



บริษัท ซินเน็ค (ประเทศไทย) จำกัด (มหาชน)  
SYNNEX (THAILAND) PUBLIC COMPANY LIMITED

SYNNEX  
AS A SERVICE

TRUSTED BY  
SYNNEX

รายงานประจำปี 2562  
ANNUAL REPORT 2019



# TRUST

T

= **Teamwork & Thankful**  
→ Gratitude and spirit toward all

R

= **Results Driven**  
→ Discipline toward self

U

= **Understanding & Caring**  
→ Heart toward clients and business partners

S

= **Sustainability**  
→ Responsibility toward society

T

= **Transformation & Innovation**  
→ Vision toward the future



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**\* Reference**

**\*\* Independent Auditor's Report and Financial Statement for the year ended 31 December 2019 (QR Code)**

**\*\*\* Annual Report 2019 English version (QR Code)**

# VISION AND MISSION



## Vision

“SYNNEX is committed to being a leading Thai company as well as to developing and growing its businesses to be strong and stable, together with incorporating a positive corporate culture and good governance practices and also in being responsible towards society and the environment, so as to achieve excellence in a sustainable manner”

## Mission

- Being committed to achieving customer satisfaction together giving importance to delivering quality products and services to satisfy its customers and clients.
- Being committed to creating economic value together with delivering trust and confidence with regards to conducting its businesses in accordance with the principles of good governance, as well as to being an organization that delivers positive financial returns to all involved Stakeholder groups in an equitable manner.
- Being committed to developing creative thinking and innovation, as well as to making use of the latest modern and advanced technology or applications in managing its businesses so as to increase overall business effectiveness.
- Being committed to creating a knowledge-based culture within the organization, so as to engage all its staff in developing and growing together with the Company and also to facilitate a mutually happy work environment.
- Being committed to paying attention to as well as acting in a fully responsible manner towards the community, society as a whole and also the environment, so as to achieve ongoing business sustainability.



# STRATEGIES



**1. People Excellence:** The strategy to maintain being in the leading No. 1 position with regard to our human resources through ongoing training and continuous development of our people, so that they will possess the skills, knowledge, leadership capabilities as well as be ahead of the curve in being in synch with the fast changing latest technologies; together with building our human resources team who are well-experienced with regard to the Internet of Things (IOT) so as to enable us to meet the current and immediate requirements of customers. Additionally, the Company will give importance to looking after and taking care of the health and welfare of our people as best as we can, in order to drive the Company towards achieving further successes in the future.

**2. Product & Service Excellence:** The strategy to maintain being in the No. 1 position with regard to the types of IT products and associated services we provide through selecting only the latest and most innovative technology products with world-class international brand names, so as to expand our products portfolio and meet the various consumer demands in this current digital era. Additionally, we will develop our Company to be the comprehensive center of technological products together with being the center for technology-related services under the “Synnex as a Service (SaaS)” concept, that will enable the SYNnex to provide further types of IT-related services to our customers. The Company will also further develop and upgrade the quality standards of our comprehensive range of services under the “Total Solution Service” concept in line with being an Integrated Service Solutions provider to support the IoT Ecosystem, provided by a team of Certified Engineers with the capability to deliver both the best-in-class IT products and associated services to our customers and general consumers under the “Trusted by SYNnex” corporate brand logo.

**3. Operation Excellence:** The strategy to maintain being in the No. 1 position with regard to our business operations through having in place the technology and innovation Knowledge Base as a vital tool in adapting the Artificial Intelligence-based technology for use within our internal operations management processes. This is to enhance our potential capabilities in being able to launch and distribute both IT products and IT-related services in a speedy and efficient manner so as to create a distinct competitive business advantage for the Company; together with reengineering the internal working procedures and processes of the organization to be fully aligned with the objective of growing the business under the latest Agile Methodology, in order to both more effectively meet and fully satisfy the needs of all involved parties.

**4. Collaboration Excellence:** This strategy is to maintain being in the No.1 position within the hearts and minds of all involved Stakeholders of the Company - namely: business principals and partners/suppliers, customers, general consumers, investors and Shareholders, local communities and society as a whole, through relying on the close cooperation of our personnel as a key factor and primary means to create ongoing business value-added for the Company in the domestic Thailand and regional Indo-China markets. As such, the strategy of Key Partner Management will be implemented by analyzing and assessing our Business Partners so as to successfully be able to access and cooperate with this targeted group of desired Business Partners in a more effective manner, together with supporting the emerging and smaller Business Partners so as to create greater confidence and achieve ongoing stronger business growth with them. Additionally, the Company will conduct our businesses within the principles of good corporate governance and corporate social responsibility for the benefit of achieving continuous business growth and development on a sustainable basis.

# MESSAGE FROM THE BOARD OF DIRECTORS

During the past year 2019, both the Public and Private Sectors continue to make investments in various projects in order to support the upcoming growth of the Digital Economy); as well as started to make use of various digital tools so as to modernize and transform their respective organizations and also to enhance their capabilities and competitiveness. However, given the external factors relating to the ongoing trade war between the US and China that has resulted in the overall negative impacts on exports and investment activities, together with other internal issues - especially with regard to the delayed legislative approval of the 2019 Government Budget, have all resulted in a decline in the level of public confidence in the Government during the last part of the year and an overall slowdown in domestic consumers' spending despite the continuing economic stimulus initiatives undertaken by the Government towards the end of the year. As such, the abovementioned major negative factors have resulted in the slowdown of the GDP and overall economic growth of Thailand when compared to the previous year; as well as have caused the unavoidable decline in both ongoing investments in and consumption of IT and communications products within the Information and Communications Technology Sector.

For 2019, SYNnex achieved Total Sales Revenues together with a Total Net Profit of Baht 34,804 million and Baht 524 million, or a decrease of 8.9% and 27.4% from the previous year, respectively. Despite the sales revenues for gaming and PC Notebooks products continuing to increase greatly, revenues from the sales and distribution of products in the communications equipment category continued to decrease as a result of the ongoing US-China trade war. Nevertheless, both SYNnex and the Owners or Principals of those branded products that have been impacted the most have collaborated closely together in effectively managing this problem, so as to improve the situation during the last half of the year accordingly. Additionally, SYNnex implemented many initiatives and measures in order to increase sales revenues of other branded products, including launching the sales and distribution of new product brands. With regard to products in the multi-media category and products in the computer components category, there was an imbalance in the demand and supply - which is part of the normal product life cycle for these categories, which then resulted in a significant decrease in the selling prices for these products. As such, even the increase in the overall higher sales quantity of these products was not sufficient to compensate for the huge decrease in the selling price, which then resulted in the total sales revenues for these two product categories - with a fairly high gross margin - to decrease compared to the previous year. However, the imbalanced situation has improved towards the beginning of 2020. As for the decrease in the Total Net Profit, this resulted mainly from the decrease in sales of those products that have a high gross

profit margin together with the revised sales commission schemes for the respective sales channels to be more appropriate to support the future growth of the business.

For 2020, the concept of Digital Transformation will still continue to be of great importance for organizations within both the Public and Private Sectors. As such, investments in new technology have been made to enhance the work effectiveness and efficiency as well as to support the ongoing growth of the digital economy. Additionally, investments in the upcoming 5G telecommunications network during this year is another key factor in promoting ongoing investments in new technologies and platforms relating to the Internet of Things (IoT) and Artificial Intelligence (AI). This, in turn, will result in the actual realization and establishment of the IoT Ecosystem, that will form the foundation for the sales of both IT products and IT-related consulting services to various industries - whether it relates to Smart Building, Smart Home, and Smart Classroom as well as Smart Manufacturing within the Manufacturing Industry Sector.

SYNnex, in its capacity of being one of the country's distributor of a comprehensive range of IT products and provider of various IT-related services, will continue to conduct its business within the concept of being a "Value-Added Distributor"; whereby it will fully maintain providing customer services as its core business principle under the marketing slogan: "Synnex as a Service" ("SaaS"), through focusing on 3 key service platforms; namely: Warehouse and Logistics - for distribution and delivery of its products; Finance; and Services. This is to enable various IT products and innovative technologies products to be easily distributed as well as speedily delivered to end-users and consumers throughout the country or the Indochina region. This is also to effectively support those dealer businesses and entrepreneurs within the SYNnex distributors network to gain financial liquidity so as to drive ongoing business growth on a sustainable basis, together with being able to launch new and innovative world-class branded IT products and associated services. This will then be an opportunity for growth in both sales revenues and profits, which will further strengthen the business of the Company, its Business Partners/Principals. Additionally, the upcoming 5G technology will be an important foundation for bringing about major operational changes to various business and services sectors; whereby the Company has been preparing itself and has started initiatives to determine various comprehensive sales solutions that will support operating requirements from organizations in both the Public and Private Sectors.

Additionally, the Company has also operated its businesses in accordance with the targeted sustainable business development objectives





**Supant Mongkolsuthree**  
Chairman  
Synnex (Thailand) Public Company Limited



**Sutida Mongkolsuthree**  
Director and Chief Executive Officer  
Synnex (Thailand) Public Company Limited

in continuing to undertake its corporate social responsibilities related activities as well as in taking care of the environment. In 2019, the Company undertook the SYNEX RUN 2019 for charity under the concept of “connecting technology to life”; whereby the Company donated to Chakri Naruebodindra Medical Institute, Faculty of Medicine, Ramathibodi Hospital, Mahidol University all the proceeds from participants’ joining fees, without deducting any expenses together with doubling the actual amount raised including other donations received, a total of Baht 3.0 million to be added to its existing funds for purchasing high accuracy medical equipment based on modern technology that are necessary for medical research and analysis of cures for various diseases, which will then

facilitate a better quality of life through offering maximum effective medical patient care in overcoming those diseases.

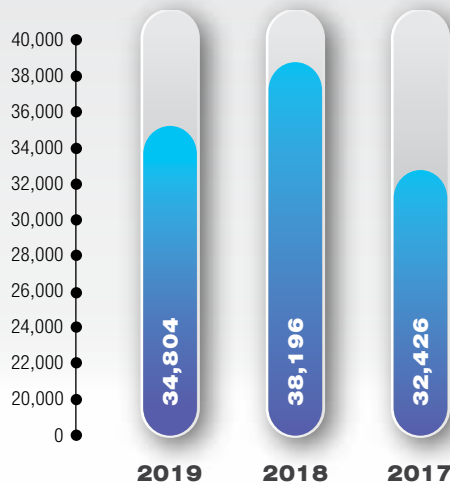
On behalf of the Board of Directors, we wish to thank all involved Stakeholders for your ongoing positive support and confidence in the Company; as well as to assure you all that the Company’s Board of Directors, Executives and Management Group together with all our staff are fully committed to devoting our energy and capabilities in striving to achieve ongoing positive operating performance results, that will be of maximum benefit to all involved parties on a sustainable basis.

**Supant Mongkolsuthree**  
Chairman

**Sutida Mongkolsuthree**  
Director and Chief Executive Officer

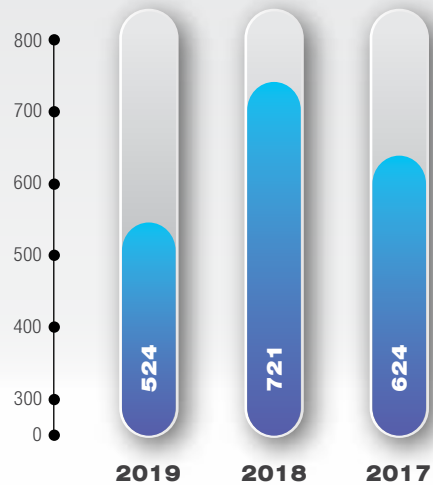
# FINANCIAL HIGHLIGHT

## ● Revenue from Sale and Services



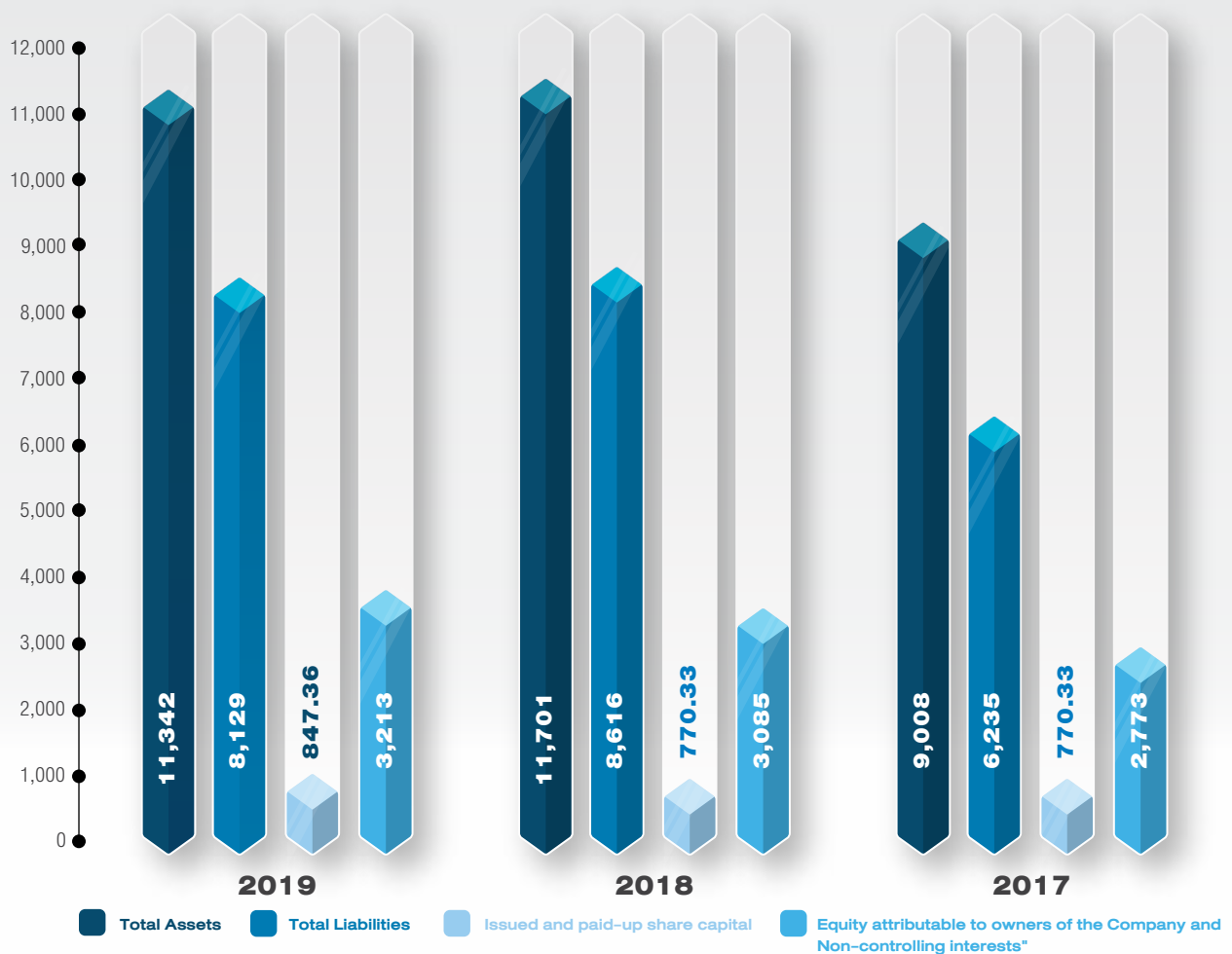
## ● Net Profit

Unit : Million Baht



## ● Balance Sheet

Unit : Million Baht





## Financial Highlights

Unit : Million Baht

For the year ended 31 December	Consolidated Financial Statements		
	2019	2018	2017
<b>Balance Sheet</b>			
Current Assets	10,177.43	10,745.31	8,078.08
Total Assets	11,341.85	11,700.71	9,008.49
Current Liabilities	8,057.75	8,379.78	5,787.55
Total Liabilities	8,129.17	8,615.79	6,235.19
Equity attributable to owners of the Company and Non-controlling interests	3,212.68	3,084.91	2,773.30
Issued and paid-up share capital	847.36	770.33	770.33
<b>Operating</b>			
Revenue from Sale and Services	34,804.31	38,196.00	32,426.01
Operating Cost	33,475.32	36,577.56	30,990.54
Gross Profit	1,328.99	1,618.45	1,435.47
Net Profit	523.93	721.49	623.84
<b>Financial Ratio</b>			
Gross Profit (%)	3.82	4.24	4.43
Net Profit (%)	1.51	1.89	1.92
Return on Equity (%)	16.64	24.63	23.73
Return on Assets (%)	6.24	9.17	9.95
Current ratio (Times)	1.26	1.28	1.40
Debt to Equity ratio (Times)	2.53	2.79	2.25
Book value (Baht/Share)	3.79	4.00	3.60
Basic Earnings per share (Baht)	0.64	0.94	0.81
Dividend per share (Baht)	0.47	0.64	0.53
Dividend Payout (%)	82.07	69.38	66.55

Remark: The Board of Directors' Meeting No.1/2020, which was held on 18 February 2020. The Meeting resolved that the 2020 Annual General Meeting of Shareholders be proposed to consider and approve the distribution of the dividend payment for the year 2019 at THB 0.47 per share. The company has already made an interim dividend payment for the first-half year operating of 2019 on 2 September 2019 at THB 0.15 per share. The remaining 2019 dividend at THB 0.32 per share shall be payable on 10 May 2020. Rights concerning the dividend are subject to changes, depending on the resolution of the 2020 Annual General Meeting.

# GENERAL INFORMATION

<b>Company Name</b>	: SYNEX (THAILAND) PUBLIC COMPANY LIMITED
<b>Stock Symbol</b>	: SYNEX
<b>Company Registration no.</b>	: 0107550000203
<b>Registered Capital</b>	: 800,000,000.00 Baht (Eight Hundred Million Baht)
<b>Paid-up Capital</b>	: 770,328,649.00 Baht (Seven Hundred Seventy Million Three Hundred Twenty Eight Thousand Six Hundred Forty-Nine Baht)
<b>Par value</b>	: 1 Baht (One Baht)
<b>Nature of Business</b>	: Distribute the world-recognized brands of computers, computer peripherals, software, IT system, computer consumables and communication device
<b>Head Office</b>	: 433 Sukhonhasawat Road, Lat Phrao, Bangkok 10230
<b>Telephone</b>	: +66 2553 8888
<b>Fax</b>	: +66 2578 8188
<b>Website</b>	: <a href="http://www.synex.co.th">http://www.synex.co.th</a>

A S A S E R V I C E





## Synnex Service Center (Bangkok) :

### **Pantip**

51028, 51028/1, 5<sup>th</sup> Floor Pantip Plaza Bldg.  
604/3 Petchburi Rd., Rajthevee, Bangkok 10400  
Telephone: +66 2656 6171 Fax: +66 2656 6172

### **Zeer Rangsit**

FC098, 4<sup>th</sup> Floor Zeer Rangsit Plaza Bldg.  
99, Phahonyothin Rd., Lam Luk Ka, Pathum Thani 12130  
Telephone: +66 2992 6910 Fax: +66 2992 6911

### **IT Mall**

Room 4P26, 4<sup>th</sup> Floor, Fortune Town Bldg.,  
7 Ratchadaphisek Rd., Dindaeng, Bangkok 10400  
Telephone: +66 2641 1314 Fax: +66 2641 1315

### **Seacon Square**

Room ITB 36, B1 Floor, Seacon Square Bldg.,  
55 Srinakarin Rd., Nongbon, Pravate, Bangkok 10250  
Telephone: +66 2721 8971 Fax: +66 2721 8972

## Synnex Service Center (Upcountry) :

### **Northern**

#### **Chiang Mai**

133 M.1, Chiangmai-Hod Road, Padad, Muang Chiang Mai, Chiang Mai 51000  
Telephone: +66 5390 3634-5, +66 5390 3673-4 Fax: +66 5327 3206

#### **Phitsanulok**

234/2-3 Borom Trilokkanat 2 Road, Mueang, Phitsanulok 65000  
Telephone: +66 5524 8999 Fax: +66 5525 1556

### **Northeastern**

#### **Khonkaen**

672/42-43-44 Klang Muang Road, T.Nai Muang, Muangkhonkaen, Khonkaen 40000  
Telephone: +66 4332 2750-1 Fax: +66 4332 2752

#### **Nakornrachsima**

1135/7-8 Suranarai Road, T.Nai Muang, Nakornrachsima 30000  
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### **Southern**

#### **Suratthani**

299/6-7 Taladmai Road, Muang, Suratthani 84000  
Telephone: +66 7721 2932-3, +66 7728 3955 Fax: +66 7727 4845

#### **Hat Yai**

38,40 Chotivitayakun Road, T.Hatyai, Songkhla 90110  
Telephone: +66 7442 9372-5 Fax: +66 7442 9375

# Huawei Service Center by Synnex

## **MBK Center (MBK MSC HUAWEI)**

Room C016-C018, 5<sup>th</sup> Floor, MBK Center, 444 Phayathai Rd, Pathumwan, Bangkok 10330

Telephone: +66 2064 4000 Fax: +66 2064 4001

## **Seacon Square (Seacon Srinakarin ASCE HUAWEI)**

Room ITB09, B1 Floor, Seacon Square Bldg., 55 Srinakarin Rd., Nongbon, Pravate, Bangkok 10250

Telephone: +66 2721 8971 Fax: +66 2721 8972

## **Seacon Bangkae (Seacon Bangkae ASCE HUAWEI)**

Room 241, 2<sup>th</sup> Floor, Seacon Bangkae Bldg., 607 Phetkasem Rd., Bang Wa, Phasi Charoen, Bangkok 10160

Telephone: +66 2074 7917

## **Zeer Rangsit (Zeer ASCE HUAWEI)**

FC097, 4<sup>th</sup> Floor Zeer Rangsit Plaza Bldg. 99, Phahonyothin Rd., Lam Luk Ka, Pathum Thani 12130

Telephone: +66 2992 6910 Fax: +66 2992 6911

## **Harbor Pattaya (PATTAYA MSC HUAWEI)**

Room 2S14, 2S15, 3<sup>rd</sup> Floor, Harbor Pattaya Bldg. 190/25 Moo 9, Pattaya Klang Rd., Bang La Mung, Chonburi, Thailand 20150

Telephone: +66 3819 7351

## **Ubon Ratchathani (UBON MSC HUAWEI)**

425/12 Uppalisan Rd, Amphoe Mueang Ubon Ratchathani, Ubon Ratchathani 34000

Telephone: +66 4521 0994

## **Suratthani (Surat ASCE HUAWEI)**

299/6-7 Taladmai Road, Muang, Suratthani 84000

Telephone: +66 7721 2932-3, +66 7728 3955 Fax: +66 7727 4845

## **Nakornrachsima (Korat ASCE HUAWEI)**

1135/7-8 Suranarai Road, T.Nai Muang, Nakornrachsima 30000

Telephone: +66 4427 1365, +66 4492 2808-9 Fax: +66 4427 1906





# HISTORY AND MAJOR DEVELOPMENTS

Year	Event
<b>1988</b>	T.K.S. Technologies Public Company Limited, wholesaler of stationery and printing forms, and computer components and consumables, found Compex (Thailand) Company Limited to import and distribute computer components and peripherals, software, and IT systems on 5 April 1988 with the paid-up registered capital totaling 1,000,000 Baht, comprising of common shares totaling 10,000 shares at the par value of 100 Baht per share.
<b>1990</b>	On 4 April 1990, the Company increased the amount of paid-up registered capital from originally 1,000,000 Baht to 2,000,000 Baht at the par value of 100 Baht per share. The Company became an authorized distributor of hard disk products of Seagate in Thailand.
<b>1991</b>	On 16 July 1991, the Company increased the amount of paid-up registered capital from previously 2,000,000 Baht to 8,000,000 Baht at the par value of 100 Baht per share.
<b>1992</b>	On 2 April 1992, the Company increased the amount of paid-up registered capital from previously 8,000,000 Baht to 12,000,000 Baht at the par value of 100 Baht per share.
<b>1994</b>	On 21 March 1994, the Company increased the amount of paid-up registered capital from previously 12,000,000 Baht to 20,000,000 Baht at the par value of 100 Baht per share. And on 2 August 1994, the paid up registered capital was additionally increased to 40,000,000 Baht at the same par value per share, 100 Baht.
<b>1996</b>	On 9 February 1996, the Company established Prism Solutions Company Limited with the initial paid-up registered capital 2,000,000 Baht, of which 99.99% was owned by the Company, to operate the business of training, installation, and maintenance of advanced computer programs. On 13 May 1996, the Company increased the amount of paid-up registered capital from previously 40,000,000 Baht to 50,000,000 Baht at the par value of 100 Baht per share.
<b>1997</b>	On 26 March 1997, the Company increased the amount of paid-up registered capital from previously 50,000,000 Baht to 100,000,000 Baht at the par value of 100 Baht per share. The Company was officially appointed as a product distributor of every Intel product line in Thailand.
<b>1998</b>	On 24 June 1998, the Company increased the amount of paid-up registered capital from previously 100,000,000 Baht to 135,000,000 Baht at the par value of 100 Baht per share. The Company opened the first upcountry branch in Khonkaen Province.
<b>1999</b>	Synnex Technology International Corp. from Taiwan, a world's giant distributor of computer and IT products, entered partnership with the Company with the shareholding ratio of 49%. On 2 February 1999, the Company increased the paid-up registered capital from previously 135,000,000 Baht to 180,000,000 Baht with the par value of 100 Baht per share. On 22 June 1999, the Company increased the paid-up registered capital of Prism Solutions Company Limited to 8,000,000 Baht with the par value of 100 Baht per share. On 27 October 1999, the Company increased the amount of paid-up registered capital to 260,000,000 Baht at the par value of 100 Baht per share.

