not subject to tax		(159)		-
Expenses not deductible for tax purposes		1,330		881
Expense not subject to tax		(2,454)		(1,712)
Total	19	43,673	20	54,422

	Separate financial statements			
	2014		2013	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		252,810		265,523
Income tax using the Thai corporation tax rate	20	50,562	20	53,104
Income not subject to tax		(6,283)		-
Expenses not deductible for tax purposes		1,329		880
Expense not subject to tax		(2,454)		(1,712)
Total	17	43,154	20	52,272

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

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26 Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2014 and 2013 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>181,898</u>	<u>221,843</u>	<u>209,656</u>	<u>213,251</u>
Number of ordinary shares outstanding at 1 January	770,329	693,450	770,329	693,450
Effect of own shares held	-	-	-	-
Effect of conversion of warrants	-	5,031	-	5,031
Effect of stock dividend	-	69,659	-	69,659
Weighted average number of ordinary shares outstanding (basic)	<u>770,329</u>	<u>768,140</u>	<u>770,329</u>	<u>768,140</u>
Earnings per share (basic) (in Baht)	<u>0.24</u>	<u>0.29</u>	<u>0.27</u>	<u>0.28</u>

27 Dividends

Parent

At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the appropriation of dividend of Baht 0.15 per share, amounting to Baht 115.55 million. The dividend was paid to shareholders on 15 May 2014.

At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the appropriation of dividend of Baht 0.22 per share, amounting to Baht 153.25 million and stock dividend as common shares at the payout ratio of 10 existing shares to 1 dividend share. In the case of the amount of share held is less than the minimum 10 shares, the cash dividend will be applied at the rate of baht 0.10 per share, total amounting to Baht 69.66 million. The stock dividends and dividend was paid to shareholders on 14 May 2013.

Subsidiary

At the extraordinary meeting of the shareholders no. 2/2014 of Prism Solution Co., Ltd. held on 15 September 2014, the shareholders approved the appropriation of dividend of Baht 382.7869 per share, amounting to Baht 30.62 million. The dividend was paid to shareholders in September 2014.

28 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

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Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (note 13). Most of the interest rates of financial assets and liabilities of the Company are floating rates, which are based on market rates such as the interest prime rate of commercial banks, saving interest rate or other benchmark floating rates.

The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
2014					
Loans receivable - subsidiary	2.5	30,000	-	-	30,000
Total		30,000	-	-	30,000

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

		Consolidated financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2014					
Loans payable - financial institutions	2.22 - 4.10	1,766,909	18,500	-	1,785,409
Total		<u>1,766,909</u>	<u>18,500</u>	<u>-</u>	<u>1,785,409</u>
2013					
Loans payable - financial institutions	2.5 - 4.25	652,082	38,500	-	690,582
Total		<u>652,082</u>	<u>38,500</u>	<u>-</u>	<u>690,582</u>

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	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
2014					
Loans payable - financial institutions	2.22 - 4.10	1,766,909	18,500	-	1,785,409
Total		1,766,909	18,500	-	1,785,409
2013					
Loans payable - financial institutions	2.5 - 4.25	652,082	38,500	-	690,582
Loans payable to subsidiary	2.5	20,000	-	-	20,000
Total		672,082	38,500	-	710,582

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		(in thousand Baht)			
United States Dollars					
Trade accounts receivable	6	46,651	25,549	46,651	25,549
Trade accounts payable	14	(632,471)	(825,956)	(631,501)	(825,250)
Gross statements of financial position exposure		(585,820)	(800,407)	(584,850)	(799,701)
Currency forwards		356,049	565,534	356,049	565,534
Net exposure		(229,771)	(234,873)	(228,801)	(234,167)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity, which are held for available for sales, is determined by reference to their quoted bid price at the reporting date.

The fair value of loan from financial institutions is taken to approximate the carrying value.

29 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	4,934	6,041	4,934	6,041
After one year but within five years	6,617	1,078	6,617	1,078
Total	11,551	7,119	11,551	7,119
	Consolidated / Separate		financial statements	
	2014	2013	2014	2013
	<i>(in thousand U.S. Dollar)</i>		<i>(in thousand Baht)</i>	
<i>Other commitments</i>				
Unused letter of credit and trust receipt	-	-	1,863,176	2,241,700
Forward contract	10,750	17,458	-	-
Bank guarantees	-	-	31,371	32,245
Total	10,750	17,458	1,894,547	2,273,945

30 Events after the reporting period

At the board of directors' meeting of the Company held on 25 February 2015, the directors approved the appropriation of dividends from the net profit of 2014 of Baht 0.13 per share, amounting to Baht 100.14 million. This dividend is subject to the approval of the Shareholders in the Annual General Meeting in April 2015.

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31 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Company does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TAS 1 (revised 2014)	Presentation of financial statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Plant Property and Equipment	2015
TAS 18 (revised 2014)	Revenue Recognition	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.