Year	Event
2002	On 1 March 2002, the Company increased the amount of paid-up registered capital from previously 260,000,000 Baht to 300,000,000 Baht at the par value of 100 Baht per share.
	Compex (Thailand) Company Limited changed its corporate name to Synnex (Thailand) Company Limited and relocated the Company's Head Ofce to Sukhonhasawat Road near Ramintra Toll Way, where the Company's warehouse and distribution center was also built and run using the distribution technology relayed from the Taiwan's Synnex Group.
2003	On 28 February 2003, the Company increased the amount of paid-up registered capital from previously 300,000,000 Baht to 340,000,000 Baht at the par value of 100 Baht per share.
2004	On 24 February 2004, the Company increased the amount of paid-up registered capital from previously 340,000,000 Baht to 500,000,000 Baht at the par value of 100 Baht per share.
	The Company was accredited the ISO 9001: 2000 certification from Bureau Veritas Certification for Congure-to-Order computers and after-sales service.
2005	Prism Solutions Company Limited sold all shares, held at the ratio of 25% of the paid-up registered capital, of Zenith Comp Company Limited, operating the business of software distribution, computer system design and installation, and software consultancy and training, to existing shareholders, at the book value.
2006	The Company started implementing the Automatic Storage and Retrieval System (ASRS), an automatic, computer-controlled warehouse management system, of which the installation was completed in 2007.
2007	On 24 July 2007, the Company was certified ISO 14001:2004 on environmental management from Bureau Veritas Certification.
	The Company's Extraordinary General Meeting of Shareholders no. 2/2007, held on 29 November 2007, resolved to register the Company as a listed company and changed the par value of the Company from 100 Baht to 1 Baht per share. It was also resolved to increase the amount of Company's registered capital with the additional 205,000,000 Baht by issuing 205,000,000 common shares at the par value of 1 Baht per share. The additional common shares issued were allocated to be offered to existing stockholders of T.K.S. Technologies Public Company Limited, according to the Pre-emptive Right at the amount not exceeding 57,000,000 shares, at the amount of 180,000,000 shares and initially to the public at the amount of 123,000,000 shares. The Company also allocated the additional common shares for capital increase at the amount of 25,000,000 shares to accommodate the warrant exercise of common stocks to be issued and offered to the Company's directors and employees.
	On 30 November 2007, the Company registered with the Ministry of Commerce as a listed company and changed the name from Synnex (Thailand) Company Limited to Synnex (Thailand) Public Company Limited.
2008	The Company registered as a company listed on the Stock Exchange of Thailand with the initial public offering of shares on 16 June 2008.

Year	Event
<b>2009</b>	<p>The Company invested by expanding the Head Ofce with an adjoining building to respond to business growth and expansion of which the construction was completed in the second quarter of 2010. And in 2009, to commemorate the 20th anniversary of the Company’s establishment, the Company found “Library IT by Synnex”, a project set up with the purpose of donating computer and IT products to schools across the country which are qualified according to the selection criteria.</p>
<b>2010</b>	<p>The Company was a nominee for the nal round of 2010 Stock Exchange of Thailand (SET)’s CSR Award in the second category of listed companies with the value of the market capitalization not exceeding 10,000 Million Baht, as part of the SET Awards 2010 event, as held at the Stock Exchange of Thailand.</p> <p>The Company ofcially became an authorized distributor in the Smartphone market with HTC as pioneering brands of smartphone products distributed with the goal of distributing Smartphone products of a variety of brands in the future to come.</p>
<b>2012</b>	<p>On 26 November 2012, the Company won “Most Improved CSR Award” from Corporate Social Responsibility Institute (CSRI) in CSRI Recognition 2012, the award-presenting event of listed companies with the value of the market capitalization not exceeding 10,000 Million Baht, as held at the Stock Exchange of Thailand.</p>
<b>2556</b>	<p>The 2013 Annual General Meeting of Shareholders, as held on 26 April 2013, resolved to increase the amount of Company’s registered capital by issuing common shares for capital increase not exceeding 95,000,000 shares at the par value of 1 Baht to accommodate the payment of dividend shares to Company’s shareholders. The Meeting also resolved to revise the Company’s Memorandum of Association concerning the registered capital from 705,000,000 Baht to 800,000,000 Baht at the par value of 1 Baht per share.</p> <p>On 11 November 2013, the Company was presented CSRI Recognition 2013 Award - General Category from Corporate Social Responsibility Institute (CSRI) under the Stock Exchange of Thailand.</p> <p>On 12 November 2013, the Company won 2013 Sustainability Report Award from Thai Listed Companies Association, Securities and Exchange Commission and Thaipat Institute.</p>
<b>2014</b>	<p>Prism Solutions Company Limited’s Extraordinary General Meeting of Shareholders no. 3/2014, held on 10 October 2014, resolved to increase the amount of paid-up registered capital to 15,000,000 Baht by issued additional 70,000 ordinary shares at the par value of 100 Baht per share with total amount 7,000,000 Baht (New holding ratio : Synnex (Thailand) PCL. 60%: J Group Technology Co., Ltd. 40%)</p> <p>On 18 November 2014, The Company won the award “CSR Recognition 2014” under the general category for the 3<sup>rd</sup> consecutive year. This award is presented annually by Corporate Social Responsibility Institute (CSRI) of the Stock Exchange of Thailand (SET), to the organization that exhibits commitment in developing business operations towards social responsibility with sustainability.</p>



Year	Event
2015	The Company received an ESG 100 Certificate from Thaipat Institute. SYNEX is ranked among the top 100 companies for outstanding performance from 567 SET-listed companies in terms of environmental, social, and governance (ESG) aspects.
	On 16 October 2015, The Stock Exchange of Thailand launched the record of listed companies with corporate sustainable development by selecting companies which have passed the criteria specified by economic, social and environment indicators. And SYNEX is the one of 51 listed companies with a list of "Thailand Sustainability Investment 2015". The information was also provided to investors aim to invest in quality stocks with long term returns
2016	In March 2016, the shareholders of the subsidiary terminated the joint venture memorandum and entered into the share transfer agreements with non-related parties, effecting to the ownership interest in the subsidiary increased from 60% to 95%. Then, in June 2016, the Company acquired the additional interest in the subsidiary of 5% amounting to Baht 0.40 million in cash, effecting to the ownership interest in subsidiary increased to 99.99%.
	The Company received an ESG 100 Certificate from Thaipat Institute for the 2nd consecutive year, in being 1 of the 100 quality SET-listed companies (and 1 of the 9 listed technology companies) chosen from a total of 621 listed companies for achieving outstanding operating performance with regards to the environment, social responsibility and governance practices.
	Synnex has classied CG Scoring into the "Very Good" group (4 Logo) from Corporate Governance Report of Thai Listed Companies by Thai Institute of Directors Association (IOD).
2017	On April 17, 2017, the Company entered into a joint venture agreement with PT Automation (Thailand) Co. Ltd., that is the importer and distributor of Industrial Grade technical products, so as to expand and increase the growth potential of the business; whereby it is a 50% Joint Venture business.
	On June 26, 2017, the Company entered into a joint venture agreement with BAF (Thailand) Co. Ltd. through purchasing 30% of its shares from an existing shareholder, in order to expand the Company's business into the hire purchase operations so as to enable the Company to undertake an all-round, comprehensive range of business services.
2018	In 2018, the Company offered for sale some of the shares held in BAF (Thailand) Co. Ltd., in order to help support its business plans to progress according to the established objectives and goals; whereby after the share sale, the Company will hold 27.5% of the total shares of BAF (Thailand) Co. Ltd.
	The Company was named as part of the announced list of companies in the Thailand Sustainability Investment - THSI list for 2018; whereby the Company was name as 1 of the 79 listed companies selected and award this recognition, based on these key criteria: sustainability, the environment; society, and the economy together with good governance. As such, the shares of these selected companies are considered to be quality shares, with expected continuing long-term positive nial returns. The selection of these companies was undertaken by the Stock Exchange of Thailand on October 31, 2018.
2019	On 26 March, 2019 the Company purchased additional shares in BAF (Thailand) Co., Ltd., resulting in the Company to own 40% of total shareholdings of that company
	The Annual General Shareholders' Meeting for 2019 that was held on 25 April, 2019, approved the resolution to decrease the registered capital through reducing a total of 29,671,351 ordinary shares that have not yet been sold and issued; whereby the newly revised total registered capital will then be Baht 770,328,649 million; as well as to then approve the increase the Company's total registered capital through issuing a total of 109,671,351 ordinary shares at a par value of Baht 1.0 per share, that are to be allocated to existing Shareholders of the Company in support of the payment of dividends in the form of new shares, together with amending the current Articles of Association of the Company regarding the increase in the total registered capital of the Company from Baht 770,328,649 to Baht 880,000,000.





# MAJOR EVENTS AND ACTIVITIES IN 2019

## Q1



SYNNEX held a thank you party for the media and press at the THYME EATERY & BAR, Nanglingee Road, Bangkok, during which they met with our Executives and the Management Group and were given a presentation on the Company's business directions and growth plans for 2019.



SYNNEX, together with Chiangmai University and leading IT alliance partners, held the "SYNNEX GAMING & E-SPORT TOURNAMENT 2019" Finals for the remaining 17 teams from leading universities throughout the country; and also joined forces together with various leading IT products brands to exhibit and showcase new innovative technology products at the Conference Hall of the university. This is in order to support and promote students' interests in IT, multimedia and gaming products, and enabled them to become fully immerse in the world of Professional e-Sports.



SYNNEX, together with the Federation of Thai Industries (FDI), supported the drones (or UAV) for agricultural use project, which makes use of drones in a project to reduce PM2.5 dust pollution, under the control of the National Defense Technology Institute (a public organization), Ministry of Defense, in an event that was held at the National Defense Technology Institute (NDTI).



SYNNEX held the walk-run "SYNNEX RUN 2019" event, under the theme of "Connect technology to Life" at the Rama 8 bridge, donating all proceeds from the participants joining fees, without deducting any expenses, as a contribution to the Ramathibodi Foundation together with doubling the total funds received at this "SYNNEX RUN 2019" event. In all the amount totaled Baht 3 million that was given to Chakri Narhuebordin Medical Institute, Faculty of Medicine, Ramathibodi Hospital, Mahidol University, to be added to its existing funds for purchasing high accuracy medical equipment based on modern technology that are necessary for medical research and analysis of cures for various diseases, which will then facilitate a better quality of life through offering maximum effective medical patient care in overcoming those diseases.

## Q2



SYNNEX exhibited products and showcased innovative ideas and solutions within the concept of "Smart City" at the Synnex Partners Connect & Roadmap 2019 at the Avani Riverside Hotel; as well as announced its business directions for growing the business together with its nationwide network of Distribution/Dealers Partners as well as its Business Partners/Suppliers of leading branded IT products. Also, at the event, awards were announced and given to the Company's top Distribution/Dealer Partners.



The 2019 Annual General Shareholders' Meeting was held, at which various resolutions were approved as proposed by the Board of Directors, including the approval to pay dividends of Baht 0.34 per share together giving out dividend shares at the rate of 10:1 relating to the achieved operating results for the last half of 2018. As such, for the fully year 2018 results, the Company paid dividends totaling Baht 0.54 per share together with giving dividend shares at the rate of 10 existing shares to 1 dividend share.



SYNNEX opened a new office in Myanmar, under the name of SYNEX (Myanmar) Co. Ltd., Yangon, to act as a representative office for importing and distributing IT products together with providing a comprehensive range of pre-sale and after sales IT-related services, in order to support and meet the growing the demands and requirements of the IT market in Myanmar; in which country there is ongoing expansion of its infrastructure projects together with fast-paced economic development and increased investments.



### Q3



SYNNEX established a network of volunteers from all staff levels within the organization under the concept of “SYNNEX THE ONE - creating happiness”; and held a charity car-trunk sale for the consecutive 7th year, aimed at creating happiness in managing the event under the principles of good governance together with being responsible towards both society and the environment; whereby the proceeds received from this event was contributed towards the existing Company CSR fund for use in benefiting future social activities.



SYNNEX held an Opportunity Day at the SET to meet investors to reveal IT trends relating to the high season for IT business during the last half of the year and also present further plans to sell those products that have a high profit margin together with other products in line with the latest future IT trends; as well as to underscore and highlight its role as the leading and largest distributor of IT products in the Thailand in offering a comprehensive range of IT products together with both pre-sales and after sales IT-related services. As such, this will support its planned long term strong business growth.



SYNNEX, together with Intel, held a seminar under the theme of SYNNEX AND INTEL LAUNCH EVENT Powering The Future: Smart Transformation Through AIoT at the S31 Hotel, Sukhumvit Road, Bangkok, so as to formally launch the Company as an IoT Aggregator that is ready to move forward fully into the AIoT related businesses in Thailand. This event saw the joint collaboration of leading IT brand owners with regard to AI and IoT to introduce and exhibit their range of products and technology through showcasing various interesting solutions together with presenting information to the dealers throughout the seminar.



SYNNEX welcomed members from the Young Presidents' Organization - YPO Thailand to visit SYNnex's business activities under the concept of SYNNEX -“SMART Happens Here”, the leading IT company in Thailand; whereby it introduced the latest in management technology relating to a Smart Office, a face recognition system, as well as meeting rooms and training rooms using modern remote conferencing systems technology, together with a Smart Warehouse using automation and a Smart Workspace that facilitates creative thinking for the staff.

### Q4



SYNNEX held a analyst meeting, in order to underscore and highlight confidence in its business strengths and in the highly effective management; as well as to present opportunities for further business growth based on the business expansion plans for sales of both IT products and IT-services with high gross profit margins, together with moving forward into the era of 5G technology in the capacity as the leading distributor of the most comprehensive range of IT products and IT-related services in Thailand.



SYNNEX exhibited and showcased its capabilities with regards to the full range of gaming and E-Sports products and offerings at the THAILAND SPORT EXPO 2019 : Empower Your Sport DNA, so as to support and promote gaming and E-Sport interests and to stimulate the growth of E -Sports market in Thailand; whereby, at this event, SYNnex also joined together with the alliance of leading E -Sports brand names - such as AMD and WD, so that visitors can fully immerse themselves in the world of Professional E-Sports.



SYNNEX held an event relating to the project to develop the potential capabilities of its people under the theme of “SYNNEX TALENT 2019”, which promoted the corporate Trust Culture together with the skills and techniques in being a Presenter within the MC live social media-based activities, and including a Music Award activity. This is to promote and support those wishing to be a presenter for the Company in its various corporate activities and important Company events.

# BUSINESS STRUCTURE AND SHAREHOLDING

Shareholding structure as of 31 December 2019



**T.K.S.**

**T.K.S. Technologies PCL.**

**SYNNEX**  **聯強國際**

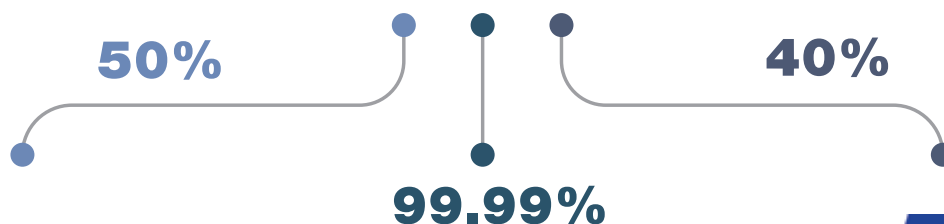
**King's Eye Investments Ltd.**



**SYNNEX**

**Synnex (Thailand) Public Company Limited**

Distribute the world-recognized brands of computers,  
computer peripherals, software, IT system,  
computer consumables and communication device



 **PT AUTOMATION**

A Subsidiary of Synnex (Thailand) PCL.

**PT Automation (Thailand) Co., Ltd.**

Authorize distributor Industrial IOT



**Prism Solutions Co., Ltd.**

Provides solutions and nationwide on-site  
service and maintenance service on  
advanced network, hardware, and software  
and IT Training



**Next Capital**

**Next Capital Co., Ltd.**

Motorcycles leasing business

\*\*BAF (Thailand) Co., Ltd.  
changed its corporate name to  
"Next Capital Co., Ltd." on 1 July 2019

# BUSINESS OVERVIEW AND OBJECTIVE

The Company distributes computers, computer peripherals, software, IT system, computer consumables and Communication Device of over 60 world-recognized brands whereas the Company's customer base includes countrywide computer retailers and wholesalers, major software solutions providers, local-branded computer manufacturers, department stores, giant superstores, stationary shops, and Indochina.

The Company has many channels of distribution for the various products sold throughout the whole of Thailand and the Regional Indochina markets. The Company offers a comprehensive range of modern products and associated services; and has received both the trust and confidence from its Business Partners and groups of customers in buying products and related services from the Company. This is because of the convenience and ease in placing orders for any product and in receiving after sales services together with the speedy delivery. As such, the Company has currently set up 7 categories of products with the following details for each group of products being offered:

## 1. Mobile Phone & Tablet

Mobile phones and tablets that use these Operating System: Android OS, iOS, Harmony OS and others.

## 2. Personal Computer

Personal computers or PCs - ie: Notebook, Ultrabook, 2 in 1 Notebook; Desktop Computer & All-in-One PC; and Congure-To-Order - CTO Computers under the LEMEL brand, which is a House Brand of Synnex Technology International Corporation, Taiwan.

## 3. PC Component

PC components - namely: Motherboard / Mainboard, Hard Disk Drives: HDD and Solid-State Drive: SSD drives, Central Processing Unit: CPU, Dynamic Random Access Memory: DRAM, Video Graphics Array: VGA cards, Power Supply units, and Computer Cases

## 4. Peripheral & Accessory

These are peripheral and accessory products for computers and various communications devices - ie: PC Monitor, Mouse, Keyboard, Speakers, Headsets, Mobile Phone Accessories, Web Camera / Video Camera, Optical Disk Drive, Projector, Uninterruptible Power Supply: UPS, Inkjet Printer, Laser Printer, All-in-One Printer / Multi-function Printer, Dot Matrix Printer, Plotter Printer, Pocket Photo Printer, Scanner, Sewing Machine, Ink Cartridges, Toner, Printer Ribbons, USB Flash Drive), and External HDD / External SSD.

## 5. Commercial & Cloud Services

Products for commercial use - ie: Commercial Notebook, Digital Signage, Closed Circuit Television: CCTV, Barcode & Labelling Equipment, Server, Network Attached Storage: NAS, Switch, Router), LAN Card, Wireless LAN, Network Cabling System, Network Management Software & Hardware, Network Security or Firewall, and Network Accessories.

## 6. Smart Device & IoT

Smart devices such as: Smart Watch, Wristband & Smart Eyewear), Virtual Reality Glasses and Headsets, Drones, Underwater Scooter), Smart Light Bulbs, Internet Protocol Camera: IP Camera, Industrial Network Products, Education Robots.

## 7. Service & Maintenance

Services & Maintenance such as: General and Technical types of services and maintenance plans or packages for Network Devices, and Servers as well as various Applications Software, so that the systems is always ready to work at all times; whereby details of the services provided and entitled benefits to be received by the customer are set out in each respective Service Level Agreement: SLA



# SYNNEX PRODUCTS GROUP



MOBILE PHONE &  
TABLET




PERSONAL  
COMPUTER



PC COMPONENT

Th?nk IT คิดเรื่องไอที คิดถึง  
**Th!nk**



Synnex Care   
**1251**



**Synnex Care : 1251**



NO.1 IT DISTRIBUTOR IN THAILAND

# OVERALL BRANDS

TOP BRANDS OF 2020



Synnex Care : 1251

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## Business Objectives

The Company has determined the objectives and strategies in conducting our businesses through establishing a business network to support and facilitate the Company in continuing to grow in a stable and sustainable manner as well as to remain in the No.1 position with regards to the technology products business, in which we have extensive expertise. As such, this is to be achieved by having quality and well-experienced people and also by selecting only quality and innovative products that meet the needs of consumers in the current era of fast-changing technology, together with a comprehensive range of products, from product owners and manufacturers with world-class standards, that meet the specific requirements of various respective industry sectors. The Company has received the trust and confidence in being appointed their authorized distributor by more than 60 product brands. The Company is committed to offer and provide both genuinely sincere pre-sales and after-sales services, that are based on the principles of good governance and of giving back to society - to both of which principles we have always adhered in a continuous manner.

In 2019, Synnex (Thailand) PCL. is stepping up to be in the No. 1 position in a stable and sustainable manner under the marketing concept of being a “Value-added IT distributor”, by focusing on adding value to the comprehensive range of IT products and associated services we offer. The Company has determined the strategy to increase our market share

and also the proportion of revenues from sales of those products with a high profit margin, through forming business alliances with those world-class and well-known product brands so as to add new and innovative technology products to the expanding Synnex products portfolio as well as to include and cover all groups of IT products. We also plan to expand our market presence by venturing into the group of technology products related to IoT Solutions, so as to meet the requirements of the IT market in this digital era of the general consumers, corporate clients and clients from various industrial sectors. We will also launch special financing schemes aimed at supporting new start-up businesses.

Additionally, the Company plans to develop sales channels for providing Fullment Service via the B2B2C platform, so as to increase our business competitiveness and commitment to provide a Total Solutions Service on a continuous basis. We will also increase the sales channels for our Synnex Care 1251, so as to reinforce our customers’ confidence in our “Trusted by Synnex” corporate brand logo and for it to be more well-known and recognize in a wider circle. We are well-prepared to upgrade our internal operations to be more effective and efficient; as well as to implement plans to manage the corporate expenses so as to achieve maximum value that will be reflected in the financial returns in a tangible manner and to create the opportunity in achieving sustainable business growth.







## Strategy to expand sales channels into the overseas markets within the Indochina region

The Company has determined plans to distribute various products in the Indochina regional markets since 2013, so as to achieve a share of the market within these 3 Indochina markets: The Republic of Myanmar, the Kingdom of Cambodia, and the Lao People's Democratic Republic. As such, these 3 countries have had full diplomatic relationships with Thailand for a long time; are neighboring countries with a common border with Thailand; and also have a significantly high volume and value of border trade with Thailand. Further, Thai branded products are highly popular in these 3 countries.

Currently the Company has achieved sales revenues from distributing products within all these 3 neighboring markets, where our products are well-received and well-accepted since SYNEX is an important, established and well-known Global Distributor especially within the Asia Pacific Region - for products marked with the trade mark of "Trusted by SYNEX". Further, the Company is also well-known and well-accepted users in these neighboring countries for providing good after-sales services together with products warranty that has then resulted in the previous ongoing border trade activities.

The success that has been achieved by the Company in Thailand is used as a positive business model for its overseas operations; whereby they have been adapted to be suitable for the local laws and regulations, culture, and IT market environment in each respective country or market. The Company has collaborated with local business partners in each country with regards to the applicable marketing activities; such as: in Myanmar, currently we focus on distributing through 1 key business partner and sending Thai staff assigned to work from the business partner's offices in Myanmar in assisting the local sales and marketing staff and transferring relevant sales, marketing and management know-how to the business partner there.

While in the case of Cambodia, the Company started to undertake marketing activities since Q4/2014 in selling IT network equipment to many local systems integrators (SI). The plan for this year is to expand the range of products offered by entering the consumer IT products market and appointing the associated business partner to distribute these products in Cambodia.

For the Laos market, the Company currently has a core customer, who is strong business partner in distributing communications equipment and smart phone products in Laos. Additionally, we have expanded in distributing IT systems equipment by working with a group of systems integrators (SI), through leveraging the company's potential capabilities and the advantage of being geographically located nearby that offers operational convenience together with overall reduced or low communications costs and logistics

In 2018, the Company's total exports to these 3 countries increase by 20% from the previous year, with ongoing plans to increase again, due to the fact that the Company has again received the trust from various leading brands of technology and IT products in being appointed as the official licensed distributor for their products starting in 2018. As such, the Company is content to be able to drive these exports sales to reach the original set target of Baht 1,000 million a year.

The Company also has plans to develop various other sales channels within the Indochina markets, through focusing on hiring knowledgeable and capable Staff who will be assigned to work permanently in these markets, together with installing internal information systems and a communications network equipment that will enable the Company to integrate relevant information that will facilitate speedy coordination and reduce overall internal communications costs as well as reduce regional travel-related expenses to these the business partners within these regional markets. Further, the Company has allocated more marketing and promotional expenses so as to increase the capabilities of the customer/business partners and dealers in the respective markets together with a budget for ongoing staff development for those personnel assigned to these markets so as to develop their respective products knowledge and management skills and also their English or local language skills. It has also increased the approved business credit limits given to appointed business partners and dealers so as to be appropriate to the required financial liquidity for their respective business activities.

## Income Structure

Unit: Million baht

Product	2018		2017		2016	
	Income	%	Income	%	Income	%
<b>Income from Sale</b>						
1. Mobile Phone & Tablet	12,739	36.60%	17,090	44.74%	12,774	39.39%
2. Personal Computer	6,006	17.26%	5,260	13.77%	4,480	13.81%
3. PC Component	3,086	8.87%	3,499	9.16%	3,908	12.05%
4. Peripheral & Accessory	7,423	21.33%	7,066	18.50%	6,651	20.51%
5. Commercial & Cloud Services	3,125	8.98%	3,315	8.68%	3,032	9.35%
6. Smart Device & IoT	1,114	3.20%	751	1.97%	689	2.12%
7. Service & Maintenance	959	2.75%	840	2.20%	589	1.82%
8. Others	241	0.69%	278	0.73%	219	0.67%
<b>Total income from sale</b>	<b>34,692</b>	<b>99.68%</b>	<b>38,100</b>	<b>99.75%</b>	<b>32,341</b>	<b>99.74%</b>
Income from rendering of services	112	0.32%	96	0.25%	85	0.26%
<b>Total Income</b>	<b>34,804</b>	<b>100%</b>	<b>38,196</b>	<b>100%</b>	<b>32,426</b>	<b>100%</b>
<b>Growth rate from total income (%)</b>	<b>(8.88%)</b>		<b>17.79%</b>		<b>36.11%</b>	

# INDUSTRIAL OUTLOOK

## The IT Industry and Trends for the IT Industry

Gartner, Inc. has forecasted that, for 2020, overall global demand for IT products will grow by at least approximately 3.9% from last year; whereby the product group with the highest growth will be the organization software products, which will change from being sold outright as software products to become a Software as a Service (SaaS) concept.

As such, the total value of global PC sales will grow in all categories - especially the gaming products that will have the highest growth due to the worldwide E-Sport trend. In the previous year the Digital Disruption trend has caused many new types of IT careers to explode in line with the latest consumer behavior trends in the current digital age - especially: for media/communications and banking, where transformative changes are taking place to provide faster services to meet consumer demands for speed and convenience. Consumers now need to rely and depend more and more on IT equipment and devices that can access information and various services from service providers. This has resulted in a big stimulus on the use of wide-ranging IT devices among all consumer age groups - especially personal devices like smart phones and PCs, as well as also those devices in the Eco-System like Personal Audio, Smart watch, and other Smart Devices.

## Competition and Maintaining of market share

The Company operates a business relating to information technology and communications and connected network products; as well as distributor/dealer for the global top 20 leading branded products, that has a positive impact for the Company in being able to offer products that have major market shares as well as to distribute a comprehensive and varied range of IT products, such as: mobile phones and tablets, personal computers (PC), PC components, peripherals and accessories, commercial and cloud products, and smart and IoT products together with services and maintenance products. As such, through setting strategies to leverage the existing extensive and broad customer base to facilitate maximum market coverage throughout the country, so as to speedily meet the demands of customers in the provinces; as well as special products requiring specific knowledge and expertise, such as: commercial and cloud products. The

Company is prepared in terms of people resources who are sales engineer possessing the specialist know-how and expertise to assist our business dealers to distribute and sell such special products. The Company is also able to increase its overall share of the total market from such products that has a large share of the market by selling to commercial or business clients as well as general consumers.

The Company has 6 branch offices as service center and satellite sales offices located in major provinces throughout the country together with 5 service centers located in Bangkok. The Company has also appointed more than 60 Synnex Service Partners, under the management of our Business Dealer Partners so as to increase service channels and be able to speedily serve those customers who have bought products sold by SYNnex, as well as to achieve new levels of customer satisfaction from those customers who can easily access these various one-stop service centers located throughout the market under the concept of Synnex as a Service (SaaS).

The Company has more than 5,000 dealer sales outlets located throughout the country, that has enabled effective distribution of our products to customers and increased market coverage; as well as has invested in both the domestic and regional Indochina markets so as to achieve business added-value and to have groups of dealers' sales channels to further distribute our products, such as: large retail department stores, large IT products sales outlets with many branch distribution and retail outlets. Additionally, the Company is committed to help develop the Modern Trade group of dealers so that these new modern and trendy retail outlets can become more efficient.

The Company has carefully reviewed the product's quality, before selecting for distribution and sales those products with top quality and highly trusted standards. As such, these products undergo a quality test process before being launch into the market and have the proper product warranty from the manufacturers, so as to help customers to be confident when deciding to purchase the product.

The Company has moved forward in expanding its online business presence for the B2B2C markets together with digital sales channels, so as to increase our overall market share and also speedily meet more demands from those customers with online shopping behavior through being

able to quickly access information in deciding to buy products. In 2019, the Company has made improvements to its online sales channels to be more efficient and effective, and will continue to develop this business further in 2020 so as to exactly meet the demands of this fast changing market in this digital age; as well as will develop and train our people who have differing roles and responsibilities and skills to work together in teams, in order to facilitate creative thinking and to work in a new way so as to be well-prepared to act as a ‘Central Kitchen’ in the distribution and selling of the most comprehensive range of IT products in the country.

The Company makes use of a modern warehouse management and distribution logistics system based on the transferred technology know-how from the SYNEX Group in Taiwan together with the ASRS (Automatic Storage and Retrieval System), that is able to store and retrieve products in the warehouse using automated picking arms and a conveyor belt system controlled by a computer. This is to achieve an efficient and effective stock retrieval system as well as a speedy on-time goods distribution and delivery.

The Company has developed a website application for checking online the remaining warranty period as well as for tracking the status repairs of customer’s products by our service center on the Company’s website that can be done by the customer all the time. Additionally, the Company has special priority channel for the convenience of customers in being able to request and register online a service queue number for the repair or exchange of their purchased products at services center in Bangkok. Furthermore, the Company has developed a system to improve and speed up internal work procedures, through reducing some duplicate and complex processes together with reducing involved paperwork and processes, through making use of AI and Big Data technology to make the work process faster and more focused on team communications in developing together improvements to various aspects within the organization that need to be less complicated or more exible, or how to distribute and deliver goods faster to customers, or to be able to more exactly and more comprehensively address the needs of our customers and consumers. Furthermore, the Company is giving importance to looking after both large and small clients alike, through arranging training and seminar to disseminate information, knowledge and to give marketing advice, as well as to establish closer and more positive working relationships between the Company and our clients that will then create improved confidence.

The Company has a condition and assurance from a large manufacturer/supplier regarding product rotation of those product that have become obsolete or outdated together with price protection in the event that there is a reduction in prices of products. As such, this minimizes the risks of having high unsold inventory in the event of a major change in technology, and also helps drive increased sales revenues.

The Company has PC products with a SYNEX Taiwan in-house brand name of Lemel. The Company has a strategy of selecting only those major product components that are well-accepted in terms of quality for use in the production of PC products together with having high standards in the production process, and that offer a 3-year guarantee as a sales strategy together with a 1-year On Site Service, in order to create confidence in the minds of the buying consumer of the product.

The Company has a Marketing Communications group to assist in public relations activities and any sustained marketing promotions activities, such as: introducing and launching products and their features, seminars, and roadshows that enable consumers to have rsth and knowledge about and access to any new products; as well as to be responsible for public relations activities to announce and communicate any news about the Company, so that customers will be aware and informed about any new trends in our products, sales and marketing activities, and various involved corporate communications activities.

The Company has a team of Pre-Sales Engineers, Post Sales Engineers and Project Engineers, who are technical engineering staff able to effectively transfer to our Clients know-how and understanding of the products features and specifications, together with a team of Technical Support Engineering specialists to provide assistant to customers with after-sales services and to give advice in solving any problems relating to the installation of both hardware and software products. The Company has also developed our people to be specialists and experts in IT and OT, so as to meet the demands of all industry sectors in the present digital age, as well as to train them to become leaders and to enable our people at all levels to be in tune with the fast-changing technologies.

The Company has received the ISO9001:2008 certification in achieving and meeting accepted international standards of quality management and ISO14001:2004 for systems in managing the environment from Bureau Veritas Certification.



# RISK FACTORS

The Company attaches great importance to the management of risks relating to the industry environment and the competition, through overseeing and ensuring that constant monitoring, and planning together with the management of various risk factors, that may have an impact on the company's future operations, in a systematic manner. This is in order to these risks will then be minimized to an acceptable level; whereby such various risks can be categorized as follows:

## **1. Risks relating to ongoing changes in technology and product development**

The Company is a distributor of computers, associated peripherals and accessories, and Information Technology and Communications (IT) products and systems, all of which continuously undergo ongoing development and technology changes. As such, the Company needs to regularly and closely monitor the market in order to study the ever-changing trends and product demands in the market; as well as constantly control its products purchases and inventory levels, since such products easily become out to date and obsolete in line with evolving technology changes. However, the Company regularly exchanges information about technology trends with its majority Shareholder, the Synnex Group in Taiwan, which has been operating a highly successful business in distributing computers, associated peripherals and accessories, and Information Technology and Communications (ITC) products and systems, as well as has extensive expertise in assessing the ongoing demand trends of the market and owns an advanced computerized inventory management system. Furthermore, that company has accumulated extensive operating experiences in using a computer system to help manage its operations; while the Management of the Thai Company also has lengthy experience in this business that has enabled it to be capable of effectively handling and managing any ongoing technology changes.

Additionally, in being a major distributor of various computers and IT products in Thailand, the Company is offered favorable terms and conditions - such as, special discounts when placing bulk orders for large quantities. Further, the Company receives, from various major manufacturers and suppliers, special terms relating to product rotation by being able to exchange any outdated or obsolete products for newer models, together with a special price protection condition on any future discounted models. As such, both of these special conditions considerably reduces the risk in having adverse inventory aging problems for the Company; while at the same time, the Company also sets aside a provision for the deterioration in the inventory value of any obsolete and slow-moving products.

## **2. Risks Relating to Trade Accounts Receivables**

Risks relating trade accounts receivables or our customers. Apart from the quality of these debts owed to us, the management of these debts, adapting to changes, and the financial discipline on the part of our debtors together with the capabilities and experiences of our credit analysts and credit controllers, are all important factors in the associated risks arising. This is in spite the credit approval process following exactly all the established steps and procedures, as well as the credit approval decision and whether or not the credit control and payments follow-up procedures are taken in an effective manner. As such, the Company gives importance to the ways of managing their business on the part of the debtors, as well as to determining the role and authorities in approving credit lines to customers and in controlling the debtors, together with giving more knowledge to the involved staff on a regular basis, reviewing by internal units within the organization, and determining clearly dened policies in approving credit lines and credit control activities.

### **3. Risks Relating to Foreign Currency Exchange Rates**

The Company imports parts of its products range from overseas suppliers mainly by using the US dollars to pay for these imported items that account for about 32% of the total products sold during the year. However, the Company has a policy to makes use of forward contract facilities to manage risks relating to uctuations in foreign currency exchange rates as appropriate to the expansion of our business and to the current domestic and global economic situation. However, as such the Company does not have a policy to speculate on foreign currency exchange rates.

### **4. Risk Relating to Working Capital**

The Company has adequate financial liquidity and has plans in place relating to the use of working capital in as appropriate and adequate manner, so as to manage trade receivables and also the level of inventory on hand in accordance with the market demands and the planned business growth of the organization; whereby the Company has negotiated with its supplier clients for an extension in the number of days required in paying for supplied inventory from the existing 23 days to 28 days. As such, with the intensely competitive market, increasing consumer demands, expanding information and communications technology products businesses, and efforts to increase the respective market share in all products groups through expanding into various sales channels as much as possible, and to enable our dealer clients to get delivery of the products in time to meet market demands; all these factors have resulted in the Company being able to sell on average at 37 days (instead of 30 days) with a trade receivables payment being collected now within 60 days (instead of 49 days). As such the Company has made use of various financial tools available in reducing risks of defaults in the payment of trade receivables to an acceptable level without having to pay any additional costs of sales; whereby the Company current has credit facilities from many different commercial banks that are adequate for

the ongoing business operations of the Company, resulting in an improved adequate liquidity in the working capital needs of the Company. The Company has good business relationships with all commercial banks that offer a good opportunity for negotiations during the review of both overall available credit facilities and the applicable interest rates and various bank fees to be charged as appropriate for the Company's current business plans. This enables the Company to maintain adequate financial liquidity and to have costs of finance appropriate to meet the current business situation, so as to support the planned ongoing business growth and development

### **5. Risks Relating to Having Achieved Low Gross Profit Margins**

The Company operates its business as a distributor of communications products, complete computer systems and associated computer components, as well as multi-media products and consumables. The technology industry always has rapid changes. However, the Company has over 30 years of experience in this industry; as such, in spite of being a business with low gross profit margins, the Company is able to add value to the various leading brands of products and associated services that the Company distributes that amount to over 5,000 SKUs. This, combined with the trust and confidence from its customers as well as business partners, has enabled the Company to effectively manage overall gross profit margins in all existing business units to be at the targeted level corresponding to the budget plans, through the Company having in place specic plans from procedures in placing purchase orders from the suppliers, shipments of goods to the Company and to the distribution of the goods to its various sales channels - whether retailers, wholesalers, small retail outlets, or large modern trade department stores. This facilitates effective management of the amount of inventory on hand to achieve a balance between demand and supply, which together with the sales and marketing promotions strategies for each product group so as to achieve a positive demand in the market at the appropriate timing, that then achieves the targeted gross profit margins corresponding to established business plans.

# INTERNAL CONTROL AND RISK MANAGEMENT

Internal controls are an important part of managing operations so as to create confidence on the part of all involved parties, in order to enable the achievement of the set goals and business growth in a stable manner. The Board of Directors has assigned the Audit Committee to review and assess the internal controls system, as well as to review the existing policies and operating guidelines for risk management together with the annual risk management plans and also to acknowledge the progress reports from the various risk management working groups on a regular basis. As such, regular reviews and improvements have been made to the associated activities plans that are best suited to the current situation and business environment. Furthermore, reports have been submitted to inform the Board of Directors every year, in order to enable them to determine further guidelines for corporate governance practices as well as for the oversight and management of the operations by the Management Group. The assessment criteria of the adequacy of the internal controls system relating to the conduct of the business operations are as follows: the organization and the environment, risk management, oversight and control of the behavior of the Management group, the information and data communications technology systems, and the monitoring system to ensure the achievement of both effectiveness and efficiency.

## Internal Audit Department

The Board of Directors has established an Internal Audit department, to oversee and control the internal audit activities of the Company, so as to ensure that such activities continue to be regularly undertaken in an effective manner and in accordance with the established operating procedures guidelines as well as in compliance with all applicable laws and regulations. This Internal Audit Unit also coordinates with the external auditor and the respective Management member involved in preparing the financial reports that includes all significant information in an appropriately correct manner and in

The Board of Directors' Meeting No. 1/2020, as held on 18 February 2020, concluded that the Company's internal control over transactions with major shareholders, directors, executives, or their associates is adequate and able to prevent the occurrence of the Company's assets being exploited by concerned parties. The Company's approval authorities and operational procedures are presented in writing and the Company's approval of previous transactions have taken into account interests of the Company at maximum.

Regarding the internal control system for accounting, the Company's Auditor, KPMG Poomchai Audit Company Limited reviewed and evaluated the efficiency of the internal controls of the Company's accounting for the purpose of performing the audit. In 2019, KPMG Poomchai Audit Company Limited evaluated the effectiveness of the internal controls system of the Company and expressed an opinion that the Company had a good internal control system which was appropriate and adequate for the business operations.

accordance with the required standards for financial reporting, as well as that discloses all required information in an adequate and credible manner. In order that the Internal Audit department is fully independent, the Audit Committee has required the Internal Audit department to submit its internal audit activities plan every year; as well as to submit a report, directly to the Audit Committee every Quarter, of the outcome of its internal audit activities and any further associated follow-up actions together with the results of its reviews of the risk management activities undertaken in the various operating areas.

## Supervision on Inside Information Usage

The Company's policy to prohibit its executives from using the inside corporate information for their own benefits or including insider trading, as follows:

- The company prevents use of inside corporate information by prohibiting persons from different agencies who is aware of significant information to disclosing such information to unrelated agencies or persons. In case of Executives or Employees disclosure to public or use for their own benefits or transaction that may conflict of interest will be considered a serious offense and may be disciplined.
- The Company's policy to prohibit its directors, executives and employees who learn internal information from disclosing the same species that they refrain from trading shares of the Company 1 month prior to the Company disclosing its financial statement to the public.
- The Company informed the directors and executives of the duties of reporting shareholding under section 59 according to the Notification of the Office of the Securities and Exchange Commission ref: Preparation and Disclosure of Report on Shareholder and punishment under section 275 of the Securities and Exchange Act B.E. 2535 in compliance with the Securities and Exchange Commission requirement including the changing of shareholding of their spouses and any minor children.
- Board of Directors and the members of the Management are required to report the initial ownership of Company shares together with any changes in the number of shares owned; whereby this report must be submitted on the same day that the report is also submitted to the Thailand Securities and Exchange Commission (SEC), which is to be submitted within 3 days of any shares ownership changes occurring. This report must be submitted to the Company Secretary, so that a full record can be made of the changes in the total number of Company shares owned by any Board Directors and members of the Management on an individual basis for reporting to the Board of Directors at the subsequent Board Meeting and disclosing in the Company's Annual Report and the annual 56-1 Form for reporting Company information.



# SECURITIES AND SHAREHOLDERS

## Registered and Paid-up Capitals

### Ordinary Shares

As of 31 December 2019, the Company's registered capital was THB 800,000,000 and paid-up capital was THB 847,361,206. They comprised of 847,361,206 ordinary shares at the par valued at THB 1 per share.

### Shareholders

As of 31 December 2019, Top 10 major shareholders are follows:

No.	Top 10 Major Shareholders	Number of Shares	Shareholding (%)
1	T.K.S. Technologies PCL.	326,355,876	38.51%
2	King's Eye Investments Ltd.	296,450,000	34.99%
3	BNP PARIBAS HONG KONG BRANCH	42,489,513	5.01%
4	THAI NVDR Co., Ltd.	14,498,165	1.71%
5	PHATRA Small and Mid-Cap Equity Fund	6,347,650	0.75%
6	Ms. Sutida Mongkolsuthree	5,751,417	0.68%
7	PHATRA Long Term Equity Dividend Fund	5,277,910	0.62%
8	Mr. Chavalit Charaschotepinit	4,444,400	0.52%
9	PHATRA Strategic Asset Allocation Fund	3,433,890	0.41%
10	PHATRA Active Equity Fund	2,847,950	0.34%

# DIVIDEND POLICY

The company has a dividend policy of paying dividends at a rate of not less than 40 percent of the net profit available after payment of the Company's corporate income tax, allocation of legal reserve and other reserves. The Company will pay no dividend when they have an accumulated deficit. However, such payments are subject to future capitalizations, to the approval by the Company's Board of Directors, as well as to the availability of earnings to distribute.

The dividend policy for the Company shall be considered and proposed by the Board of Directors to the annual general meeting for approval. Consideration shall be given to investment plans and other requirements and considerations, such as the adequacy of cash flow of each company after deducting reserve funds in accordance with the law.

## Dividend Payout Information

Dividend Payout to shareholders are follows:

Operating Result for the Year	Dividend Per Share (Baht)			Earnings per Share	Dividend Payout Ratio (%)	Dividend Payment Date
	Interim	Final	Total			
2019	0.15	0.32	<b>0.47</b>	0.59	82.07%	12 May 2020
2018	0.20	0.34 + 0.10 (10:1 Stock Dividend)	<b>0.64</b>	0.92	69.38%	10 May 2019
2017	0.18	0.35	<b>0.53</b>	0.80	66.55%	10 May 2018
2016	0.10	0.26	<b>0.36</b>	0.54	66.56%	12 May 2017
2015	0.08	0.22	<b>0.30</b>	0.48	62.01%	12 May 2016
2014	-	0.13	<b>0.13</b>	0.27	47.77%	15 May 2015
2013	-	0.15	<b>0.15</b>	0.28	54.18%	15 May 2014
2012	-	0.22 + 0.10 (10:1 Stock Dividend)	<b>0.32</b>	0.49	60.27%	14 May 2013
2011	0.05	0.22	<b>0.27</b>	0.55	48.78%	14 May 2012
2010	0.10	0.15	<b>0.25</b>	0.39	62.65%	20 May 2011
2009	0.08	0.14	<b>0.22</b>	0.30	74.65%	19 May 2010

Remark: The Board of Directors' Meeting No.1/2020, which was held on 18 February 2020. The Meeting resolved that the 2020 Annual General Meeting of Shareholders be proposed to consider and approve the distribution of the dividend payment for the year 2019 at THB 0.47 per share. The company has already made an interim dividend payment for the first-half year operating of 2019 on 2 September 2019 at THB 0.15 per share. The remaining 2019 dividend at THB 0.32 per share shall be payable on 12 May 2020. Rights concerning the dividend are subject to changes, depending on the resolution of the 2020 Annual General Meeting.

# BOARD OF DIRECTORS



**Mr. Supant Mongkolsuthree**  
Chairman

## Age 61

**Appointed: May 5, 1988**

**% Shareholding as of December 31, 2019:**

1,122,536 shares (or 0.13%)

## Educations / Certifications

- Honorary Doctorate of Industrial Engineering, Rajamangala University of Technology Krungthep
- Honorary Doctorate of Economics, Ramkhamhaeng University
- Master of Political Science, Chulalongkorn University
- Master of Business Administration, City University, USA
- Bachelor of General Management, Sukhothai Thammathirat University
- Certificate Program of National Institute of Defense Studies (NIDS), National Defense College (NDC), Class 16 in B.E. 2002
- Certificate Program of "NIDA - Wharton Executive Leadership Program", University of Pennsylvania in 2005
- Certificate Program of Senior Executive Development Program, Capital Market Academy (CMA), Class 3 in B.E. 2006
- Certificate Program of Management for Directors and Senior Executives in State Enterprises and Public Organizations, Special Class in B.E. 2009
- Certificate Program of Senior Executives in Justice Administration (SEJA) Program, Class 14 in B.E. 2010
- Certificate Program of Senior Executive Development Program in Bangkok Metropolitan Administration (BMA 1) Program, Urban Green Development in B.E. 2011
- Certificate Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 5 (2014), Thailand Energy Academy
- Course "The Rule of Law and Democracy" Class 3 in B.E. 2015 Institute of Constitution Studies, The Constitutional Court of the Kingdom of Thailand

## Director Certifications

- 2004 Director Accreditation Program (DAP)
- 2004 Director Certification Program (DCP)

## Position in Listed Companies

- 2019 - Present Director - T.K.S. Technologies PCL.
- 2019 - Present Director - TBSP PCL.
- 2019 - Present Member of Nomination and Compensation Committee - Synnex (Thailand) PCL.
- 1988 - Present Chairman - Synnex (Thailand) PCL.

## Position in Non-Listed Companies

- 2019 - Present Chairman - Export-Import Bank of Thailand
- 2018 - Present Chairman - The Federation of Thai Industries (F.T.I.)
- 2018 - Present Chairman - The Joint Standing Committee on Commerce, Industry and Banking
- 2018 - Present Member - Future Economy and Internet Governance
- 2016 - Present Chairman - Choonhavan Institute for Sustainable SMEs Development
- 2015 - Present Member - Rattana Bundit University
- 2015 - Present Member - The SUPPORT Arts and Crafts International Centre of Thailand
- 2014 - Present RMUTI Council of Honorary Members - Rajamangala University of Technology Isan Council
- 2008 - Present Chairman of Activity Promotion Committee / Council Director - Royal Police Cadet Academy

## Work Experiences

- 2014 - 2019 Member of the National Legislative Assembly  
The National Legislative Assembly
- 2016 - 2018 Director and Chairman of the Investment Management Committee  
EGAT International Company Limited
- 2016 - 2017 Chairman - The Federation of Thai Industries (F.T.I.)
- 2014 - 2017 Member - Member of the Board of Investment
- 2014 - 2017 Director - Krung Thai Bank PCL.
- 2014 - 2017 Chairman of the Corporate Governance and Social Responsibility Committee  
Krung Thai Bank PCL.
- 2012 - 2017 Member - Cultural Promotion Fund Committee, Department of Cultural Promotion
- 2008 - 2017 Director/ Editor - Chulalongkorn University Alumni Association
- 2006 - 2017 Advisor to Chairman - Thai Listed Companies Association
- 2005 - 2017 Advisor - Thai Printing Association
- 2014 - 2016 Chairman - The Federation of Thai Industries (F.T.I.)
- 2014 - 2016 Honorary Member - National Defense College (NDC)
- 2014 - 2016 Member - Sirindhorn International Institute of Technology, Thammasat University
- 2009 - 2016 Vice President - T.K.S. Technologies PCL.
- 2013 - 2014 Member of Operation Risk Management Committee - Synnex (Thailand) PCL.
- 2012 - 2014 Honorary Member - Student Loans Scheme for Education Committee  
Chairman of Technology and System Subcommittee  
Student Loans Scheme for Education Committee
- 2012 - 2014 Member - E-Payment Transactions Promotion Working Committee,  
Bank of Thailand
- 2010 - 2014 Member of Nominating and Remuneration Management Committee  
Synnex (Thailand) PCL.
- 2010 - 2014 Member of Financial Risk Management Committee - Synnex (Thailand) PCL.
- 2010 - 2014 Member of Corporate Governance Committee - Synnex (Thailand) PCL.
- 2010 - 2014 Member of Legal Risk Management Committee - Synnex (Thailand) PCL.
- 2010 - 2014 Honorary University Council Member  
Rajamangala University of Technology Rattanakosin
- 1996 - 2014 President - Prism Solutions Company Limited
- 1988 - 2014 Chief Executive Officer - Synnex (Thailand) PCL.
- 1986 - 2014 Chief Executive Officer - T.K.S. Technologies PCL.
- 2012 - 2013 Chairman of the RFID Institute of Thailand  
The Federation of Thai Industries (F.T.I.)
- 2010 - 2013 Chairman of the Institute of Information and Communication Technology for Industries  
The Federation of Thai Industries (F.T.I.)
- 2010 - 2011 Member of NTC Standards Subcommittee  
National Telecommunications Commission (NTC)

## Relation among Family with other Directors and Executives

- Yes - (Ms. Sutida Mongkolsuthree - Director and Chief Executive Officer)





**Mr. Tu, Shu-Wu**  
Director

**Age 68**

**Appointed: February 2, 2002**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- Bachelor of Engineering in Electrical and Control, National Chiao Tung University, Taiwan.

**Director Certifications:**

- None -

**Position in Listed Companies**

2002 - Present Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

Present Chairman - Seper Technology Corporation

Present Director - Bestcom Infotech Corporation

Present Director - Synergy Intelligent Logistics Corporation

1988 - Present President and Chief Executive Officer

Synnex Technology International Corporation

**Relation among Family with other Directors and Executives**

- Yes - (Mr. Tu, Shu-Chyuan - Director)



**Mr. Chakkrit Parapuntakul**  
Independent Director and  
Chairman of the Audit Committee

**Age 60**

**Appointed: May 8, 2019**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- Master Degree in Business Administration, Angelo State University, Texas, USA
- Bachelor Degree in Accounting, Thammasat University
- Certificate Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 9, Thailand Energy Academy
- Certificate Program of Senior Executives in Justice Administration (SEJA) Program, Class 19
- Certificate Program of Senior Executives in Administrative Justice, Class 5
- Certificate Program of Senior Executive Development Program, Capital Market Academy, Class 11
- Certificate Program of National Institute of Defense Studies (NIDS) National Defense College, Class 52
- Certificate Program of the Civil Service Executive Development (OCSC), Class 46
- Executive Development Program (EDP), Kellogg School of Management, Class 66

**Director Certifications**

2017 Board Matters and Trends (BMT)

2017 Ethical Leadership Program (ELP)

2005 Audit Committee Program (ACP)

2004 Directors Accreditation Program (DAP)

**Position in Listed Companies**

Present Director - Thai Airways International PCL.

2019 - Present Chairman of the Audit Committee and Independent Director  
Synnex (Thailand) PCL.

2019 - Present Independent Director and Audit Committee - RS PCL.

2017 - Present Independent Director - ESSO (Thailand) PCL.

2015 - Present Director / Member of the Nomination, Compensation and Corporate Governance Committee / Member of the Risk Oversight Committee  
The Siam Commercial Bank PCL.

**Position in Non-Listed Companies**

2018 - Present Chairman - ASEAN Potash Chaiyaphum PCL.

2018 - Present Chairman, Chairman of the Audit Committee  
Sabuy Technology Co., Ltd.

2017 - Present Deputy Permanent Secretary - Ministry of Finance

2017 - Present President - Federation of Accounting Professions under the Royal Patronage of His Majesty the King

2017 - Present Chairman - NBD Healthcare Company Limited

2014 - Present Director - Pinthong Industrial Park PCL.

**Work Experiences**

2003 - 2019 Chairman and Independent Director - MPG Corporation PCL.

2017 - 2018 Director - TRIS Corporation Co., Ltd.

2015 - 2017 Director General of Treasury Department - Ministry of Finance

Chairman - Dhanarak Asset Development Co., Ltd.

2013 - 2016 Director - Vichitbhan Palmoil PCL.

2011 - 2016 Director - PTT Exploration and Production PCL.

2014 - 2015 Director - Krung Thai Bank PCL.

**Relation among Family with other Directors and Executives**

- None -



**Mrs. Rawittha Pongnuchit**  
Independent Director and  
Audit Committee's Member

**Age 69**

**Appointed: August 9, 2010**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- Master of Political Science, Thammasat University
- Bachelor of Laws, Ramkhamhaeng University
- Training Program for High Level Executive in Criminal Justice (Class 19)
- Certificate Program of Senior Executives in Administrative Justice, Class 3
- Certificate Program of "Top Executive Program in Commerce and Trade (TEPCot), Class 1
- Certificate Program of Senior Executive Development Program, Capital Market Academy (CMA), Class 3 in B.E. 2006
- Certificate Program of Public Administration and Law, King Prajadhipok's Institute, Class 3
- Certificate Program of National Institute of Defense Studies (NIDS) National Defense College (NDC), Class 15 in B.E. 2003

**Director Certifications**

2005 Director Certification Program (DCP)

**Position in Listed Companies**

- 2019 - Present Chairman of Nomination and Compensation Committee Synnex (Thailand) PCL.
- 2019 - Present Independent Director and Audit Committee's Member Sakol Energy PCL.
- 2012 - Present Independent Director and Member of Audit Committee Pranda Jewelry PCL.
- 2011 - Present Chairman of the Audit Committee and Independent Director Solatron PCL.
- 2010 - Present Chairman of the Legal Risk Management Committee Synnex (Thailand) PCL.
- 2010 - Present Audit Committee's Member and Independent Director Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

- 2019 - Present President - Chankam Residence Co., Ltd.
- 2019 - Present President - Phudra Corporation Co., Ltd.
- 2019 - Present Committee's Member - Fiscal Policy Research Institute Foundation (FPRI)
- 2019 - Present Advisor - Institute of Management Consultants Association of Thailand
- 2019 - Present Chairman of the Class 59 - Director Certificate Program (DCP59)
- 2019 - Present Advisor - Economics and Finance Academy
- 2019 - Present Audit Committee's Member and Independent Director Nam Heng Concrete (1992) Co., Ltd

**Work Experiences**

- 2019 Committee's Member - Alumni Association of Capital Market Academy (CMA)
- 2019 Committee's Member - Top Executive Program in Commerce and Trade (TEPCot)
- 2010 - 2011 Director and Chairman of Audit Committee Sukhumvit Asset Management Co., Ltd.
- 2008 - 2010 Inspector - Ministry of Finance
- Feb - Jun 2009 Director and Chairman of Audit Committee - Airports of Thailand PCL.
- 2005 - 2008 Deputy Director-General - Revenue Department, Ministry of Finance

**Relation among Family with other Directors and Executives**

- None -



**Mr. Kachachan Mongkoncharoan**  
Independent Director and  
Audit Committee's Member

**Age 61**

**Appointed: November 5, 2015**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- Master of Arts (Public Administration), Thammasat University
- Bachelor of Arts (Political Science), Ramkhamhaeng University
- Diploma, The National Defence Course Class 51 National Defence College (NDC)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 6, King Prajadhipok's Institute (KPI)
- Top Executive Program Class 10, Capital Market Academy (CMA)
- Executive Creative Economy Training Program (EXCET-III) Office of Knowledge Management and Development
- Certificate Program of Senior Executive Development Program in Bangkok Metropolitan Administration (BMA 1)
- Top Executive Program in Commerce and Trade (TEPCot) Class 5 Commerce Academy
- Poornpalungpandit, Chulalongkorn University class 1
- Certificate of Micro MBA Program, Chulalongkorn University
- Senior Executives on Justice Administration Batch 18 National Justice Academy
- Certificate Executive Program on Energy Literacy for a Sustainable Future (TEA), Class 7, Thailand Energy Academy

**Director Certifications**

2019 Advanced Audit Committee Program (AAPC)

2011 Director Accreditation Program (DAP)

**Position in Listed Companies**

- 2019 - Present Audit Committee - Synnex (Thailand) PCL.
- 2019 - Present Chairman of Corporate Governance Committee - Synnex (Thailand) PCL.
- 2017 - Present Assistant to Chairman / Vice President CEO Office BTS Group Holdings Public Company Limited
- 2015 - Present Independent Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

- 2019 - Present Chairman - North Fitness and Sports Co., Ltd.

**Work Experiences**

- 2015 - 2019 Chairman of Corporate Public Communication and Social Responsibility Committee - Synnex (Thailand) PCL.
- 2012 - 2017 Executive Vice President -The Bangkok Entertainment Co., Ltd.
- 2004 - 2012 Deputy Manager, News Department The Bangkok Entertainment Co., Ltd.

**Relation among Family with other Directors and Executives**

- None -



**Mr. Boontuck Wungcharoen**  
Independent Director

**Age 63**

**Appointed: April 25, 2019**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- MBA (Finance and International Business), New York University, USA
- Bachelor of Chemical Engineering, Chulalongkorn University

**Director Certifications**

2008 Director Accreditation Program (DAP)

**Position in Listed Companies**

2019 - Present Director / Vice Chairman of the Executive Committee / Chairman of the Risk Management Committee / The Nomination and Remuneration Committee Asset World Corp PCL.

2019 - Present Independent Director - Synnex (Thailand) PCL.

2018 - Present Independent Director - ESSO (Thailand) PCL.

**Position in Non-Listed Companies**

2019 - Present Advisor to the Prime Minister - Ofce of the Prime Minister

**Work Experiences**

2018 - 2019 Independent Director / Member of the Risk Oversight Committee / Member of the Technology Committee The Siam Commercial Bank PCL.

Feb - Dec 2017 Independent Director / Chairman of the Remuneration Committee PTT PCL.

2008 - 2017 Director / Chief Executive Ofcer - TMB Bank PCL.

2015 - 2016 Member - The Committee for Implementation of Government Key and Urgent Policies

2015 - 2016 Member - The Innovative System Development of the Country Committee

2015 - 2016 Member - The International Trade Development Committee

2014 - 2016 Member of the National Legislative Assembly The National Legislative Assembly

2014 - 2016 Member - The Joint Standing Committee on Commerce, Industry and Banking

2014 - 2016 Chairman - The Thai Bankers' Association

2014 - 2016 Member - The Payment Systems Committee (PSC), The Bank of Thailand

2014 - 2016 Board Member - The Board of Investment of Thailand (BOI)

2014 - 2016 Member - The Small and Medium Enterprises Promotion Board (Ad hoc)

2014 - 2016 Member - The National Committee on Competitive Advantage

1999 - 2007 Executive Vice President - Kasikorn Bank PCL.

**Relation among Family with other Directors and Executives**

- None -



**Ms. Sutida Mongkolsuthree**  
Director

**Age 38**

**Appointed: June 27, 2014**

**% Shareholding as of December 31, 2019:**

5,751,417 shares (or 0.68%)

**Educations / Certifications**

- Master of Science in International Management, Queen Mary, University of London, UK
- Bachelor of Administration in Finance and Banking, Chulalongkorn University
- Certificate Program of Fundamental Practice for Corporate Secretary (FPCS), Thai Listed Companies Association, in B.E. 2009
- Certificate Program for Corporate Secretary, Thai Institute of Directors (IOD), in B.E. 2009
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 7 in B.E. 2011
- Advance Certificate Course Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute
- Academy of Business Creativity Program, Sripatum University
- Young F.T.I. Elite Class 1, The Federation of Thai Industries

**Director Certifications**

2016 Director Certification Program (DCP)

**Position in Listed Companies**

2020 - Present Director - T.K.S. Technologies PCL.

2015 - Present Member of Legal Risk Management Committee - Synnex (Thailand) PCL.

2015 - Present Member of Operation Risk Management Committee Synnex (Thailand) PCL.

2015 - Present Member of Corporate Governance Committee - Synnex (Thailand) PCL.

2014 - Present Chief Executive Ofcer - Synnex (Thailand) PCL.

2013 - Present Director and Chairman of the Executive Committee - TBSP PCL.

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

2015 - 2019 Member of Corporate Public Communication and Social Responsibility Committee - Synnex (Thailand) PCL.

2013 - 2015 Member of Financial Risk Management Committee Synnex (Thailand) PCL.

2013 - 2014 Vice President - Accounting and Finance & Corporate Secretary Synnex (Thailand) PCL.

2012 - 2013 Department Manager - Finance & Corporate Secretary Synnex (Thailand) PCL.

2009 - 2011 Corporate Secretary - Synnex (Thailand) PCL.

2004 - 2006 Management Trainee (Institutional Dealer / Securities Analyst) UOB Kay Hian Securities (Thailand) PCL.

**Relation among Family with other Directors and Executives**

- Yes - (Mr. Supant Mongkolsuthree - Chairman)





**Mr. Puttipan Tayarachkul**  
Director and Corporate Secretary

**Age 61**

**Appointed: September 15, 2008**

**% Shareholding as of December 31, 2019:**

31,315 shares (or 0.004%)

**Educations / Certifications**

- Bachelor of International Trade, Cheng Chi University, Taiwan, R.O.C.
- Certificate Program of TLCA Executive Development Program (EDP) Thai Listed Companies Association, Class 1 in B.E. 2008
- Certificate Program for Corporate Secretary Development, Thai Institute of Directors (IOD), in B.E. 2008
- Executive Energy Program (EEP) The Federation of Thai Industries, Class 1 in B.E. 2015

**Director Certifications**

2007 Director Accreditation Program (DAP)

**Position in Listed Companies**

2019 - Present Senior Advisor Operations - Synnex (Thailand) PCL.  
 2014 - Present Corporate Secretary - Synnex (Thailand) PCL.  
 2013 - Present Member of Operation Risk Management Committee Synnex (Thailand) PCL.  
 2010 - Present Member of Law Risk Management Committee Synnex (Thailand) PCL.  
 2008 - Present Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

2018 - Present Director / Chief Administration Officer - Next Capital Co., Ltd.

**Work Experiences**

2010 - 2019 Member of Corporate Governance Committee - Synnex (Thailand) PCL.  
 1991 - 2018 Senior Executive Vice President - Operations - Synnex (Thailand) PCL.  
 2015 - 2017 Member of Corporate Public Communication and Social Responsibility Committee - Synnex (Thailand) PCL.  
 2010 - 2015 Member of Financial Risk Management Committee Synnex (Thailand) PCL.

**Relation among Family with other Directors and Executives**

- None -



**Mr. Tu, Shu-Chyuan**  
Director

**Age 61**

**Appointed: November 10, 2008**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- Master of Computer Engineering, San Jose State University, U.S.A.

**Director Certifications:**

- None -

**Position in Listed Companies**

2015 - Present Member of Nomination and Compensation Committee Synnex (Thailand) PCL.  
 2008 - Present Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

Present Director - Nuvoton Technology Corporation  
 Present Director - Bestcom Infotech Corporation  
 Present Director - Seper Technology Corporation  
 Present Director - Digitimes Incorporated  
 2007 - Present General Manager - Business Development & Strategy Synnex Technology International Corporation

**Relation among Family with other Directors and Executives**

- Yes - (Mr. Tu, Shu-Wu - Director)



**Mr. Wei, Hui**  
Director

**Age 66**

**Appointed: September 15, 2008**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

• Bachelor of Information Technology, Tamkang University, Taiwan, R.O.C.

**Director Certifications:**

- None -

**Position in Listed Companies**

2008 - Present Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

Present Chairman - E-Fan Investments Co., Ltd.

Present Director - Synergy Intelligent Logistics Corporation

1984 - Present Vice President - Logistics, Information Technology, Services  
Synnex Technology International Corporation

**Relation among Family with other Directors and Executives**

- None -



**Mr. Lin, Tai-Yang**  
Director

**Age 51**

**Appointed: April 25, 2011**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

• Bachelor of Accounting, National Chengchi University, Taiwan, R.O.C.

**Director Certifications:**

- None -

**Position in Listed Companies**

2011 - Present Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

Present Director - E-Fan Investments Co., Ltd.

2006 - Present Director of Finance Planning & Management Division  
Synnex Technology International Corporation

**Relation among Family with other Directors and Executives**

- None -



**Mr. Su, Chih-Ching**  
Director

**Age 58**

**Appointed: August 8, 2014**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

• Bachelor of Law, National Chengchi University

**Director Certifications:**

- None -

**Position in Listed Companies**

2014 - Present Director - Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

Present Director - E-Fan Investments Co., Ltd.

Present Director - Seper Technology Corporation

Present Director - Synergy Intelligent Logistics Corporation

1998 - Present Director of Risk Planning & Management Division  
Synnex Technology International Corporation

**Relation among Family with other Directors and Executives**

- None -

# DIRECTORS AND MANAGEMENT



**Ms. Sutida Mongkolsuthree**  
**Chief Executive Officer**

**Age 38**

**Appointed: August 8, 2014**

**% Shareholding as of December 31, 2019:**

5,751,417 shares (or 0.68%)

**Educations / Certifications**

- Master of Science in International Management, Queen Mary, University of London, UK
- Bachelor of Administration in Finance and Banking, Chulalongkorn University
- Certificate Program of Fundamental Practice for Corporate Secretary (FPCS), Thai Listed Companies Association, in B.E. 2009
- Certificate Program for Corporate Secretary, Thai Institute of Directors (IOD), in B.E. 2009
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 7 in B.E. 2011
- Advance Certificate Course Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute
- Academy of Business Creativity Program, Sripatum University
- Young F.T.I. Elite Class 1, The Federation of Thai Industries
- Certificate Program of "Director Certification Program" (DCP), Thai Institute of Directors (IOD), Class 233

**Position in Listed Companies**

**T.K.S. Technologies PCL.**

2020 - Present      Director

**Synnex (Thailand) PCL.**

2015 - Present      Member of Legal Risk Management Committee  
2015 - Present      Member of Operation Risk Management Committee  
2015 - Present      Member of Corporate Governance Committee  
2014 - Present      Chief Executive Officer - Synnex (Thailand) PCL.

**TBSP PCL.**

2013 - Present      Director and Chairman of the Executive Committee

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2015 - 2019      Member of Corporate Public Communication and Social Responsibility Committee  
2013 - 2015      Member of Financial Risk Management Committee  
2013 - 2014      Vice President - Accounting and Finance & Corporate Secretary  
2012 - 2013      Department Manager - Finance & Corporate Secretary  
2009 - 2011      Corporate Secretary

**UOB Kay Hian Securities (Thailand) PCL.**

2004 - 2006      Management Trainee (Institutional Dealer / Securities Analyst)

**Relation among Family with other Directors and Executives**

- Yes -      (Mr. Supant Mongkolsuthree - Chairman)



**Mr. Tossaporn Nisthanon**  
Chief Operating Officer

**Age 42**

**Appointed: June 1, 2019**

**% Shareholding as of December 31, 2019:**

- None -

**Educations / Certifications**

- Master of Science in Management, Assumption University of Thailand
- Bachelor's degree of Arts with an Honours, Kasetsart University, Humanities Faculty
- Certificate of Micro MBA, Chulalongkorn University

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

- |                |   |
|----------------|---|
| 2020 - Present | Member of Operation Risk Management Committee |
| 2019 - Present | Member of Corporate Governance Committee      |
| 2019 - Present | Chief Operating Officer                       |

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

- |             |  |
|-------------|--|
| 2016 - 2019 | Deputy Country Director - Huawei Technology (Thailand) Co., Ltd.                 |
| 2015 - 2015 | Strategy Advisor to the President<br>Samsung Electronics Philippines Corporation |
| 2013 - 2015 | Head of IT & Mobile Business - Samsung Asia Private Limited                      |
| 2012 - 2013 | Senior Manager - Regional Trade Marketing<br>Samsung Asia Private Limited        |
| 2010 - 2011 | Manager - Retail & Channel Marketing<br>Thai Samsung Electronics Co., Ltd.       |

**Relation among Family with other Directors and Executives**

- None -



**Mr. Puttipan Tayarachkul**  
Senior Advisor - Operations

**Age 61**

**Appointed: April 1, 1991**

**% Shareholding as of December 31, 2019:**

31,315 shares (or 0.004%)

**Educations / Certifications**

- Bachelor of International Trade, Cheng Chi University, Taiwan, R.O.C.
- Certificate Program of "Director Accreditation Program" (DAP), Thai Institute of Directors (IOD), Class 52 in B.E. 2007
- Certificate Program of TLCA Executive Development Program (EDP) Thai Listed Companies Association, Class 1 in B.E. 2008
- Certificate Program for Corporate Secretary Development, Thai Institute of Directors (IOD), in B.E. 2008
- Executive Energy Program (EEP) The Federation of Thai Industries, Class 1 in B.E. 2015

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

- |                |   |
|----------------|---|
| 2019 - Present | Senior Advisor - Operations                   |
| 2014 - Present | Corporate Secretary                           |
| 2015 - Present | Member of Legal Risk Management Committee     |
| 2015 - Present | Member of Operation Risk Management Committee |
| 2014 - Present | Director - Synnex (Thailand) PCL.             |

**Position in Non-Listed Companies**

- |                |  |
|----------------|--|
| 2018 - Present | Director / Chief Administration Officer - Next Capital Co., Ltd. |
|----------------|--|

**Work Experiences**

**Synnex (Thailand) PCL.**

- |             |  |
|-------------|--|
| 2015 - 2019 | Member of Corporate Governance Committee                                     |
| 1991 - 2018 | Senior Executive Vice President - Operations                                 |
| 2015 - 2017 | Member of Corporate Public Communication and Social Responsibility Committee |
| 2010 - 2015 | Member of Financial Risk Management Committee                                |

**Relation among Family with other Directors and Executives**

- None -





**Mr. Anuchit Boonyalug**  
Senior Advisor - Sales & Marketing

**Age 66**

**Appointed: February 1, 1993**

**% Shareholding as of December 31, 2019:**

24 shares (or 0.000%)

**Educations / Certifications**

- Master of Computer Sciences, West Coast University, U.S.A.
- Bachelor of Science in Statistical Science, Kasetsart University
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 2 in B.E. 2008

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

2016 - Present Senior Advisor - Sales & Marketing

2013 - Present Member of Operation Risk Management Committee

**Position in Non-Listed Companies**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2010 - 2019 Member of Corporate Governance Committee

1993 - 2015 Senior Executive Vice President - Sales and Marketing

**Relation among Family with other Directors and Executives**

- None -



**Mr. Boonchai Ekapisit**  
Vice President Internal Audit

**Age 57**

**Appointed: January 1, 2019**

**% Shareholding as of December 31, 2019:**

1,924 shares (or 0.000%)

**Educations / Certifications**

- Bachelor of Business Administration (Marketing), Ramkhamhaeng University
- Certificate of Mini MBA Program "Modern IT CEO", Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 5 in B.E. 2010

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

2020 - Present Member of Operation Risk Management Committee

2019 - Present Vice President Internal Audit - Synnex (Thailand) PCL.

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Prism Solutions Co., Ltd.**

2016 - 2017 Executive Vice President

**Synnex (Thailand) PCL.**

2015 - 2016 Vice President - Bangkok Sales

2013 - 2015 Vice President - Sales and Marketing (Commercial)

2012 - 2013 Vice President - Bangkok Sales

2010 - 2011 Vice President - Sales and Marketing (Commercial)

2006 - 2010 Vice President - Sales

2002 - 2005 Department Manager - Sales

**Relation among Family with other Directors and Executives**

- None -



**Ms. Sutasani Sukeechon**  
Chief Financial Officer, Purchasing and Legal

**Age 50**

**Appointed: July 1, 2018**

**% Shareholding as of December 31, 2019:**

54,461 shares (or 0.006%)

**Educations / Certifications**

- Master of Economics, Ramkhamhaeng University
- Bachelor of Accountancy, Bangkok University
- Certificate Program of "Director Accreditation Program" (DAP), Thai Institute of Directors (IOD), Class 164 in B.E. 2019

**Position in Listed Companies**

2018 - Present Chief Financial Officer Purchasing and Legal  
Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

2019 - Present Director - Next Capital Co., Ltd.

**Work Experiences**

2016 - 2018 Chief Financial Officer and Legal - Thai Insurance PCL.  
2013 - 2015 Vice President - Accounting & Finance - TAG Joint Stock company (Vietnam) Affiliates Berli Jucker PCL.  
2012 - 2013 Vice President Finance - Minor Corporation PCL.  
2009 - 2012 Finance & Accounting Manager - Samsonite (Thailand) Co., Ltd.

**Relation among Family with other Directors and Executives**

- None -



**Ms. Kamonsri Boonjang**  
Vice President Product controller and Building

**Age 58**

**Appointed: October 1, 1993**

**% Shareholding as of December 31, 2019:**

293,208 shares (or 0.035%)

**Educations / Certifications**

- Bachelor of Accountancy, Ramkhamhaeng University
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 6 in B.E. 2010
- Human Resource Professional Practice (HRP) The Federation of Thai Industries, Class 1 in B.E. 2015

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

2020 - Present Vice President - Building

2017 - Present Vice President - Product Controller

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2016 - 2017 Vice President - Accounting  
2015 - 2016 Member of Corporate Public Communication and Social Responsibility Committee  
2015 - 2016 Vice President - Human Resource and Admin  
2014 - 2015 Vice President - Product Controller and Purchasing  
2004 - 2013 Vice President - Accounting  
1993 - 2003 Vice President - Accounting and Finance

**Relation among Family with other Directors and Executives**

- None -



**Mr. Piyasit Thongyuak**  
Vice President Sales &  
Marketing Mobile Devices

**Age 51**

**Appointed: January 4, 2011**

**% Shareholding as of December 31, 2019:**

132,838 shares (or 0.016%)

**Educations / Certifications**

- Master of Public and Private Management, Class 3 National Institute of Development Administration (NIDA)
- Bachelor of Business Administration (Marketing), Faculty of Commerce and Accountancy, Thammasat University
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 11 in B.E. 2013

**Position in Listed Companies**

2016 - Present Vice President - Sales & Marketing Mobile Devices  
Synnex (Thailand) PCL.

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2017 - 2019 Vice President - Sales & Marketing Moderntrade  
2015 - 2016 Vice President - Sales & Marketing Computing Device  
2011 - 2014 Department Manager - Sales & Marketing Computing Device

**Relation among Family with other Directors and Executives**

- None -



**Mr. Pornthep Watcharaamnouy**  
Vice President Sales & Marketing Commercial /  
IoT / Cloud

**Age 51**

**Appointed: August 1, 2018**

**% Shareholding as of December 31, 2019:**

62,761 shares (or 0.007%)

**Educations / Certifications**

- Master of Business Administration (International Business Management) Stamford International University (Thailand)
- Bachelor of Business Administration (Marketing), Assumption University
- Certificate Program of "Role of the Chairman Program", Thai Institute of Directors (IOD), Class 36 in B.E. 2015

**Position in Listed Companies**

2019 - Present Vice President - Sales & Marketing Commercial / IoT / Cloud  
Synnex (Thailand) PCL.

**Position in Non-Listed Companies**

2019 - Present Member of Industrial Promotion and Support  
The Federation of Thai Industries (F.T.I.)  
2012 - Present Managing Director - PT Automation (Thailand) Co., Ltd.

**Work Experiences**

2018 Vice President - Sales and Marketing IoT Solution Group  
Synnex (Thailand) PCL.  
2013 - 2015 Vice President - Advice Holdings Group Co., Ltd.  
2013 - 2014 Member of East Asia Business - Board of Trade of Thailand  
2002 - 2015 Managing Director and Country Manager (Southeast Asia)  
Asustek Computer (Thailand) Co. Ltd.

**Relation among Family with other Directors and Executives**

- None -



**Mr. Prasit Panvichien**  
Vice President Sales & Operations Commercial

**Age 48**

**Appointed: July 16, 1995**

**% Shareholding as of December 31, 2019:**

72,798 shares (or 0.009%)

**Educations / Certifications**

- Master of Business Administration (Marketing), Ramkhamhaeng University
- Bachelor of Arts (Political Science), Ramkhamhaeng University
- Certificate of Mini MBA Program "Modern IT CEO", Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 10 in B.E. 2012

**Position in Listed Companies**

2019 - Present Vice President - Sales & Operations Commercial  
Synnex (Thailand) PCL.

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2010 - 2018 Vice President - Provincial Sales and Operation  
2006 - 2009 Department Manager - Regional Sales and Operations  
1998 - 2006 Regional Branch Manager - North Region

**Relation among Family with other Directors and Executives**

- None -



**Ms. Tisakorn Wongyai**  
Vice President Sales IT Consumer & Upcountry

**Age 51**

**Appointed: May 3, 2016**

**% Shareholding as of December 31, 2019:**

142,641 shares (or 0.017%)

**Educations / Certifications**

- Bachelor of Humanities and Social Sciences, Khon Kaen University

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

2020 - Present Vice President Sales IT Consumer  
2019 - Present Vice President Sales Upcountry

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2016 - 2018 Vice President - Sales and Marketing Consumer Product

**Ingram Micro (Thailand) Limited**

2011 - 2016 General Manager - Consumer and Commercial Product  
2006 - 2010 Country Manager

**Relation among Family with other Directors and Executives**

- None -





**Mrs. Haruthaikarn Phansuwan**  
Vice President Collection & Credit Control

**Age 58**

**Appointed: July 1, 2008**

**% Shareholding as of December 31, 2019:**

132,220 shares (or 0.016%)

**Educations / Certifications**

- Master of Business Administration (Marketing), Dhurakij Pundit University
- Master of Business Administration (Finance & Banking), Ramkhamhaeng University
- Certificate of Mini MBA Program "Modern IT CEO", Faculty of Commerce and Accountancy, Chulalongkorn University
- Certificate of TLCA Executive Development Program (EDP), Thai Listed Companies Association, Class 18

**Position in Listed Companies**

2018 - Present Vice President Collection & Credit Control  
Synnex (Thailand) PCL.

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

2008 - 2018 Collection & Credit Control Department Manager  
Synnex (Thailand) PCL.  
1998 - 2008 Credit Manager - D Computer Co., Ltd.

**Relation among Family with other Directors and Executives**

- None -



**Ms. Jutarat Bunyanuprapart**  
Vice President Services & Indochina

**Age 53**

**Appointed: March 8, 1999**

**% Shareholding as of December 31, 2019:**

72,587 shares (or 0.009%)

**Educations / Certifications**

- Master of Technology, Kasetsart University
- Bachelor of Science (2nd class honors), Srinakharinwirot University
- Certificate of Mini MBA Program "Modern IT CEO", Faculty of Commerce and Accountancy, Chulalongkorn University

**Position in Listed Companies**

**Synnex (Thailand) PCL.**

2020 - Present Vice President Indochina  
2018 - Present Vice President Services

**Position in Non-Listed Companies:**

- None -

**Work Experiences**

**Synnex (Thailand) PCL.**

2007 - 2018 Customer Services Department Manager  
1999 - 2007 Logistic Division Manager

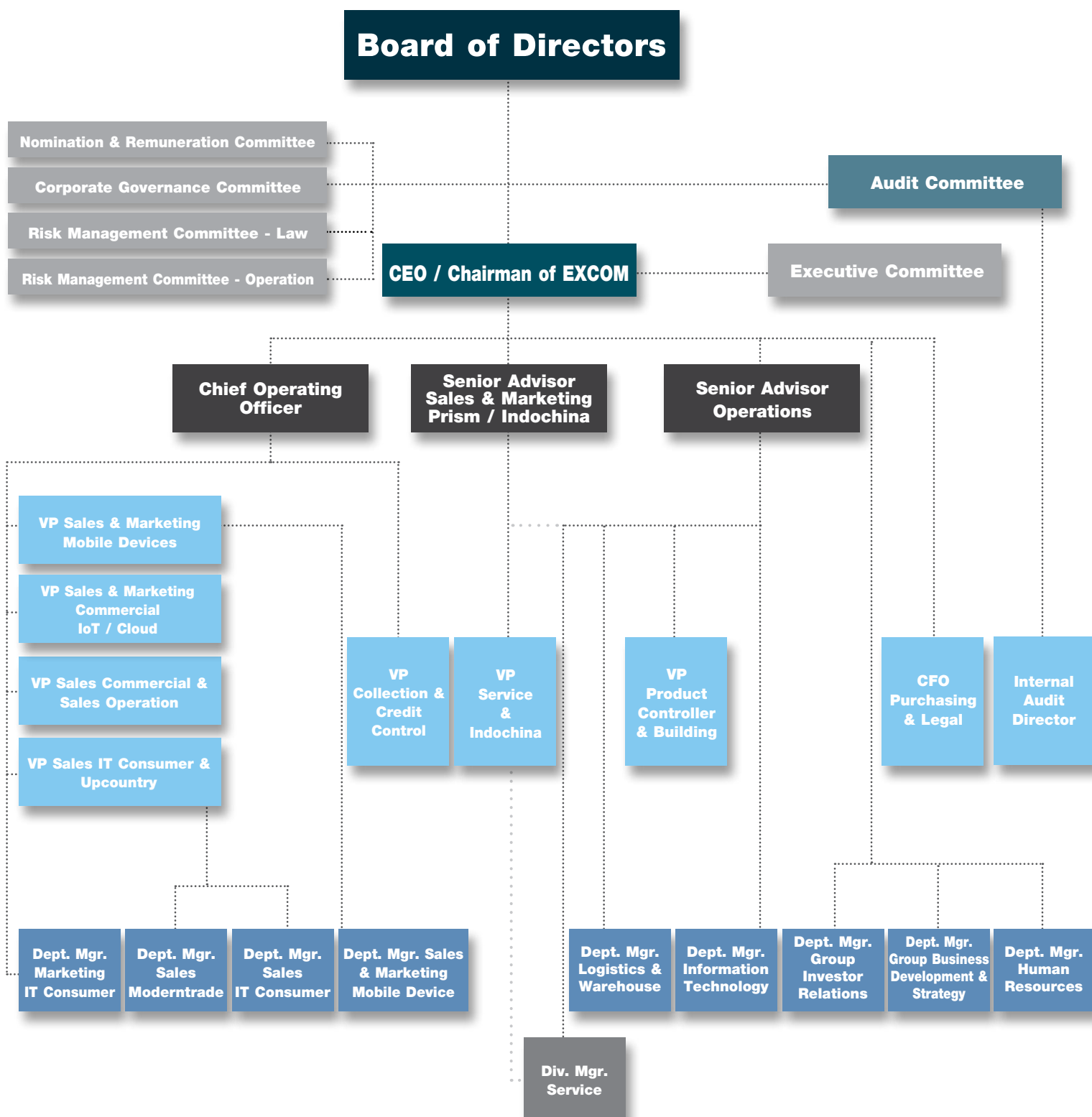
**Asahi Electronic (Thailand) Co., Ltd.**

1990 - 1998 Production Senior Supervisor

**Relation among Family with other Directors and Executives**

- None -

# ORGANIZATION AND MANAGEMENT STRUCTURE



## The Board of Directors

As of 31 December 2019, the Board of Directors comprised of the following 12 directors:

No.	Name	Position
1	Mr. Supant Mongkolsuthree	Chairman
2	Mr. Tu, Shu-Wu	Director
3	Mr. Wei, Hui	Director
4	Mr. Tu, Shu-Chyuan	Director
5	Mr. Lin, Tai-Yang	Director
6	Mr. Su, Chih-Ching	Director
7	Ms. Sutida Mongkolsuthree	Director
8	Mr. Puttipan Tayarachkul	Director and Corporate Secretary
9	Mr. Chakkrit Parapuntakul <sup>(1)</sup>	Independent Director and Chairman of the Audit Committee
10	Mrs. Rawittha Pongnuchit	Independent Director and Audit Committee's Member
11	Mr. Kachachan Mongkoncharoean <sup>(1)</sup>	Independent Director and Audit Committee's Member
12	Mr. Boontuck Wungcharoen <sup>(2)</sup>	Independent Director

- Remark: <sup>(1)</sup> The Board of Directors Meeting No. 2/2019 on May 8, 2019 passed a resolution to appoint Mr. Chakkrit Parapuntakul to be Independent Director and Chairman of the Audit Committee replacing Mr. Somchai Apiwattanaporn and to appoint Mr. Kachachan Mongkoncharoean to be Independent Director and Audit Committee replacing Mrs. Maleeratna Plumchitchom, effective on May 8, 2019 onwards.
- <sup>(2)</sup> The 2019 Annual General Meeting of Shareholders on April 25, 2019 passed a resolution to appoint Mr. Boontuck Wungcharoen to be Independent Director replacing Mr. Vissut Sethaput who is due to retire by rotation.

### Authorized Directors Regarding the Legal Binding of the Company

The Company stipulates that at least 2 directors jointly sign together with the corporate seal affixed. Directors who are authorized signatories are Mr. Supant Mongkolsuthree Mr. Tu, Shu-Wu Mr. Puttipan Tayarachkul Mr. Lin, Tai-Yang Mr. Wei, Hui Mr. Tu, Shu-Chyuan Mr. Su, Chih-Ching and Ms. Sutida Mongkolsuthree. Two of these eight directors shall sign together with the corporate seal affixed.

### Composition and Qualifications of the Company's Board of Directors

- The Board of Directors is composed of at least 5 persons, with at least half of the appointed Board Directors being residents of Kingdom of Thailand. Board Directors must possess the qualifications as required by the law and as specified by the Articles of Association of the Company, and without any restrictions with regards to gender or other types of diversity or differences.
- The Board of Directors must also be composed of Independent Directors; whereby at least 1/3rd. of the total number of appointed Board Directors must be Independent Directors, who do not have any responsibilities for the management and operations of the business and who are fully independent of the Management group and those with controlling power over the Company.
- The Board of Directors must be composed of people who possess the qualifications and requirements as specified by Article 68 of the Public Company Act (BE 2535) together with the Articles of Association of the Company; as well as must not possess any of the disqualifications as specified by the SEC Announcement No. Kor Jor 12/2543.
- The Board of Directors must be composed of persons who possess knowledge, and capabilities as well as other appropriate qualifications that are aligned with the established strategies of the Company together with special expertise relating to legal matters, finance and accounting, and Government regulations that are

applicable to the Company's business operations. This is so to enable the Board to determine the corporate strategies and core policies together with being able to oversee compliance with the stated strategies in an effective and productive manner. As such, there should be no restrictions with regards gender, age, nationality, religious beliefs or any other specialized qualifications whatsoever.

5. Members of the Board of Directors can hold Board Directorships in not more than 5 other listed companies.
6. The position of the Chairman of the Board of Directors and the Chief Executive are not to be held by the same person, with clear separation of their respective roles and duties.

## Scope of Authority and Responsibility of the Company's Board of Directors

The Board of Directors has the role and responsibilities to oversee and ensure that the operations of the Company are undertaken in accordance with the principles of good corporate governance and also with the established required business conducts for Board Directors of listed companies as specified by the Stock Exchange of Thailand (SET) as follows:

1. Determine the overall objectives, strategic directions and key policies of the Company; to review and concur with proposed corporate strategies, business plans, budgets, planned investments, and any key operating projects or activities of the Company; to oversee and monitor, on a regular basis, that Management undertakes operational activities in accordance with the agreed business plans that are based on the established corporate objectives and strategies, in order to ensure that Management will be able to realize the established vision, directions and corporate strategies in a fully effective manner.
2. Oversee and monitor full compliance with all applicable laws together with the established objectives and regulations of the Company - such as: legal requirements relating to matters that require specific approval by the Shareholders Meeting eg: capital increase, capital decrease, issue of debentures, partial and/or total sales or transfer of any key businesses of the Company to other parties, purchases by the Company or transfers to the Company of any businesses/companies, and additions or amendments to the Articles of Association or Regulations of the Company; as well as to oversee and monitor compliance with the Securities and Exchange laws, and regulations of the Stock Exchange of Thailand

(SET) - such as: reporting related transactions in accordance with the regulatory requirements as specified by the Stock Exchange of Thailand (SET) or any involved laws applicable to the businesses of the Company.

3. Determine a policy on good corporate governance practices together with on ethical business conducts, to serve as positive operating guidelines for Board Directors, the Management Group, and Staff of the Company in recognizing and being committed to being fully accountable in discharging their duties and assigned responsibilities, as well as to facilitate a good understanding, on their part, so as to enable full adherence to these principles in order to be equitable for all Stakeholder groups.
4. A succession plan must be devised and determined together with human resources development plans for the Staff, Board Directors and members of the Management Group on a continuing basis.
5. Determine and establish a system of financial reporting that is credible, together with procedures to assess the adequacy, appropriateness and effectiveness of the established systems of internal controls and internal audit processes as well as of the system of risk assessment and risk management.
6. Arrange and ensure that the Financial Statements and Profit & Loss Statements of the Company are prepared, as required, for each financial period at the end of each respective financial period, which financial reports will be audited by the Auditors and then submitted for consideration and approval by the Shareholders Meeting.
7. Arrange to hold the Annual General Shareholders Meeting every year within 4 months from the end of the financial year of the Company; as well as arrange to establish appropriate channels of communications with Shareholders; and oversee that relevant information disclosures are made in a comprehensive manner so as to create confidence, equally among all Shareholders, that such disclosures are accurate, clearly stated, fully transparent and credible.
8. Arrange to hold Board Meetings at least every 3 months, with not less than 2/3 of all appointed Board Directors attending each meeting.
9. Consider and establish the governance and management structure of the Company - from the Executive Committee, the Chief Executive Officer, and the Sub-Committees as appropriate.



10. The Board of Directors can authorize or empower a specific Board Director or a group of Board Directors or other Executives to act on behalf of the Board relating to a specific responsibility and within a specific timeframe as authorized by and within the oversight of the Board of Directors as considered appropriate; whereby the Board of Directors can rescind and amend the scope of this delegated authority or change the names of those being empowered with the authority at any time as considered appropriate.
11. A Board Director is forbidden to undertake any business activities that is similar in nature to or in competition with those of the Company, or to be a shareholder or partner, with unlimited liabilities in any businesses, limited partnerships, or to be a Director in any private or other types of companies that are similar in nature to or in competition with those of the Company, regardless of whether for personal gain or for the benefit of others, unless this matter is informed and disclosed to the Board of Directors in advance prior to taking up such positions with other businesses or companies
12. Board Directors must disclose, without delay, if they have any vested interests, either directly or indirectly, relating to any contracts or agreements that the Company is planning to execute with other parties; as well as if they own any shares or debentures of the Company or whenever there are any changes i.e.: increases or decreases in such shareholdings in the Company or Companies within the Group.
13. Board Directors are required to adhere to the importance of conducting the Company's business with full corporate social responsibility together with responsibility towards the environment, so as to support and promote overall improved well-being of the society and environment together with coexistence in a sustainably happy manner.

## Qualifications of Independent Directors

The Board of Directors is comprised of 4 Independent Directors or more than 1/3 of the total number of appointed Board Directors. As such, these Independent Directors are not involved in the management of the Company as well as are fully independent of the Management group and of the majority Shareholder group. They possess the following qualifications, that are in accordance with the announcement of the Office of the Securities and Exchange Commission (SEC), which is a key component of the principles of good corporate governance.

1. Hold not more than 1% of the outstanding and fully paid up capital of the Company, of any Subsidiary Companies, of any Companies within the Group, of any Joint Venture Companies or of any Associated

Companies; whereby this also includes those shareholdings owned by any related party to the Independent Director.

2. Is not involved with or does not participate in any management activities of the Company, of any Subsidiary Companies, of any Companies within the Group, of any Joint Venture Companies or of any Associated Companies, or the majority Shareholder group of the Company; as well as is not an employee or staff of or a consultant to, with a regular salary or income, the Company, any Subsidiary Companies, any Companies within the Group, any Joint Venture Companies or any Associated Companies, and the majority Shareholder group of the Company.
3. Has no benefits or vested interests, whether directly or indirectly and regardless of whether they involve any financial benefits or management participation in the Company, in any Subsidiary Companies, in any Companies within the Group, in any Joint Venture Companies or in any Associated Companies; whereby the nominee must not have had such vested interests or benefits or involvement, as described above, for a period of not less than 2 years prior to being appointed as an Independent Director.
4. Not being related and involved with or a close relative of any member of the Executive group or the majority Shareholder group of the Company.
5. Has not been appointed as a representative, with regards to protecting the rights and benefits, of a Board Director, or the majority Shareholder group of the Company or a party related to the majority Shareholder group of the Company.
6. Able to discharge the required responsibilities, express opinions and report the outcome of any responsibilities as assigned by the Board of Directors in a fully independent manner as well as without being influenced by the Management group or the majority Shareholder group of the Company, including any other involved persons or close relatives of such parties.

## Term of Office for Board Directors

At every Annual General Shareholders Meeting (AGM) at least 1/3rd of the appointed Board Directors must resign by rotation; whereby if the total number cannot be fully divided by 3, then the nearest number to 1/3rd of all the Board of Directors will resign. As such, in the first and second year after listing those Board Directors who must resign will be determined by drawing lots; and thereafter those Board of Directors with the longest tenure will resign by rotation. Those Board Directors who resign may be elected to be reappointed as a Board Director for another term.

## The Board Committees

So as to enable the Board of Directors to discharge its responsibilities in an effective manner, the Board will appoint various Board Committees that comprise of: The Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Legal Risk Management Committee, the Operations Risk Management Committee and the Executive Committee.

### Audit Committee

The Audit Committee has been established in accordance with the resolution of the Board of Directors to promote

good corporate governance and enhance the efficiency of building the confidence and reliability of the financial reports presented to the shareholders and other stakeholders. Also, the Committee is to review and evaluate the internal control system, risk management, and internal audit system, and also to ensure that the operation comply with its good corporate governance policy.

The Audit Committee shall consist of Independent Directors and Non-Executive Directors with the qualifications fully conformed with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

As of 31 December 2019, the Audit Committees comprised of the following 3 Independent directors:

No.	Name	Position
1	Mr. Chakkrit Parapuntakul	Chairman of the Audit Committee (Independent director)
2	Mrs. Rawittha Pongnuchit	Member (Independent director)
3	Mr. Kachachan Mongkoncharoean	Member (Independent director)

### Scope of Authority and Responsibilities of the Audit Committee

1. To review the accuracy of the Company's financial reports in accordance with legally dened accounting principles, and to ensure that there is adequate disclosure
2. To review the Company's internal control system including risk management system and internal audit system to ensure that they are suitable and efficient, to determine the internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit's or any other unit in charge of an internal audit
3. Acknowledging the report of the Risk Management Committee. And propose to the Board of Directors.
4. To review that the Company complies with the requirements of the Securities and Exchange Commission, SET, and all laws relating to the Company's businesses
5. To consider selecting and nominating the Company's Auditor and determining their annual remuneration while also reviewing the Auditor's independence as well as removing the Auditor in addition to meeting exclusively with the Company's Auditor without Management's members present at least one time a year
6. To review all connected transactions and possible conicts of interests to ensure they are in compliance with the laws and regulations of SET to ensure that all transaction is reasonable and benecial to the Company and all its stakeholders

7. To review and approve the annual internal audit plan and the performance of the internal audit unit's
8. To review the Company anti-corruption policy and other operational measure including any operational requirement that related to change of business, regulation and legal requirements
9. Review and oversee the Company's management for receiving misconduct report concerning malpractice or unlawful conduct.
10. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information
  - (a) An opinion on the accuracy, completeness and creditability of the Company's financial report
  - (b) An opinion on the adequacy of the Company's internal control system
  - (c) An opinion on the compliance with the law on securities and exchange, SET's regulations, or the laws relating to the Company's business
  - (d) An opinion on the suitability of an auditor
  - (e) An opinion on the transactions that may lead to conflicts of interests
  - (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member
  - (g) An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter
  - (h) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
11. To continue the inspection when the external auditor informs regarding any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence under the law on the Security and Exchange and the Audit Committee shall report the result of preliminary inspection to the Ofce of the Securities and Exchange Commission and the external auditor within thirty days
12. To report the discussion and/or decision of the Audit Committee at its meetings and make recommendation as necessary to the Board of Directors at least four times a year. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts, which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectication within the period of time that the Audit Committee thinks fit
  - (1) Transactions which may cause conicts of interest
  - (2) Fraud or irregular events or material aws in the internal control system
  - (3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business

Should the Board of Directors or management fail to remedy the issues within the timeline specied by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET
13. To have the authority to invite concerned executives, management and ofcers of the Company to express opinions, attend meetings or deliver documents as deemed necessary.

14. To review the presence of the Audit Committee's performance assessment as a whole and as self-assessment on an annual basis.
15. To review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.
16. To Review the Charter of Audit Committee in order to compatible with the current situations
17. Chairman or members of the Audit Committee shall attend the shareholders' annual general meeting in order to clarify issues associated with the Audit Committee or appointment of the external auditors.
18. To perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee

### Meeting

1. The Audit Committee holds a meeting when seen as appropriate (at least five times a year) and has power to call for an extra meeting as considered necessary. The Audit Committee's quorum shall comprise of not less than one-half of the total existing members.
2. The resolution of the Audit Committee can be made by majority vote. Any member who has any interest in the related topic shall not vote in that particular topic. If the result of the vote is even, the chairman of the meeting shall have a final vote.
3. The exclusive meeting between the Audit Committee and Management Team, or the Internal Audit Unit, or the Company's Auditor is to be held consistently at least one time a year.
4. The meeting agenda and attachments shall be issued not less than three days prior to the meeting date with the Secretary of the Audit Committee preparing the minutes of the Meeting.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for the recruitment and selection of qualified persons, who are considered appropriate to be proposed to the Board of Directors for appointment as Board Directors, as well

as for defining the policies and criteria relating to the remuneration structure for Board Directors that is transparent and fair.

The Nomination and Remuneration Committee is comprised of the following 3 Members:

No.	Name	Position
1	Mrs. Rawittha Pongnuchit	Chairman of the Nomination and Remuneration Committee
2	Mr. Supant Mongkolsuthree	Member
3	Mr. Tu, Shu-Chyuan	Member



## Scope of Duties and Responsibilities of the Nomination and Remuneration Committee

1. Determine policies, required qualifications and selection criteria for those persons to be considered for nomination as Board Directors and Members of Board Committees.
2. Undertake the selection of those qualified persons to be considered for nomination, who possess the abilities and experiences appropriate for the Company's businesses; and then, in the event that the position becomes vacant, recommend such candidates to be nominated as Board Directors and Members of the various Board Committees to the Board of Directors and/or the Shareholders Meeting (as applicable).
3. Determine policies and criteria for determining remuneration for Board Directors, (ie: meeting allowances and/or other types of monetary or non-monetary compensation), and then propose to the Board of Directors and/or Shareholders Meeting for approval (as applicable).
4. At least half of the Members of the Nomination and Remuneration Committee must attend each Committee meeting; and a resolution of the Nomination and Remuneration Committee requires a majority vote; whereby in the event of a tie-vote the Chairman of the Nomination and Remuneration Committee will have one additional deciding vote.
5. The Nomination and Remuneration Committee will meet at least once each year.
6. The Nomination and Remuneration Committee will undertake any other duties as assigned by the Board of Directors, as appropriate.

## Corporate Governance Committee

The Corporate Governance Committee is responsible for determining good corporate governance policies and practices, as specified by the principles and criteria relating to good governance and the Company's Code of Ethics and Business Conduct towards all other involved parties; as well as for overseeing that good governance practices are adhered to, with regards to both internal and external parties, in an equitable manner without any bias and on a continuing

basis along with communicating corporate public relations information and corporate image, so as to add value to its business operations with regards to the economic, marketing, investor relations (IR), corporate social responsibility, and environmental responsibility aspects of its operations in an effective and continuous manner. These operational aspects or components are aimed at benefiting all involved internal and external parties.

The Corporate Governance Committee is comprised of the following 3 Members:

ลำดับ	รายชื่อ	ตำแหน่ง
1	Mr. Kachachan Mongkoncharoean	Chairman of the Corporate Governance Committee
2	Ms. Sutida Mongkolsuthree	Member
3	Mr. Tossaporn Nisthanon	Member

## Scope of Duties and Responsibilities of the Corporate Governance Committee

1. Dene and then propose, to the Board of Directors for consideration and approval, the Company's good governance policies and practices; as well as then monitor that these policies and practices are complied with in the various operational activities. Review such policies and practices on a regular basis, so that they remain relevant and appropriate for the Company.
2. Dene and oversee policies relating to human resources management, based on the principles of good corporate governance.
3. Dene policies, objectives and strategies of the CC, PR & CSR Committee, so as to develop various channels of communications that are relevant and timely, so as to effectively support the Company's business operations to be conducted in accordance with and to achieve the vision, corporate strategies, policies, objectives and business plans as specified by the Company's Board of Directors.
4. Oversee as well as monitor information disclosures and required notifications to the various involved regulatory authorities in accordance with the rules and regulations specified by the Stock Exchange of Thailand and other involved parties.
5. Oversee communications with investors and associated activities of the Investor Relations Department in an effective manner, so that investors and shareholders are fully informed of their rights, benefits and privileges.
6. Support and disseminate information about the Company's activities with regards to its Corporate Social Responsibility (CSR) and care for the environment, so that such public relations communications will serve to inform as well as make the general public and other external parties aware about such activities in an effective manner and on a continuing basis.
7. The Corporate Governance Committee will meet at least 6 times a year, with at least half of total Members of the Committee to attend each meeting; whereby a resolution of the Corporate Governance Committee requires a majority vote.
8. The Corporate Governance Committee will undertake any other duties as assigned by the Board of Directors, as appropriate.

## Legal Risk Management Committee

The Legal Risk Management Committee is responsible for overseeing and controlling corporate legal documents as well as the internal management activities of the Company, so as to ensure that they all comply with the current applicable laws and regulations. Additionally, the Committee may consider applying existing laws and legal

procedures, so as to monitor and expedite any legal cases that have occurred or may occur, as well as make use of any legal proceedings to prevent various potential risks from occurring that may result in damages for the Company.

The Legal Risk Management Committee is comprised of the following 4 Members:

ลำดับ	รายชื่อ	ตำแหน่ง
1	Mrs. Rawittha Pongnuchit	Chairman of the Legal Risk Management Committee
2	Ms. Sutida Mongkolsuthree	Member
3	Mr. Puttipan Tayarachkul	Member
4	Pol.Gen. Rachatha Yensuang	Member

## Scope of Authority and Responsibilities of the Legal Risk Management Committee

1. Review and amend the Charter of the Legal Risk Management Committee once a year, so that it always remains timely, current and appropriate to the present business environment for the organization.
2. Review and consider, together with the Management and the involved Department Managers, the operational legal aspects of the Company.
3. Review, consider and define policies relating to various legal issues; and also oversee that various applicable operational procedures or measures correspond to the provisions of the law. Provide recommendations and, together with involved Departments, define policies and oversee that the various operational procedures and measures, rules and regulations of the Company correspond to the provisions of the law.
4. Authorize to review and amend rules, regulations, or any contracts relating to Company's internal management activities or other associated issues, so that they correspond to the provisions of the law. Provide legal advice relating any lawsuit and procedures, legal judgment and enforcement, and any ongoing legal proceedings or those to be undertaken.
5. Report to the Company's Board of Directors, on a regular basis, on any matters that need to be improved, so as they correspond to established Company policies and strategies.
6. The meeting of the Legal Risk Management Committee will be attended by not less than half of the total existing Members; whereby the resolution of the Committee will require a majority vote.
7. The Minutes of the Committee meetings must be submitted to the Board of Directors for acknowledgement.
8. The Committee shall meet at least 6 times per year.

## Operations Risk Management Committee

The Operations Risk Management is responsible for reviewing the adequacy and effectiveness in managing risks relating to the operations of business partners that may impact the organization, through taking into consideration

both present and future risk situations or factors, so as to reflect the stated vision and Code of Ethics and Business Conduct of the Company as well as established principles of good corporate governance.

The Operations Risk Management Committee is comprised of the following 5 Members:

No.	Name	Position
1	Mr. Supant Mongkolsuthree	Chairman of the Operations Risk Management Committee
2	Mr. Tossaporn Nisthanon	Member
3	Mr. Puttipan Tayarachkul	Member
4	Mr. Anuchit Boonyalug	Member
5	Mr. Boonchai Ekapisit	Member

## Scope of Authority and Responsibilities of the Operations Risk Management Committee

1. Dene policies and business partner operations risk guidelines; and then propose to the Board of Director for consideration the overall risk management measures covering such key aspects as: credit risk, obsolete inventory risk, operations risk and other risks that will impact to the Group's corporate reputation or image.
2. Dene strategies that conform to the established Operations Risk Management Policy; whereby the risks relating to respective business partners can be monitored and reviewed so that they can be managed at appropriately acceptable levels; as well as ensure they effectively comply with established criteria as specied by the Company.
3. Review the adequacy of established policies and the efficiency of overall the Operations Risk Management procedures so that they correspond with established policies.
4. The Operations Risk Management Committee will meet at least 6 times a year, with at least half of the Committee's Members must be present at each meeting; whereby a resolution of the Committee requires a majority vote.
5. Undertake any other duties assigned by the Board of Directors of the Company, as appropriate.

## Executive Committee

The Executive Committee is charged with overseeing the Company's overall operations and administrative activities, in accordance with the agreed objectives, goals and policies within the applicable legal framework and scope

of authority of the Board of Directors. Additionally, the Executive Committee represents the Company with regards to external parties, and will act for the overall interests and benefit of the Company.

The Executive Committee is comprised of the following 4 Members:

No.	Name	Position
1	Ms. Sutida Mongkolsuthree	Chairman of the Executive Committee
2	Mr. Tossaporn Nisthanon	Member
3	Mr. Puttipan Tayarachkul	Member
4	Mr. Anuchit Boonyalug	Member



## Criteria and Qualifications in appointing Members to the Executive Committee, and Term of Office

1. The Company's Board of Directors is responsible for establishing and appointing Members of the Executive Committee, through selecting from some of the Board Directors and Senior Executives of the Company who possess those qualifications considered appropriate for the assigned responsibilities. The Board of Directors also appoints one of those Members to be the Chairman of the Executive Committee or Chief Executive Officer (CEO).
2. Members of the Executive Committee have a 3-year term of office, with the Nomination and Remuneration Committee being responsible for determining the remuneration for Members of the Executive as well as for considering appropriately qualified Board Directors and Senior Executives and nominating such persons to the Board of Directors for approval in being appointed to the Executive Committee every 3 years. However, the Chief Executive Officer and Members of the Executive Committee who retire by rotation can be nominated and reappointed for another term of office.
3. The Executive Committee must arrange to convene Executive Committee meetings as appropriate; and all Executive Directors are required to regularly attend such meetings.
4. At all Executive Committee meetings, there must not less than half of all the appointed Members attending so as to constitute a quorum for a meeting to take place.
5. Members of the Executive Committee will not receive any meeting allowances in attending Executive Committee meetings.

## Scope of Authority and Responsibilities of the Executive Committee

1. Oversee and conduct the business activities of the Company; define the goals, business strategies, and business expansion plans of the Company in accordance with the established vision, mission, strategies, policies, and resolutions of the Board of Directors, which are not contrary to the applicable laws, together with the rules and regulations of the Company.

2. Consider for approval the overall executive structure, salary, and bonus as well as other employee rewards and incentives that are aimed at promoting staff motivation and morale. Review the Company's management structure from the Department level downwards; and define the operational procedures of the Company's staff so as to not be in conflict with all applicable laws and regulations.
3. Consider for approval the Company's annual budget, to be submitted for further approval by the Board of Directors.
4. Undertake any legal transactions, in the name of the Company, as authorized by the established policies, regulations and scope of authority of the Executive Committee and assigned by the Board of Directors.
5. Consider for approval the proposed applications for credit facilities of the Company; define the Company's policies together with overall investment directions and activities in accordance with the established investment policies of the Company.
6. Consider for approval or acknowledge other relevant management issues, as deemed necessary or appropriate by the Executive Committee.
7. The Chief Executive Officer, as the Chairman of the Executive Committee, oversees to ensure performance effectiveness of the Committee in accordance with the above-mentioned duties and responsibilities. Oversees and ensures that Company's internal controls system is adequate, comprehensive and appropriate, through close coordination and collaboration with the Audit Committee.

## Scope of Authority and Responsibilities of the Chief Executive Officer

The Company's Board of Directors has determined and assigned the CEO to have the duty, responsibilities and associated authority to manage the overall business operations of the Company in accordance with the established corporate policies, as follows:

1. Oversee and manage the Company's daily operations and activities
2. Manage the Company's overall operations in accordance with established Company policy, business activities plan, and approved budget as determined by the Board of Directors.
3. Act as the authorized person, under the established Company regulations, to manage, in a comprehensive manner, the Company's operations in accordance with the established Company objectives and policies, as well as with its rules and regulations and together with the resolutions of the Shareholders Meeting and/or the Board of Directors Meeting.

4. Determine the Company's business plans and annual budget relating to the normal conduct of its businesses for submission to Board of Directors for its consideration and approval.
5. Approve the budget for significant investments, as incorporated in annual expenditures plans as authorized and assigned by the Board of Directors or as per any previous resolutions of the Board of Directors
6. Determine and approve loans or borrowings and issue of any financial instruments to the general public, together with the any guarantees and loan collaterals to be given or any applications for credit facilities, for proposing to the Board of Directors Meeting for approval.
7. Define and determine the Company's mission, objectives, operating guidelines, and policies; as well issue any orders in overseeing the overall operations of the Company.
8. Delegate any authority or assign others to act on behalf of the CEO, or both, within the framework of the Company's rules and regulations or authority as given by the Board of Directors or the Company, or both. The delegation of such authority, in legally binding the Company, requires the joint approval of any two of these three persons: The Chief Executive Officer and the 2 Senior Vice Presidents, together with affixing the corporate seal.
9. Monitor and evaluate the company's operations, so as to prevent any possible impact from both internal and external risk factors.
10. Consider entering into any business agreements or contracts that are beneficial for the Company; as well as determine associated procedures and methods in negotiating such contracts to be proposed to the Board Meeting for approval. As such, any two of these three persons - the Chief Executive Officer and the 2 Senior Vice Presidents - together are required to sign such agreements or contracts with affixing the corporate seal, so as to be legally binding on the Company.
11. Consider the allocation of pension payments, rewards or other compensation to be given to the Company's employees or other involved parties who undertake any business for the Company, as approved by a resolution of the Board of Directors
12. Authorized to employ and appoint any employees to various Management positions within the Company, as well as to transfer them to other Departments or to dismiss them from the Company. Also authorized to determine the terms of employment and remuneration or compensation, bonus and other additional benefits with regards to the employees of the Company.
13. Authorized to issue orders, rules and regulations, and associated memoranda so as to ensure that all operational activities and performances are in accordance with the policy and to the

benefit of the Company, as well as to maintain regulations and discipline within the Company.

14. Undertake any other duties as assigned by the Board of Directors, as appropriate.

Nevertheless, the authority or assigning the authority to the third parties will not include the authority and/or assigning the authority to approve any activities that may have the conflicts of interest with the Company or the subsidiaries company as determined in the rule and regulations of the Stock Exchange of Thailand. The approval of such activities shall be proposed to the Board of Directors Meeting and/or the Shareholders Meeting to consider and approve such activities according to regulations or relevant laws.

### **Criteria, conditions and procedures in appointing Board Committees**

1. The Board of Directors will consider appointing the various Board Committees.
2. Each respective Board Committee will consider and appoint the required working groups, and also the Secretary of the Committee.
3. Each Board Committee will be comprised of Members, who possess the relevant knowledge, expertise and experiences together with a full understanding of the role, duty and responsibilities of their respective Committees.
4. Each Board Committee will have a term of office of 3 years; whereby the Chairman and each Member of the respective Board Committees may be reappointed for another term
5. In the event that all of the members of the Board Committee shall vacate from their office, the Committee members who are being vacated shall remain in office to continue their duties until the new committee members are appointed
6. In the event that the Chairman or the Members of the Board Committee have completed their term of office or are unable to complete the current term of office, for whatever reason, the Board of Directors or the Chairman of the Board shall appoint a qualified replacement to the vacated position in order to complete the Committee member. As such, the replacement Chairman or Members of the respective Board Committees will remain in office till the expiration of the current term of office only.
7. Executive members of the Committees shall not be remunerated from the meeting attendance.

## Board Meetings

The Company arranges to hold one Board Meeting at least every 3 months, with Board Meetings being scheduled in advance for the whole year and informed to all Board Directors so as to facilitate them to plan their time in being available and able to attend the scheduled Board Meetings. For each Board Meeting not less than 2/3<sup>rd</sup> of the total number of appointed Board Directors must be present to form a quorum for the Board Meeting; whereby the attendance record for Board Meetings of each respective Board Director during the year will be disclosed in the Company's Annual Report.

The Company sends out notifications of Board Meetings together with the proposed Agenda for consideration as well as all associated supporting documents, that are clear, adequate and appropriate, at least 5 working days in advance prior to the scheduled date of the Board Meeting so that each Board Director can have sufficient time to read and review the information beforehand.

## The Evaluation of the Board of Directors and the Sub-Committees

The Company has a policy to ask the Board of Directors and the Sub-Committees (as a whole and an individual basis) to evaluate its performances at least once a year to consider and review their performances, issues and obstacles over the year and to increase the effectiveness of the Board of Directors and the Sub-Committees. The evaluation results are beneficial to consecutively improve the efficiency of the Board of Directors and the Sub-Committees.

## Performance Evaluation of the Board of Directors

The Company gives the Board of Directors evaluation forms to all members so they are able to evaluate the performances during the year collectively. The areas to be assessed are qualification, roles and responsibilities, meeting, performances of the Board of Directors, relationship with Management and self-improvement of the Board of Directors and Executive development. After day complete the forms, the Board of Directors send them to the corporate secretary who collects the results of each member, summarizes and analyzes the performances of the Board of Directors during the year.

## The Criteria of Evaluation of the Board of Director.

- Scores above 85 are considered "Excellent"
- Scores above 75 are considered "Good"
- Scores above 65 are considered "Moderately Good"
- Scores above 50 are considered "Average"
- Scores below 50 are considered "Needs Improvements"

## The Evaluation of the Board of Directors' Performance

1. Board of Directors: the performance evaluation of Board of Directors are considered "Excellent", point average was 99.
2. Audit Committee: the performance evaluation of Audit Committee are considered "Excellent", point average was 98.
3. Nomination and Remuneration Committee: the performance evaluation of Nomination and Remuneration Committee are considered "Excellent", point average was 99.
4. Corporate Governance Committee: the performance evaluation of Corporate Governance Committee are considered "Excellent", point average was 95.
5. Legal Risk Management Committee: the performance evaluation of Legal Risk Management Committee are considered "Excellent", point average was 99.

## The evaluation of the Chief Executive Officer

The Company evaluated the Chief Executive Officer's performance which the areas to be assessed are: leadership / determination of strategic planning / compliance strategy / financial planning and results of financial operations / relationship with Directors / external relation / management and employee relation / succession / product knowledge and individual characteristic. The Board of Directors had a resolution to the Chief Executive Officer's performance which are considered "Excellent", point average was 99.

## **Policies and criteria for selection, nomination and appointment of Board Directors**

The Nomination and Remuneration Committee is responsible for considering persons deemed qualified to be selected and proposed as nominees for appointment as a Board Director of the Company, in order to replace those Board Directors who have completed their term of office or due to any other situation, and to be proposed to the Board of Directors for their concurrence and/or to the Shareholders Meeting for final consideration and approval. Such qualified persons must possess leadership skills, broad vision, and good moral ethics, together with a transparent and positive professional business experience. Also, great importance is placed on achieving a positive Board Diversity that comprises of Directors possessing the appropriate qualifications and experiences corresponding to the Company's strategies, together with having the required specific knowhow and expertise within the Board of Directors. This is in order that the Board will be capable of determining effective strategies and policies, together with being able to oversee, in an effective and productive manner, their execution and implementation. As such, the proposed qualifications and criteria for Board Directors are:

- Having a leadership role, broad vision, good ethics and honesty; as well as being fully committed to good corporate governance practices
- Possessing a mature and stable personality and being a good listener; as well as willing to express an opposing opinion and speaking out independently
- Committed to working standards as a professional; and able to fully devote full efforts as well as time - especially with regards to making important decisions based on information and reasons for the overall benefit of the Company
- Having a positive range of diversity among the Board Directors - such as, educational background, gender, and age etc.
- Being knowledgeable and well-experienced; and having specific knowledge or expertise that is divided into these 3 areas: legal matters, Government rules and regulations applicable to the business operations, and finance and accounting with required specific knowledge about financial statements/reporting and accounting standards

- Not being a person with any prohibited qualifications as specified by the applicable law on public companies; as well as not being a person who is listed in the 'Black List' of any organization, or having received a guilty judgment or verdict in a criminal legal proceeding.
- A Board Director who is an Independent Director must possess all the qualifications and criteria as specified for Independent Directors
- Consideration of any other qualifications that are considered to be appropriate, applicable, and reasonable by the Board of Directors

## **Policies and criteria for selection, nomination and appointment of top Executives**

Those persons being considered for appointment as a top Executive of the Company will be considered by the Nomination and Remuneration Committee so as to screen and ensure that they possess all the required and appropriate qualifications, knowledge, professional experiences, specific expertise, leadership qualities, management skills, and good understanding to the Company's business. Those considered qualified will then be proposed and nominated to the Board of Directors for consideration and approval.

## **Policy on the Remuneration for Board Directors**

The Board of Directors has assigned the Nomination and Remuneration Committee to be responsible for considering, determining and proposing the annual remuneration for Board Directors to the Board of Directors to consider and submit to the AGM for approval; whereby as such, this is a regularly scheduled Agenda Item for consideration and approval at each AGM. As such, the proposed remuneration for Board Directors must be aligned with and appropriate to their assigned duties and required responsibilities, as well as be equitable and aligned with the annual performance results of the Company together with being comparable to the remuneration given to Board Directors in other SET-listed companies of a similar size within the same industry/business sector.



## Director and Executive Development

### Board Directors orientation

The Company undertakes an orientation program for newly appointed Board Directors so that they will be informed about and made aware of the Company's business policies, the overview of the types of business operations and activities, the financial structure, and the corporate structure and operating performance results; as well as being provided with other relevant information on the business and the various applicable laws and regulatory requirements which information will be beneficial and useful for Board Directors - with details as follows:

1. Company's Afdavit and Articles of Association
2. Names of Members of the main corporate Board of Directors and names of the Board of Directors of Subsidiary Companies
3. Role and duties of the Board of Directors and those of the various subcommittees
4. Code of Conduct
5. Minutes of the Ordinary Annual General Shareholders Meeting (for the latest year)
6. Minutes of the Board of Directors Meetings (for the latest year)
7. The Company's Annual Report (for the latest year)
8. Form 56-1 (for the latest year)
9. Financial Statements (for the latest year)
10. Timeline of Board of Directors Meetings for the year for the current year

### Director Training

The Company is supportive in providing extra training to Directors and also applied to support the Thai Institute of Directors (IOD) to gain benefits related to increasing knowledge to help them better perform their duties.

IOD Training Courses of the Board of Directors as following:

Name	DAP	DCP	ACP	AACP	BMT	ELP
1. Mr. Supant Mongkolsuthree	2004	2004	-	-	-	-
2. Mr. Chakkrit Parapuntakul	2004	-	2005	-	2017	2017
3. Mrs. Rawittha Pongnuchit	-	2005	-	-	-	-
4. Mr. Kachachan Mongkoncharoan	2011	-	-	2019	-	-
5. Mr. Boontuck Wungcharoen	-	2008	-	-	-	-
6. Ms. Sutida Mongkolsuthree	-	2016	-	-	-	-
7. Mr. Puttipan Tayarachkul	2007	-	-	-	-	-

## Succession Plans and Development of Senior Management / Executives

The Board of Directors has assigned the Executive Committee to develop and determine a succession plan for key positions; whereby the Chief Executive Officer is responsible for reporting to and informing the Board of Directors about the current succession plans on a regular basis, so that the Board will be content that the Company has in place a systematic process for the selection of appropriately qualified persons to assume key Management/ Executive positions and associated responsibilities at every management level. This information will then be used to develop senior Management / Executives persons, so that they are well-prepared in succeeding to the respective designated positions as planned.

## Corporate Secretary

The Board of Directors' Meeting No. 5/2014, held on 6 November 2014, appointed Mr. Puttipan Tayarachkul, Senior Advisor to be the Corporate Secretary.

### Scope of Duties and Responsibilities of the Corporate Secretary

The Company's Board of Directors is responsible for establishing and appointing the Corporate Secretary shall act as dened in Section 89/15 and 89/16 of the Securities and Exchange Act (No. 4) Act 2551 which comes into force on 31 August 2008 with responsibility, caution and honesty including the need to comply with the laws, regulations, the Company objectives, the Board of Directors resolutions and resolutions of the shareholders' meeting. The scope of legal duties and responsibilities of the Corporate Secretary are shown below:

1. Arranging the Annual General Meeting of Shareholders to conforms to the Companies' regulation
2. Recording Minutes of the General Meeting of Shareholders and Minutes of the Board of Directors' Meeting, and monitoring subsequent actions in accordance with resolutions of those meetings
3. Preparing and keeping registrations of directors, notices calling Shareholders and the Board of Directors Meetings, as well as Minutes of the Shareholders and the Board of Directors Meetings
4. Communicating with all correspondence in the Company and ensuring that people entitled abide by the Board's and Shareholders resolution
5. Providing basic advice pertaining to the relevant law provision and regulations and the Company's procedures, as well as monitoring compliance on a regular basis
6. Keeping all interest or conicts of interest reported by directors or any member of management team and submit the interest and conict of interest report to Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days upon receiving by the Company
7. Ensuring that corporate information disclosures to regulatory agencies are in accordance with the laws and regulations
8. Being accountable for anti-corruption operations as the measure determined by the Board of Directors
9. Communicating with Shareholders on their legitimate rights and on the Company's information
10. Assisting in the Board of Directors activities

## Remuneration of Directors and Management

### 1. Financial compensation

#### Remuneration of Directors

In 2019, the Remuneration of Board of Directors in form of allowances totally 2,635,000 Baht as following;

Name	Remuneration of Directors for the year 2019							Total Remuneration (THB)
	Meeting Attended							
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	The Sub-Committees				
				Corporate Governance Committee	Legal Risk Management Committee	Operation Risk Management Committee	Corporate Public Communication and Social Responsibility Committee	
1 Mr. Supant Mongkolsuthree	4/4		1/1					265,000
2 Mr. Tu, Shu-Wu	3/4							90,000
3 Mr. Wei, Hui	1/4							30,000
4 Mr. Tu Shu Chyuan	4/4		2/2					170,000
5 Mr. Lin, Tai-Yang	-							-
6 Mr. Su, Chih-Ching	-							-
7 Ms. Sutida Mongkolsuthree	4/4							120,000
8 Mr. Puttipan Tayarachkul	4/4							120,000
9 Mr. Chakkrit Parapuntakul <sup>(1)</sup>	2/2	3/3						180,000
10 Mrs. Rawittha Pongnuchit	4/4	4/5	1/1		12/12			555,000
11 Mr. Kachachan Mongkoncharoean <sup>(2)</sup>	4/4	3/3		4/4			2/2	350,000
12 Mr. Boontuck Wungcharoen <sup>(3)</sup>	2/3							60,000
13 Pol.Gen. Rachatha Yensuang					12/12			240,000
14 Mr. Somchai Apiwattanapron <sup>(4)</sup>	1/1	2/2	1/1			3/3		190,000
15 Mrs. Maleeratna Plumchitchom <sup>(5)</sup>	1/1	1/2	1/1			3/3		145,000
16 Mr. Vissut Sethaput <sup>(6)</sup>	1/1	1/1		3/3				120,000

- Remark:
- <sup>(1)</sup> The Board of Directors Meeting No. 2/2019 on May 8, 2019 passed a resolution to appoint Mr. Chakkrit Parapuntakul to be Independent Director and Chairman of the Audit Committee replacing Mr. Somchai Apiwattanapron, effective on May 8, 2019 onwards.
  - <sup>(2)</sup> The Board of Directors Meeting No. 2/2019 on May 8, 2019 passed a resolution to appoint Mr. Kachachan Mongkoncharoen to be Independent Director and Audit Committee replacing Mrs. Maleeratna Plumchitchom, effective on May 8, 2019 onwards.
  - <sup>(3)</sup> The 2019 Annual General Meeting of Shareholders on April 25, 2019 passed a resolution to appoint Mr. Boontuck Wungcharoen to be Independent Director replacing Mr. Vissut Sethaput who is due to retire by rotation.
  - <sup>(4)</sup> Mr. Somchai Apiwattanapron resigned from Independent Director, Chairman of the Audit Committee, effect from May 8, 2019
  - <sup>(5)</sup> Mrs. Maleeratna Plumchitchom resigned from Independent Director, Audit Committee, effect from May 8, 2019.
  - <sup>(6)</sup> Mr. Vissut Sethaput who is due to retire by rotation from the 2019 Annual General Meeting of Shareholders on April 25, 2019.

For the 2019 Annual General Meeting of Shareholders on 25 April 2019, it was resolved to x the total remuneration for directors, Audit Committee's members, and Committee's members to not exceed THB 4,800,000 with details as follows:

Remuneration of the Company's directors / Audit's Committee's members / Sub-Committees' members	Position	2019 (THB/Meeting)
1 Company's directors	Chairman	60,000
	Director	30,000
2 Audit Committee	Chairman	40,000
	Member	30,000
3 Nomination and Remuneration Committee	Chairman	30,000
	Member	25,000
4 Corporate Governance Committee	Chairman	25,000
	Member	20,000
5 Legal Risk Management Committee	Chairman	25,000
	Member	20,000
6 Operational Risk Management Committee	Chairman	25,000
	Member	20,000
7 Corporate Public Communication and Social Responsibility Committee	Chairman	25,000
	Member	20,000
Total Remunerations for the Company's directors/ Audit Committee's members/ Sub-Committees' members		Not exceeding 4,800,000

## Remunerations of Management

Remunerations	2019		2018	
	Number of executives	Total (Million Baht)	Number of executives	Total (Million Baht)
Salaries, bonus payments, the provident fund	13	54.68	13	59.96
<b>Total</b>	<b>13</b>	<b>54.68</b>	<b>13</b>	<b>59.96</b>

Remark: Remunerations compared with number of executives and management structure



## 2. Other Remuneration

### The Employee Joint Investment Program (EJIP no.1)

The Board of Directors' Meeting no. 4/2013 which hold on 6 November 2013, passed the significant resolution of the approval of the Employee Joint Investment Program (EJIP) to bring employees up to their ultimate efficiency, motivation and the sense of ownership. The program period is 5 years, starting from 1 January 2014 - 31 December 2018

### The Employee Joint Investment Program (EJIP no.2)

The Board of Directors' Meeting no. 4/2017 which hold on 11 November 2017, passed the significant resolution of the approval of the Employee Joint Investment Program (EJIP no.2). The program period is 5 years, starting from 1 January 2018 - 31 December 2022

The eligible employees are follows:

Rank	Working Period
Officer (O1)	Over 10 years
Senior Ofcer (O2)	Over 2 years
Supervisor (O3) to Section Manager (M1)	Over 1 years
Division Manager (M2) upward	Successful probation period

The Company will deduct from payroll of eligible employee who voluntarily joins EJIP in each month until the end of the EJIP period. The Company will contribute 42% of the deductible amount from EJIP participants on a monthly basis. The deduction from payroll of eligible employee who voluntarily joins EJIP as follows:

Rank	Payroll Deduction Rate (Baht)
Ofcer (O1)	500 Baht/Month
Senior Ofcer (O2)	1,000 Baht/Month
Supervisor (O3)	1,200 Baht/Month
Section Manager (M1)	1,800 Baht/Month
Division Manager (M2)	2,500 Baht/Month
Department Manager (M3)	5,000 Baht/Month
Vice President (E1)	8,000 Baht/Month
Executive Vice President (E2)	12,000 Baht/Month
Senior Executive Vice President (E3)	15,000 Baht/Month
Chief Executive Ofcer (CEO)	20,000 Baht/Month

## Changes in the Securities Portfolios of the Board and the Executive

The Company has notified all Board of Directors and Executives team members about the announcement of the Securities and Exchange Commission (SEC), calling on them to report their portfolios, including those of their spouses and children not yet of age, to SEC within 30 days of their appointment to the Board and the management rank, and to do so with each change in portfolio.

The portfolios and changes of the Board and the executives as of 31 December 2019, these portfolios were as following:

Name	Shares as of 31 December 2019	Shares as of 31 December 2018	Remark Up / (Down)
<b>Board of Directors</b>			
1 Mr. Supant Mongkolsuthree	1,122,536	990,272	132,264
2 Mr. Tu, Shu-Wu	-	-	-
3 Mr. Wei, Hui	-	-	-
4 Mr. Tu, Shu-Chyuan	-	-	-
5 Mr. Lin, Tai-Yang	-	-	-
6 Mr. Su, Chih-Ching	-	-	-
7 Ms. Sutida Mongkolsuthree	5,751,417	4,768,887	982,530
8 Mr. Puttipan Tayarachkul	31,315	27,558	3,757
9 Mr. Chakkrit Parapuntakul	-	-	-
10 Mrs. Rawittha Pongnuchit	-	-	-
11 Mr. Kachachan Mongkoncharoean	-	-	-
12 Mr. Boontuck Wungcharoen	-	-	-
<b>Executive</b>			
1 Mr. Tossaporn Nisthanon	-	-	-
2 Mr. Anuchit Boonyalug	24	17,954	(17,930)
3 Mr. Boonchai Ekapisit	1,924	431,778	(429,854)
4 Ms. Sutasani Sukeechon	54,461	-	54,461
5 Ms. Kamonsri Boonjang	293,208	142,466	150,742
6 Mr. Piyasit Thongyuak	132,838	14,784	118,054
7 Mr. Pornthep Watcharaamnouy	62,761	-	62,761
8 Mr. Prasit Panvichien	72,798	30,748	42,050
9 Ms. Tisakorn Wongyai	142,641	23,587	119,054
10 Mrs. Haruthaikarn Phansuwan	132,220	61,750	70,470
11 Ms. Jutarat Bunyanupart	72,587	11,469	61,118

# CORPORATE GOVERNANCE

Synnex (Thailand) Public Company Limited realizes the importance of good corporate governance and conducting business according to the principles of good governance. Thus, the Board of Directors of the Company and its Management are committed to managing and operating the business with transparency and accountability according to accepted international standards of practices, together with respecting their rights in regard to our treatment towards all Shareholders in an equal manner and our responsibilities towards all Stakeholder groups, and in taking into consideration our responsibilities towards society and the environment. This will then enhance and enable effective achievement of the Company's goals, which is a key driving factor for increasing the Company's economic value added and maximizing financial returns for Shareholders in the long term.

The Board of Directors have determined its policy on corporate governance through adhering to and complying with the regulations specified by the Stock Exchange of Thailand (SET) and also in accordance with the criteria of the Corporate Governance Report of Thai Listed Companies - CGR published by the Thai Institute of Directors Association (IOD). Further, the Company has reviewed and revised the established Corporate Governance (CG) Policy to be in line with the recently issued Corporate Governance Code for listed companies - 2017, that is to be used as operating guidelines in the conduct of the businesses by the Company's Board Directors, the Management and all our Staff; whereby it is also required that this CG Policy and the associated operating guidelines be reviewed every year and be disseminated to all our Staff through our internal communications systems and the corporate website, so that they will all be fully aware of the established CG Policy; whereby during 2019, the Company received a positive CG rating with details as follows:

- The Corporate Governance Report of Thai Listed Companies (CGR) for 2019 from the Thai Institute of Directors Association (IOD), Rating is "Very Good" or CG score is 84%
- The evaluation of the quality of its procedures in holding its Annual General Shareholders Meeting 2019 from the Thai Investors Association (TIA), Evaluate scores is 95%

The Company has the following operating guidelines relating to good corporate governance for listed companies of the Stock Exchange of Thailand (SET), that cover these 5 key components:

## Section 1: The Rights of Shareholders

The Board of Directors places great importance on the rights of Shareholders together with taking care of and encouraging all Shareholders to exercise their rights, that includes such fundamental rights as provided by the law on an equal basis, namely: having the right to buy, sell and transfer the Company's shares owned by them; being allocated a share of Company's profits; and actively participating in the Annual General Shareholders Meeting (AGM) or exercising the right to appoint their authorized proxy to attend and vote at the AGM on their behalf - such as: to appoint new Board Directors\*, to approve the appointment of the Company's External Auditor and to determine the associated audit fee; to make any enquiries or express any opinions on various matters being reported to the AGM by the Board of Directors. As such, Shareholders are entitled to the number of votes according to the total number of shares owned.

Further, the Board of Directors has also determined best practices in promoting and giving all Shareholders further rights in addition to the abovementioned fundamental Shareholder rights, and in not violating or depriving any rights of the Shareholders.

- Offering opportunities for shareholders to propose a agenda items for consideration at the Annual General Shareholders Meeting and to nominate candidates qualified to be proposed for election as the Company's Directors, at least 30 days in advance prior to the scheduled date of the AGM and based on the criteria and procedures that have been clearly dened by the Company. As such, associated details of these rights and associated procedures to be followed are disclosed to inform shareholders via the SET news system and are also posted the Company's Investor Relations (IR) website.
- Arrange to hold the Annual General Shareholders Meeting, through appointing Thailand Security Depository Company Limited, as the Company's shares registrar, to send out to every shareholder a Letter of Invitation, in English and Thai, to attend the AGM together with details of the proposed agenda items and relevant supporting documents, as well as other information regarding the rights of shareholders and voting procedures in attending the AGM, and the date, time and venue for the AGM. The Letter of Invitation is sent out at least 7 days prior to the scheduled date of the AGM, as required by law, and the same details are also

publicized on the Company's IR website. Further, so as to inform all shareholders, the Company also publishes the Letter of Invitation to attend the AGM in the newspapers for 3 consecutive days prior to the scheduled date of the AGM.

- Grants shareholders the right to appoint an authorized proxy to attend the AGM and to vote on their behalf, through using a proxy form, as specified by the Ministry of Commerce, to appoint either the designated Independent Directors or other individuals. The Company distributes these proxy forms and required duty stamp together with the Letter of Invitation to attend the AGM. Or the proxy form can be downloaded, for free, from the Company's website.
- The Company takes into consideration the suitability of the venue to convene AGM and provides a shuttle van service for the convenience of shareholders. Registration of shareholders attending the AGM makes use of a barcode system so as to speed up the registration process.
- The Chairman of the Board of Directors, the Board of Directors, the Chief Executive Officer, the Management and the Company's Auditor will attend the Shareholders Meetings, in order to respond to any questions from Shareholders and also to allow Shareholders the opportunity to express their opinions, make any suggestions, and make any enquiries or request for any clarification prior to voting on the Agenda Item being discussed.
- Shareholders can vote to approve to elect new Board Directors on an individual basis; and since shareholders submit their votes by using the ballot with barcodes, the Company is able to promptly announce the voting results immediately after the consideration of each respective agenda item ends. Shareholders can also request to see voting details after AGM is adjourned.
- Disclosing of the resolutions of the Shareholders Meetings together with the associated votes for each Agenda Item considered within the next working day via the SET's news and information communications network and also on the Company's own website; as well as publishing the official Minutes of the Shareholders Meetings, that accurately and comprehensively records all key discussions in an accurate and comprehensive manner for submitting to the SET and disclosing on the Company's website within 14 days from the date that the Shareholders Meeting was held, together with showing the VDO recording of the Shareholders Meetings for the sake of transparency and to enable a full review thereafter.

## **Section 2: Equitable Treatment of Shareholders**

The Board of Directors takes into consideration the treatment towards all Shareholders on an equal basis - both Majority Shareholders and Minority Shareholders, or foreign Shareholders, in order to achieve genuine equitable treatment for everyone through determining measures aimed at preventing the use of inside information so that Board Directors, the Management, Staff and other involved parties cannot make use of confidential internal information for their own benefit or that of others in an illegal manner, that also includes the trading of Company shares. As such, these measures to prevent the misuse of inside information are issued as a policy together with associated operating procedures. The Company discloses the latest current information on the Company via its investor relations (IR) website, in order to ensure all Shareholders receive news on any significant changes in the Company. All IR activities and Company news, in Thai and English, are also uploaded for public information on the SET's website as well as on the Company's IR website.

## **Section 3: Roles of Stakeholders**

The Board of Directors gives great importance to the rights of all Stakeholder groups on an equal basis, in accordance with the law and any agreements made with the Company as well as in compliance with various international standards of practices. This is for achieving mutual benefits in a sustainable manner with regards to human rights, managing the environment etc.; whereby policies have been determined regarding the treatment of the various Stakeholder groups as follows:

- **Shareholders:** The Company is committed to conducting its business in accordance with the principles of good governance as well as in a transparent and equitable manner, in order to achieve positive growth and financial returns for the Shareholders on a sustainable basis. This is realized through taking into consideration both current and future risks so that maximum economic value added is created for the Shareholders in the long term, together with regularly disclosing accurate information and also treating all Shareholders on an equal basis via various channels of communication and via the Company's Investor Relations website.
- **Customers:** The Company is committed to the ongoing development of the quality of our products and services, so that customers are fully satisfied; as well as to focusing on developing and retaining customer relationships in a sustainable manner together with constantly monitoring the level of customer satisfaction so as to further develop and improve both our products and services. Additionally, we have



established procedures to oversee and ensure that our business operations are undertaken in strict accordance with the agreed commitments made to our customers and that we treat our customers in a straight forward and honest manner.

- **Vendors, suppliers and business partners:** The Company is committed to treating our business partners and business alliances in an equitable manner and on an equal basis; whereby our actions are based on the framework of free and fair competition with honesty, equitability and professional ethics as well as within the established rules and regulations and without violating any intellectual property rights. Additionally, we will strictly adhere to any commitments given to our business partners and business alliances. We will also select only those business partners who act in a transparent and equitable manner, as well as will explain and ensure that the business partners also have respect for human rights, treat their workers in an equitable manner and act with responsibility towards both society and the environment.
- **Creditors:** The Company is committed to always strictly adhering to the terms and conditions of the loans agreements, as well as to act in an equitable and equal manner towards all groups of creditors alike with regards to repaying loans on time or to acting in accordance with the various conditions of guarantees or obligations together with giving importance to the rights of all creditors - such as: information disclosures to the Stakeholders and in giving attention to full accuracy, comprehensiveness, timeliness and transparency of the both the financial and non-financial information being disclosed.
- **Staff and Employees:** The Company is committed to treating our staff and employees in an equitable manner and to respecting their basic human rights so that all our staff receive fair and equitable remuneration and appropriate staff welfare benefits - such as: Employee Joint Investment Program (EJIP), training programs to disseminate additional knowledge, regular programs to develop their competency and potential, improved quality of life, good health and safety in the work place, health promotions activities and arranged annual health check-up; together with providing knowledge about saving money and undertaking joint activities to improve the working environment so as to enhance workplace harmony.
- **The Public Sector:** The Company is committed to giving the same importance to the Public Sector as to other Stakeholders of the Company, through determining operating guidelines and procedures relating to the Public Sector and conducting business operations as appropriate in accordance with the applicable laws together with on the basis of acting in a fully transparent manner and cooperating with Public Sector agencies with regards to various technical and support activities - such as: undertaking joint activities in promoting anti-corruption within the organization as well as in the Public and Private Sectors, so as to establish good governance practices and to enhance good relationships on a sustainable basis.
- **The Communities, Society and Environment:** The Company is committed to conducting its business so as to benefit the overall economy and society in general, and to being environmentally friendly; together with further developing the Company's growth in a sustainable manner through determining a policy framework and establishing internal units with specific and clear associated responsibilities. Additionally, the Company encourages people within the organization to be aware of and to take care in developing conscious responsibilities towards the community, society and the environment; whereby this can be achieved by listening to others, by supporting and sharing with others, and by giving opportunities and happiness to local communities and society through various social activities undertaken by the Company; as well as in protecting and preserving the existing environment. Additionally, every Department within the organization should be encouraged to participate in such activities, which will then result in the Company being able to conduct and operate its business on a firm base for sustainable growth.

## Section 4: Disclosure and Transparency

The Board of Director has determined a Policy on Information Disclosures for both important financial and non-financial information as well as for any other related information in accordance with the regulations specified by the SEC and the SET; whereby such information are to be disclosed with adequate and accurate important details, and in a comprehensive, timely, transparent equitable and credible manner both in Thai and English - such as: the shareholdings structure, business operations, achieved performance results, corporate governance practices, Anti-Corruption Policy, and the Handbook and Code of Business Conduct

and Ethics as well as including any information or complaints received by the Board of Directors relating to any legal wrongdoings or misconducts or the accuracy of the financial reports that can be easily submitted through the various channels of communications for disclosing.

- Disclosing information in the Company Annual Report and 56-1 Form regarding the Company's Quarterly and Full Year operating performance results, and operating activities; as well as Disclosing, on the Company's IR website, the Corporate Registration Certificate of Juristic Person, and the Objectives and Articles of Association of the Company.
- Providing the opportunity for the Company's shareholders, investors, institutional investors and other interested individuals to visit the Company and attend a presentation on the Company's operating activities, as well as to participate in and attend at a SET 'opportunity day' presentation for the shareholders, investors and any interested parties. Presentations for securities analysts and foreign investors, together with various other key events are also undertaken by the Company on a continuing basis.
- Disclosures of information about the Company's Directors and Management on the Company's website, which consists of each individual's name, position, educational background, information on their shareholding of Company's shares, and working experience together with a profile photo.
- Various channels of communications to hear any suggestions and opinions or enquiries from both internal and external stakeholders of the Company on an equitable and equal basis - such as: registered letter or emails sent to Internal Audit Department or the Chief Executive Officer.
- The Investor Relations Department, which has been established to disclose information as well as answer any enquiries from shareholders, investors, and securities analysts via Company's IR websites: [www.synnex.co.th](http://www.synnex.co.th) and email: [ir@synnex.co.th](mailto:ir@synnex.co.th) and via the office telephone phone lines, +66 2553 8888 to contact Investor Relations Department.

## Section 5: Board Responsibilities

The Board of Directors plays an important role in the overseeing and ensuring that the business achieves positive operating performance results in the long term for the maximum benefit of the Company, that is credible to the Shareholders and other Stakeholders of the Company. The Board of Directors must also be separate

and independent from the Management group; as well as must discharge its duties with responsibility and all due care, honesty, and positive ethics, and in accordance with all applicable laws, together with according to the stated corporate objectives, regulations and resolutions of both the Board and the Shareholders Meetings, through developing a comprehensive and adequate system of internal controls relating to all finance and business operations in compliance with good corporate governance principles and practices and corresponding to all applicable laws and regulations as specified by the Office of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and other involved Government authorities. The Company has also established an adequate risk management system together with internal audit mechanisms so as to ensure transparency and good management in the Company's business operations, as well as adequate risk management procedures together with effective risk management monitoring that are appropriate for the businesses of the Company.

The Company's Board of Directors is comprised of 12 Members, who possess extensive capabilities and experiences, of which 4 Members are Independent Directors. Further, the Board of Directors has appointed the Company's Audit Committee and an associated Board Committee/Sub Committee, each with clearly assigned duties and responsibilities to cover various risk management aspects of the Company. These Board Committees are assigned to oversee, monitor and analyze risk management at the operational level of each operating Department, as well as to convene the respective Committee Meetings on a monthly basis, and to then report on risk management outcomes to the Company's Board of Directors through the Audit Committee every quarter.

The Board of Director, the Audit Committee and the associated Committee/Sub Committee undertakes a self-evaluation of their respective performance as a group and for individual Members at least once a year, so as to review the adequacy of their good governance oversight activities and to provide supporting information to the Management for use in developing increased efficient management practices within the Company. At the same time, a performance evaluation of Chief Executive Officer is undertaken annually, based on the agreed objectives and criteria for this assessment exercise that are linked to the successful implementation of the agreed corporate strategies, so as to be able to consider and determine appropriate compensation and incentives to motivate the ongoing drive to achieve continuing business growth of the Company.

## Anti - Corruption Policy

The Company realizes the importance of conducting its business in accordance with the principles of good corporate governance, of competing in an equitable and transparent manner, and of complying with all applicable laws; as well as is committed to being against corruption. As such, the Company has determined an Anti-Corruption Policy together with associated operating guidelines and procedures as the Code of Business Conducts and Ethics for use and adherence by the Company, its Subsidiary Companies and all persons within the organization and also by those external people who are involved in doing business with the Company, so that every party can comply to these guidelines. This is in order to jointly promote anti-corruption practices under the same Anti-Corruption Policy and support the building up a full understanding of the Company's intent and position on being against corruption that will result in a positive corporate image for the Company, which will then lead to the ongoing development and sustainable growth of the Company.

The Company has arranged for the dissemination of information together with associated training on the subject of anti-corruption, in order to create awareness, knowledge and understanding on the part of all those involved - namely: Board Directors, the Management and all staff. This is so that everyone will not support or act in giving all types of bribery within the respective business units under their control; or will not ask for any

monetary payments, goods, or any other type of benefits in an improper manner regardless of whether it is for the benefit of the Company, for themselves, for their family, or for their close friends. As such, in the event that it is found out that someone has not acted in compliance with this policy, that person will be subjected to disciplinary punishment or legal prosecution; whereby the type and degree of punishment will be based on the true facts and associated situation as applicable.

The Company has also undertaken an assessment of the risks relating to the possible occurrence of acts of corruption within the various established business operations procedures on a regular basis; as well as has determined various appropriate measures to rectify the problem if it occurs together with establishing channels of communications for submitting any relevant information or complaints to be received by the Management as applicable whenever anyone comes across any situation of alleged acts of corruption, or any wrongdoings and improper behavior.

The Company has signed up in being part of the "Private Sector Collective Action Against Corruption" and joined in stating its position on being against corruption, so as to underscore its genuine intent and commitment in being against corruption for the benefit of developing both the organization and the country as a whole in a sustainable manner.



## **Submitting Information or Complaints**

The Board of Directors has established procedures together with setting up channels of communications to receive relevant information and to deal with complaints received from any Stakeholders; whereby various anti-corruption measures have been established to prevent any acts of corruption that are to be operating guidelines for adherence by Board Directors, the Management and staff, together with the ability to submit any complaints. In the event that any person comes across any suspected improper actions, they can inform the Internal Audit Unit or submit a formal written note to the Chief Executive Officer, whereby the Company has set up a box to receive any complaints or information with only the CEO possessing the key to open this complaints box. Alternatively, a message can be sent directly to the CEO immediately and at any time.

Upon receiving relevant information or complaints from any Stakeholder, who comes across or suspects any possible wrongdoing by a staff member or business unit that is an act of non-compliance with or violation of the law or policy and regulations relating to good corporate governance and the Code of Business Conduct and Ethics, which may cause damage to the Company, a committee will be set up to investigate the true facts; whereby working together with the involved business unit, this committee will proceed with the investigation in a careful, equitable and transparent manner, as well as will then report its findings to the Internal Audit Unit and the Senior Management together with recommendations on how to resolve the situation in an appropriate time and manner. Further, after the Internal Audit Unit has reviewed the report and concurs with the recommendations, the Committee will then give feedback of its findings to the informant or complainant.

## **Protection of the Rights of Informants**

The Company has arranged various channels of communications for informants to use in submitting complaints on any alleged wrongdoings relating to a violation of any applicable laws and the Code of Business Conducts and Ethics, or on any acts of misconducts by people within the organization or by other Stakeholders involved with the Company; whereby the informant or complainant must provide details of the alleged wrongdoing together with his/her name, address and contact telephone number by sending the information in a letter by ordinary mail or by email to the Internal Audit Unit or directly to the CEO or via any other designated channel of communication specified by the Company. As such, the Company will keep confidential the name and contact details of the informant or complainant, who will then receive full protection until the investigation process is completed, during which period all details will not be revealed to any other parties who have no duties in being involved with the investigation except as required by the applicable laws; as well as will restrict the specific rights to reveal any details on the part of those persons involved and responsible for the investigation of the complainant.

# Code of Conduct

Synnex (Thailand) PCL. has realized the importance of ethical core values in doing business according to its good governance thus the Board of Director set the Business Code of Conduct as the Company's regulation and policy that have been held in high regard and put into practice by the Board of Directors, by management, and by staff at all levels ensuring to shareholders, customer, and all stakeholders for long term sustainable business.

## 1. Complying with Laws, Regulations, Policies and Procedures

Synnex (Thailand) PCL. gives precedence to abide by laws and related regulations according to business practices.

### Good Practice

1. Acknowledge and understand roles and responsibilities complying with all of the laws, regulations, policies and procedures of Synnex (Thailand) PCL.
2. Acknowledge, understand, respect and comply with all of the laws, regulations, policies and procedures of Synnex (Thailand) PCL.
3. Comply with laws and regulations of business practice and be scrupulous in avoiding any action which give appearance of a corruption
4. Regularly reconsider accordance of practices according to laws, regulations, policies and procedures
5. Corporate with government agencies through promoting and supporting activities related to society.

## 2. Practice to Shareholders

The present prosperity, success, and stability of Synnex (Thailand) PCL. are the result of doing business according to its ethical core values considering to all shareholders and stakeholders' interests to achieve its reasonable return and to long term sustainable added value to business.

### Good Practice

1. Cautious conduct business through knowledge, competence and management skills to achieve
2. Completely and regularly disclosure business results and business trend of the Company to shareholders
3. Permit shareholders to suggest such agenda or name list of person who is appropriate to be considered to the Board of directors before the Annual General Meeting which Nomination and Remuneration Committee will consider and ask for resolution from the Board of director afterwards.



### 3. Practice to Customer

Synnex (Thailand) PCL. set policy to be fair treatment to our customers considering to their benefits also has selected quality products with reasonable price to meet customers' satisfaction as well as better before and after sales services to keep long term relationship.

#### Good Practice

1. Select quality products and good services to meet customers' satisfaction and giving appropriate information which benefits to their decisions also entirely disclosure news and product details.
2. Product and service warranty under appropriate conditions and customers' complaints and suggestions monitoring with fair treatment to customers.
3. Strictly comply with all conditions to customers and always protect and never disclose any confidential to third parties.

### 4. Practice to Business Partners and Account Payable

Synnex (Thailand) PCL. operate business with business partner and alliances through fair treatment to meet mutual benefits to develop relationship in dealing business also complies with laws and regulations of business conditions.

#### Good Practice

1. Procure and purchase with transparency and correctness.
2. Comply with contract, agreement and business condition. Prior inform business partner in case of the Company cannot comply with such condition to consider problem and seek its solution.
3. Fairly select business partners and avoid situations that have even the appearance of impropriety also protect and never disclose any confidential of business partners to third parties.

### 5. Practice to Competitors

Synnex (Thailand) PCL. has a policy to practice with competitors according to laws and global business practices according to global practice with competitors to fairly compete business.

#### Good Practice

1. Corporate in transparency and fairly business competition.
2. Not to pirate to competitors and find the benefits from confidential information of competitors.
3. Not to backbite competitors through accusation or assail competitors without fact.

## 6. Responsibilities to employees

Synnex (Thailand) PCL. recognizes the value of the resources and is thus determined to promote and develop their knowledge and capabilities for their career progress and stability and proper remuneration commensurate with their capabilities and performance to create a good work culture. The organization provides opportunities for employees to express their opinions and to bring forth suggestions equally. Under consistent standards of conduct, the company committed to promote teamwork, collaboration and mutual respect. SYNEX shall maintain a high standard of safety and a disciplined work environment with high awareness in the prosperity of business

### Good Practice

1. Equal Opportunity in employment, promotion and relocation is and shall be provided for all employees and applicants for employment on the basis of their demonstrated ability and competence without unlawful discrimination on the basis of their race, color, national origin, ancestry, religion, sex, sexual orientation, gender identity, gender expression, age, genetic information, disability or protected veteran status.
2. All employees of SYNEX are expected to observe and maintain shall maintain high standards of moral and ethical conduct, which includes promote unity, teamwork, coordination and work support in a due manner to facilitate operations, and treat colleagues with politeness and kindness, as well as have good relationship with and respect for each other at all times.
3. The company considers all staff a valuable resource and is thus determined to promote and develop their knowledge and capabilities for their career progress and stability and proper remuneration commensurate with their capabilities and performance.
4. Reasonable remuneration shall be appropriate to the employee's capability and maintaining their motivation regardless of to any discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social group or ethnic origin
5. SYNEX shall maintain a high standard of safety and a disciplined work environment and consider the welfare of its personnel regularly.
6. SYNEX must perform their duties compliance with all laws, policies, procedures, rules, regulations and provide provision or establish appropriate channel for employees to disclose or le complaint on any misconduct, law violation, and /or discomfort according to the company's policy for a proper and speed solution.

## 7. Responsible toward Society

SYNNEX has adopted this code of Corporate Social Responsibility that draws upon internationally recognized standards to promote social and environmental responsibility in the workplace. SYNNEX is committed to ensuring that its employees are treated with respect and dignity in accordance with the Labor and Human Rights law and that its operation are environmentally responsible for the sustainability of the social and environment.

### Good Practice

1. Assist and support social activities especially local activity in support of public and local benefit
2. Support social activities which are continuously focus on the sustainability and undependability in the society in relation to education by providing fund and electronic appliance as we as computers the company distributes
3. Provide support and skills training for adolescent and general public to access career opportunity as well as donate mechanic tools and recycled computer components and parts for renewable usage which could help reduce e-waste.
4. Support and sponsor merit activities initiated by employees to promote social conscience, public interest and social responsibility cognition.
5. Emphasize on conducting business with partners who conduct their business under the code of ethnicity, social and environment responsibility as well as abide by the laws and regulation regarding labor and human rights.

## 8. Responsible toward Environment

The company employs strict policy on environmental sustainability by stressing on saving energy for environment and establish a thoughtful organization culture to preserve, protect, and develop ecology and natural resources for the future. The company aims to become a good social organization by protecting the environment in compliance with international standards and to improve standards of living.

### Good Practice

1. Support and encourage the environmentally friendly products and packaging and natural disposability.
2. Develop, maintain and follow policies and procedures that provide a framework for environmental protection, accountability and stewardship to minimize and mitigate the adverse environmental effects of its activities by designing, constructing, operating and decommissioning facilities in an environmentally-responsible manner through waste management process.
3. Encourage education and research and the development of useful technical information relating to the environmental field for employee at all level.
4. Supporting and fostering environmental consciousness and in full compliance with procedure to preserve the environment and natural resources by launching and promoting activities and events regarding the matters such as conducting “5S training” The training Encourage staffs and employees at all level to implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous)
5. Foster and Encourage Sustainable Economy for all employees to understand and adopt the idea in their daily life.

# CORPORATE SOCIAL RESPONSIBILITIES : CSR

Synnex (Thailand) Public Company Limited is a part the overall economic and social system, and is fully committed to incorporating the concept of corporate social responsibility (CSR) as an integral part in the conduct of its businesses so as to achieve maximum effectiveness. This is in order to fully understand and respond to all the various needs of society, as well as to collaborate in protecting the environment, in recognizing the value in making use of resources, in choosing the correct technology that is environmental friendly, and cooperating to protect the environment so as to preserve available resources for the next generation. Most importantly, it is in order to be able to adapt business plans and society to be in accordance

with the royal initiative and philosophy of “sufciency” in an integrated manner so as to achieve a sustainable business model. And nally, it is in order to instill in the minds of the people within the organization the awareness for the need to make sacrices, to have good moral ethics, and not to take advantage of or exploit others. Therefore, the Company has determined its vision, mission, and policies on corporate social responsibility (CSR) to correspond to its core strategies. As such, the Company’s business success will grow in concert with taking care of as well as being responsible towards society and the environment in a sustainable manner.

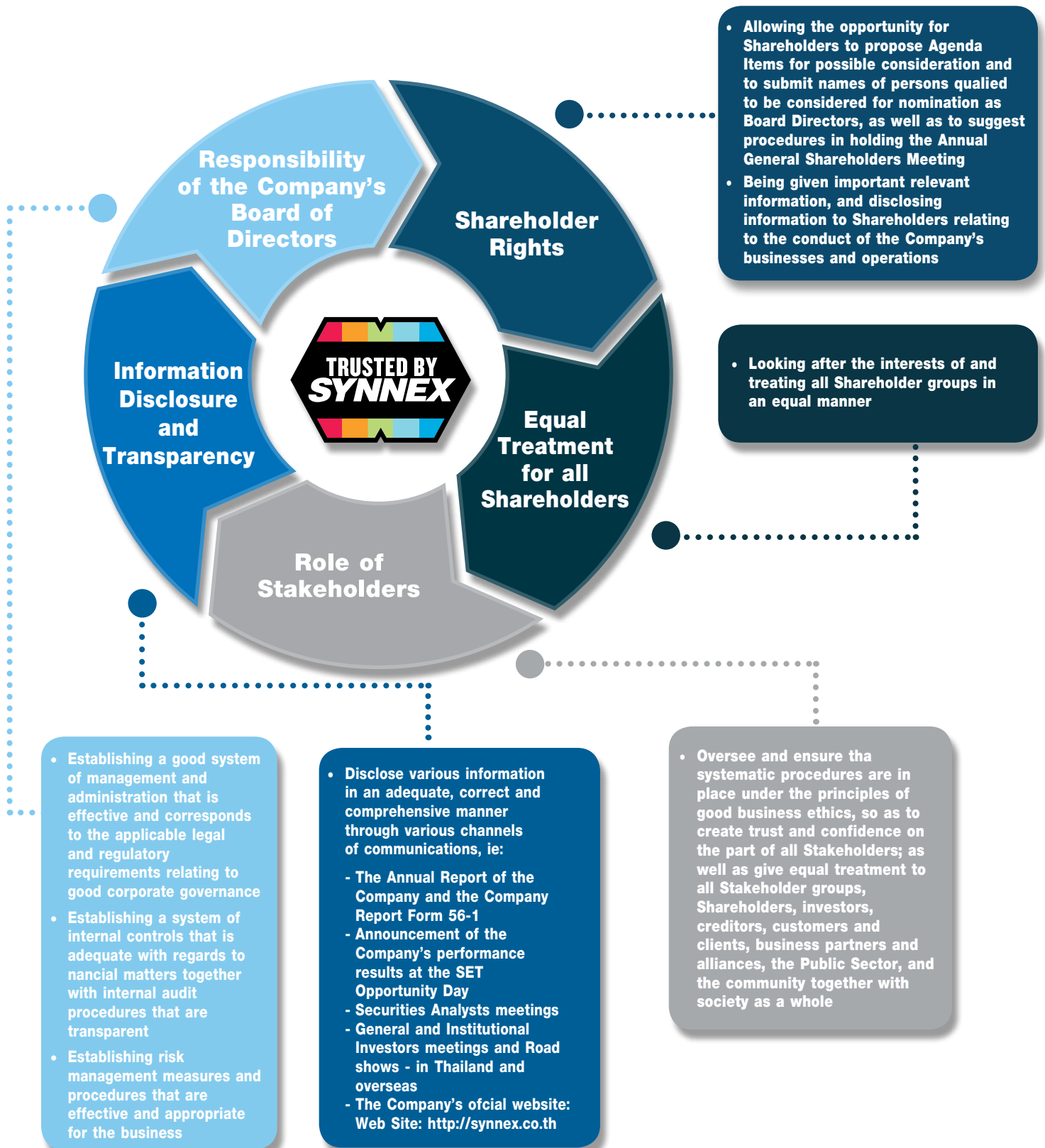
## Policies and Operating Guidelines on Corporate Social Responsibility

The Company has undertaken various activities relating to its corporate social responsibility since starting business operations on a continuing basis up to this day, and still attaches great importance on this aspect of its operations. As such, the Company has determined a core policy of the organization relating to "having good corporate governance practices, conducting its businesses in an equitable manner, respecting human rights, giving great importance to treating its labor force in an equitable manner, and taking into consideration its responsibility towards all Stakeholders; together with recognizing the need to look after and protect the environment in a sustainable manner, and giving importance to actively participating in the development and progress of communities and society as a whole". As such, the Company promotes and encourages its people, at all levels of the organization, to volunteer and

be actively involved, through setting up a CSR Working Committee responsible for undertaking and managing all the various short term and long term CSR projects so as to achieve genuinely practical results and continuity. Further, the Company has also set up a CSR Communications and Public Relations Committee, assigned with the responsibility to disseminate relevant information on its various corporate social responsibility activities, as well as for assisting to screen and make recommendations to the CSR Working Committee on various operating matters or issue, together with informing both internal and external parties about such activities and also to prepare a CSR Report to be submitted to the Board of Directors on a quarterly basis. The associated operating guidelines are as follows:



## Operating Guidelines on Good Corporate Governance





## Operating Guideline on Conducting Business in an Equitable Manner

The Company has clearly determined comprehensive operating guidelines, procedures and measures in conducting its businesses in an equitable manner that covers key issues for strict adherence; whereby no other interests should be taken into consideration that may be inappropriate or incorrect, any possible situations of a conflict of interests should be avoided, and all relevant information should be disclosed in a fully transparent manner. The Company also promotes and encourages all staff and employees to be aware of the importance of preventing any acts of corruption, through determining policies on anti-corruption together with determining various positive business ethics and conducts for adherence so as to create trust and confidence on the part of all involved parties for the long term benefits of the organization.

### Creating Equitable Business Competition

The Company purchases products and goods from various sources, manufacturers and distributors through being accepted by as well as giving the opportunity to all such suppliers and vendors to propose and offer their products on an equal basis under a free market mechanism and open terms or conditions. This has facilitated the Company to receive full confidence and trust in being appointed as the official distributor for more than 50 well-known global branded products.

### Policy on Promoting Free Trade Competition

The Company fully supports free competition under an open market mechanism and environment. As such, both the suppliers or vendors and consumers alike view the Company as being a distributor of many types of IT products and brands together with the same types of products but of differing brands, whereby each product and brand has been carefully selected so as to be the best product to compete in the same market. This is like being a mirror that reflects the full potential features and capability of various brands and products, in order to attract and meet consumer demands as much as possible and enable the products to compete freely so that consumers can select and choose the exact product brand that best meets their working requirements

### Establishing equitable treatment of consumers prior to the purchasing decision

The Company gives much importance to giving information and advice that are beneficial and useful - such as: about the product features and uses, applicable warranty and guarantee periods, and product prices - before as well as in making purchasing decisions on the part of our customers on a regular basis through various channels of communications, namely: via the Company websites ([www.synnex.co.th](http://www.synnex.co.th), Price List SYNnex (online), Facebook: Synnex Thailand). as well as via Synnex Care 1251 that is a channel to promote and provide product information, various technology matters and new innovative IT products, results of the Company's CSR projects and activities together with updated information on customer services and various Company news and activities, and various news items. This is an opportunity for Shareholders and all involved Stakeholders and other interested parties to receive information in a comprehensive and speedy manner.

### Delivering Products and Good Customer Services so as to Achieve Customer Satisfaction

Being focused on delivering products and good customer services so as to achieve satisfaction for all customers on an equal basis, through the established Synnex business operations and procedures, such as:

- Carefully selecting all products to be distributed and offered, that are both user-friendly and environmentally friendly, as well as that incorporate technology to allow an appropriate period of use, conserve energy, and available at an affordable budget as selected by the consumer
- Offering after-sales services and having an expert after-sales service team that can respond to all questions from users, as well as provide repair services so as to extend the useful life of the product and give maximum value to users, and reduce the amount of IT garbage
- Being open to receiving any suggestions or comments from customers about the products; and giving useful recommendations or advice on the use of the products together with providing good after-sales services - such as, offering a product warranty, verifying the valid warranty or guarantee period, providing repair services for the products, and allowing warranty claims. Additionally, acting as a center in collecting and summarizing information about various product problems or defects for forwarding to the manufacturers so that they can be fully informed and improve their respective products to be the best available in the market and be equitable for all consumers.

## Responsibility towards Consumer

The Company takes into account its responsibility to deliver good products and services to customers, so that consumers will receive products that are of accepted standards and in order to create confidence in the products purchased and any associated services that will then enable further increased sales and business sustainability.

The Company has developed and implemented a warehouse and logistics management system which is an intelligent ASRS system, in order to increase effectiveness in delivering goods to our customers in a correct, speedy and efficient manner so as to reduce operating logistics costs and enhance our competitive capabilities. The Company has a customer service centers located in all regions of the country - separated into 11 Synnex Centers and over 60 other authorized service centers appointed by Synnex throughout Thailand. Further, the Company has also developed operating procedures for the Customer Services Department so as to be more effective and create customer satisfaction for the after-sales services - such as, develop a procedure to assess the validity of the product warranty, and an IT system, accessible on the Company website, for customers to view the progress and status of products sent in for repair by themselves or to enquire about products at the Call Center 24 hours a day. The Call Center will receive and respond to the customer enquiry. Additionally, for further convenience, a system to view product information is also available on mobile devices, so that customers can more quickly access and view relevant product information.

## Good After-Sales Services

The Company provides good after-sales services, when a customer brings in the products together with proof of purchase (ie: serial number); whereby the Company maintains a database of all products sold to customers using the serial number as a reference point, so as to be able to provide convenient after-sales services to customers in speedily verifying the warranty validity and associated conditions in the event they have any product problems and requires service at the Service Center.

## Having Respect for Human Rights and Equitable Treatment of the Labor Force

The Company attaches importance to having respect for human rights, as well as to giving equitable treatment to the labor force. As such, the Company supports and promotes further development of employees' capabilities, skills and knowledge so as to be able to work in a more professional manner, through appointing employees to positions that best suit their abilities; providing opportunities for career development and advancement on an equal and equitable basis. The Company also offers good welfare and staff benefits together with a positive, safe, healthy and hygienic workplace environment, through providing various facilities and amenities, and hires staff in an

equitable manner, offering them compensation and other payments appropriate to the assigned work position, responsibilities and capability of the employee together with the beneficial right for the employee to have a good life, be happy and enjoy job security. The Company employs all staff as appropriate and on an equal basis, without any bias with regards to gender, race, or religious beliefs; and offers compensation and benefits as appropriate to the assigned job position and responsibilities. The Company has working hours, days off per week and annual holidays together with maternity leave for female employees and other working conditions that are better than the standard legal regulations.

### Staff Development

The Company attaches importance to the ongoing development of its staff in a systematic and continuous manner, in order to support the creation of a knowledge-based organization and promote the motivation for its people to develop their capabilities. This will then support the further expansion of the Company's business groups together with career advancement for the staff themselves in an appropriate manner, which will result in staff loyalty and feeling of attachment so as to remain and grow together with the Company for the long term.

### Performance Evaluation

The Company has established a system for performance evaluations to take place every 6 months, through use of key performance Indicators (KPIs) to gauge the degree of success and job achievement, so as to be a genuine and practical means of evaluating effective Staff performance as well as of assessing their knowledge, skills, and behaviors in undertaking their respective work responsibilities together with participating and cooperating in various CSR activities. As such, the Staff performance evaluation scores will have a direct effect on the salary adjustment and job promotion to be given in an equitable manner based on their knowledge and capabilities.

### Employee Welfare and Benefits

The Company has established a Working Committee on Staff Welfare and Benefits, whose members are elected by the Staff themselves, so as to encourage cooperation among the Staff in overseeing the various types of Staff welfare benefits to be offered that will be genuinely beneficial for all Staff throughout the organization - such as: annual health check-up, health and life insurance plans, Staff provident fund, Staff retirement benefits, Employee-Employees Joint Investment Project (EJIP), Joint Education Fund for the children of the Staff, morning meal welfare, Staff uniforms, Staff fitness and gym facilities, Staff recreation and karaoke room, Staff rest and reading area, annual u-vaccination program during a u-epidemic, Staff hire-purchase facility when buying a Company product, assistance in sourcing housing loans from banks for the Staff, education courses on how to save money so that the Staff can know how to allocate part of their income for savings deposited with various financial institutions and use in their retirement years

# Workplace Safety, Health and Hygiene

The Company has determined policies with regards to workplace safety to be used as operating guidelines, through taking into major consideration various aspects of workplace safety and environment. A Committee on Workplace Safety and Environment and Work Health has been established, with a Professional Safety Officer being responsible to draw up work safety plans in accordance with legal requirements, as follows:

1. Determine Workplace Safety and Environment and Work Health policies, that are then disseminated via the internal Company website, as well as posted on the noticeboards located within the Company's premises so as to fully and clearly inform everyone within the Company.
2. Determine the rights and responsibilities of both the employer and the employee within the workplace as specified by the laws, which are posted in written form on all PR noticeboards within the Company's premises
3. Determine the 5-Sor Policy so as to make improvements to the workplace environment to be neat and tidy, and to reinforce the overall positive corporate image
4. Publish and distribute a Safety Manual or Handbook to all new employees via the new staff orientation program, so as to inform them about work safety, work health and work environment, to prevent and protect them from various risks, to reduce potential accidents, and to make them well-prepared for any emergencies in a timely manner.
5. Determine rules on workplace safety in the warehouse, such as: safety in lifting and moving goods and materials, safety in the use of hand lifts, forklifts, and any equipment used in moving or transporting goods or materials.
6. Update emergency telephone numbers every 3 months
7. Arrange to have professional nursing staff to be available on standby at the medical room, as well as all necessary special and basic medicine and medical equipment, and establish a special corner for breast feeding mothers that is convenient for the staff
8. The Company has a special garbage room for keeping any toxic waste or materials in a safely locked space that has a sign clearly informing of dangerous toxic waste
9. An emergency basic re-ghting plan is established together an annual re evacuation rehearsal that takes place once every year
10. Reminder notice signs together with information and advice signs are placed throughout the Company's workplace at strategic locations in the offices and also in the warehouse, for the safety of both the staff and customers coming to contact the Company
11. Determine a plan to undertake an annual check of the workplace environment every year, which occurs twice a year
12. Arrange to have PPE safety equipment available and ready for immediate use by the ofce staff within the premises - such as: locations where the staff who are at risk at the workplace (ie: from working with dangerous toxic chemicals)





## Participation in the Development of Society, Local Communities and the Environment

The Company undertakes various activities in helping to develop society and the environment on a continuing basis since starting its business operations, through initiating many long term projects. The initial pilot project was related to education in Thailand, and was the “Library IT by Synnex” project, motivated by the aim of participating and helping in the development of communities and society in regards the widespread use of technology in education within Thailand, which is related the core business of the Company in distributing IT products. Thus, this was the starting point of our activities in this regard.

Subsequently, in 2014 the Company undertook a follow-on long term project, namely: “External Technician Project” with the objective of benefiting local vocational students throughout the country - especially electronic technicians. The aim was to enable Thai youths to gain additional knowledge, capability and experience through using IT equipment supplied by the Company, as well as to achieve genuine practical outcomes in being able to gain additional income for rural families in their respective communities.

This project was also supported by various important international business partners of the Company, through jointly participating with the organization to create added value for society in being better prepared for the future. Additionally, the “External Technician Project” also serves to instill into the minds of the participating Trainees awareness about the need to take care of the environment at the same time, in order to reduce e-waste that is becoming a major current global problem.

As at today, the “External Technician Project” is now in its 5th year, with a total of 64 educational institutions participating and receiving IT equipment from the Company for use in teaching and training their students as well as for making use of the donated IT equipment in providing IT repair and maintenance services to their respective local communities through the “FIX-IT project of various vocational schools. A total of 153 professors and teachers have also received training related to repairing SMD equipment, together 579 students participating in the training on IT Trends Update.

## Projects to Donate Computer Equipment for Public Benefit in 2019

The Company supported and provided the budget for various CSR related activities of the Federation of Thai Industries (FTI) for the 10th. consecutive year, as well as in donating computers for use in education together with the FTI to the following 13 schools:

- Pakphanang 2 School, Nakhon Si Thammarat
- Watkhongkasawad School, Nakhon Si Thammarat
- Bunfaitha School, Phang-nga
- Paknam School, Ranong
- BanNongKho School, Rayong
- Ban Bangbao School, Trat
- Bankor School, Roi Et
- Nongkhaenwittaya School, Kalasin
- Bankompalai School, Mukdahan
- Trong Jia School, Nakhon Phanom
- Watkheelek School, Lamphun
- Samakkhisuanmuang School, Chiang Mai
- Ban Ruam Jai School, Chiang Rai



## Company Employees Volunteer Project Aimed at Creating an Awareness of Corporate Social Responsibility



- Donating blood to the Thai Red Cross every 3 months
- Group merit making to build a prayer hall at the Wat Pla Kod temple Nakorn Nayok, to help disseminate Buddhist teachings
- Joint offering of religious items to monks and meditators at the Wat Pla Kod temple, Nakorn Nayok
- Joint donation of presents and gifts on Children's Day at Baan Bangkapi School and Khokk Kham Provincial Police Station
- Participation in a campaign to ask all companies and businesses operating in Thailand to respect the rights of children in the workplace and local communities, through observing the principles of "Children's Rights and Business Principles: CRBP, which is a joint collaboration with UNICEF
- Participating in the Age Friendly Society Project together with the Thaipat Institute, so as to conduct businesses with consideration for the aging society and to develop the role of Corporate Social Responsibility - CSR within senior citizens groups, as well as to develop businesses to be well-prepared for Thailand moving into the era of an aging society
- Holding annual events to preserve Thai culture and customs and to build staff unity - such as: holding off-site meditation events, holding religious seminars or sessions in the workplace for the staff and members of the local communities, arranging merit making activities to celebrate staff birthdays, and holding merit making and alms giving events on major religious holidays
- Arranging events to support and assist the development of new innovative start-up businesses with large businesses mentoring small start-up businesses (Business Brotherhood Program) for the 3rd year.
- Undertook the Innovative Startup Business Program - Year 3, jointly with King Mongkut's Institute of Technology Ladkrabang
- Ruam Pol Kon Jai Dee Project to jointly donate money and goods to the Luar-Kor Project of the Baannokkamin Foundation to help orphans and disadvantage children



## The Environment

The Company has determined a policy on and have given importance to the sustainability of the environment. The Company is committed to making valuable use of the available resources a part of the corporate culture together with promoting jointly taking care of preserving, protecting and reviving the environment through using available resources in a sustainable and valuable manner, such as: choosing and using those products that are environmentally friendly and free of any dangerous chemicals; choosing products that are friendly to the 5-Sor principles; recycling and reusing packaging materials within the business so as to achieve maximum benefits in reducing costs and overheads for the organization; and holding joint collaborative events with other external organizations like jointly planting trees to restore the forests and revive nature. Additionally, the Company has undertaken other activities and events, such as:

- Determine policies relating to the environment that have been disseminated to external parties via the Company's website. The Company has always recognized the importance of the environment, and is fully committed to protecting the environment and to making use of available resources in a sustainable manner - such as: the use of water by recycling and reducing and waste materials so as to protect the overall quality of the environment of the organization and local communities through conducting our activities on the basis of being fully mindful of the environment.
- The Company has been awarded the ISO14001: 2015 Certificate on effective management of the environment
- Determine plans to manage trash and garbage by separating the types of trash to the disposal of the garbage
- Determine plans to manage waste water before releasing it outside of the Company, through undergoing the waste water treatment process and making regular monthly testing of the water quality
- Appoint a Committee on Quality Management Systems and on Environment Management Systems - ISO9001, ISO14001
- Selecting quality re extinguishers that are environmentally friendly
- Set up a special room to keep toxic wastes or trash, that is secure and closed off so as not to mix with other general waste or trash
- Select toilet tissue paper made with recycled paper pulp, together with using cleaning chemicals and aids for cleaning the various ofce buildings and facilities that have been certified as being environmentally friendly
- Incorporate the request for paper usage as a one of the KPIs of the Company

# REPORT OF THE AUDIT COMMITTEE

Dear Shareholders of Synnex (Thailand) Public Company Limited

The Audit Committee of Synnex (Thailand) Public Company Limited is composed of 3 independent directors with combined skill and expertise in finance, accounting, laws, and business administration. All members possess adequate

qualifications as required by the Audit Committee Charter and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Its members include:

Name	Position
1 Mr. Chakkrit Parapuntakun	Chairman of the Audit Committee
2 Mrs. Rawittha Pongnuchit	Member of the Audit Committee
3 Mr. Kachachan Mongkoncharoan	Member of the Audit Committee

## Financial Report

The Audit Committee held 5 meetings in 2019. All members of the Audit Committee attended every meeting. The summary of meeting attendance of the members in 2019 is shown in “Management Structure in page After that the Audit Committee reported results from the Audit Committee meeting to the Board of Directors meeting.

The Audit Committee has performed duties independently and with objectivity according to the Audit Committee Charter and the regulations of the SET, and has reviewed such matters in accordance with current situations and approval by the Company’s Board of Directors every year. The Audit Committee has performed its responsibilities in auditing and reviewing to assure good corporate governance, accurate and reliable financial reports, and adequate internal control; and to assure that the Management executes its duties with integrity, accountability, and in accordance with the Company’s policies. The Audit Committee’s duties in the year 2019 are summarized below

The Audit Committee has reviewed accuracy, completeness and reliability of the quarterly and annual separate and consolidated financial statements of the Company and its subsidiaries for the year ended 2019, conducted in accordance with Thai Financial Reporting Standards and the International Financial Reporting Standards. The Audit Committee discussed significant issues, important accounting policies, estimates, and judgments applied in the preparation of these financial statement with the external auditor. The Audit Committee also discussed the disclosure in the notes to the financial statements with discretion to assure that the preparation of these financial statements and the disclosure in the notes to the financial statements are reliable, transparent, and in accordance with Thai Accounting Standards and the Financial Reporting Standards.

In addition, The Audit Committee held a private meeting with the external auditor without the Management’s participation for an independent discussion on important issues concerning independence in operations, significant information in the preparation of financial statements, and recommendations for the internal control over financial reporting. For the year 2019, the external auditor did not have any significant remark.

## **Internal Control System and Internal Audit**

The Audit Committee concluded that the Company's accounting and financial reports were prepared in accordance with the appropriate internal control system. The external auditor performed auditing duties independently without limitation of any audit scope. This reasonably assures that the financial reports reflect the Company's financial status and operation performance accurately including adequate disclosure according to Thai Accounting Standards and the Financial Reporting Standards.

### **Connected Transactions or Any Transactions that Potentially Conflicted with the Company's Interests**

The Audit Committee has reviewed, overseen, and provided opinions concerning the connected transactions or any transactions that potentially conflicted with the Company's interests quarterly based on reasonability, transparency, adequate disclosure, business normality and the best interest of the Company. The Audit Committee concluded that the Management conducted these transactions in the interest of the Company and at arm's length basis, with general business trading conditions and reasonable prices compared to the general market price in a similar industry.

### **Legality**

The Audit Committee has reviewed the Company's Compliance with the Securities and Exchange Act, the regulations and requirements of the SEC, SET, National Broadcasting and other relevant laws related to the Company's business.

The Audit Committee concluded that the Company fully complied with the aforementioned regulatory requirements in material respects.

The Audit Committee reviewed the effectiveness and adequacy of the internal control system from the annual internal audit report in 2019. The Audit Committee consistently considered and monitored results pertaining to the recommendations in the internal audit and external audit reports to acknowledge root causes and provide guidelines for the management to prevent from future potential loss.

The Audit Committee monitored and reviewed the results to ascertain that the Management performs duties in accordance with the recommended internal control system guidelines to prevent from recurrence.

The Audit Committee approved the 2020 annual internal audit plan, conducted in accordance with the Company's strategies and risk-based principles, emphasizing the effectiveness of the preventive key control function. The preventive control over fraud and the Management's self-assessment of control had been conducted and reviewed, together with determination of operation scope, responsibilities, adequate number of personnel, competence of personnel.

The Audit Committee concluded that the Company's internal control system was adequate and appropriate and its internal audit was performed independently and in accordance with the professional standards.

### **Review of Risk Management**

The Audit Committee reviewed the Company's risk management with participation of representatives from the Risk Management Committee. The Audit Committee also suggested that new potential risks including significant changes concerning the Company should be identified in order that the Company can manage risks in the world of Disruptive Technologies in a timely manner.

## Good Corporate Governance

The Audit Committee continuously promoted the Company's good corporate governance by revising and amending policies on corporate governance and code of conduct to be in accordance with the best practices while offering guidance and necessary suggestions for improvements on good corporate governance. The Audit Committee reviewed the Anti-Corruption Policy monitored progress regarding Thailand's Private Sector Collective Action Coalition Against Corruption (Anti-Corruption Policy).

The Audit Committee agreed the Company has consistently developed and improved its corporate governance.

## Nomination and Appointment of the External Auditor and the Annual Audit Fee

The Audit Committee took into consideration the nomination and appointment of the external auditor and the annual audit fee for 2020 based on the assessment of qualification, competency, experience in auditing, independence in auditing according to the Code of Ethics for Professional Accountants and requirements of the SEC, auditing quality in the past year, and the audit fee. The Audit Committee therefore propose to the Board of Directors to seek approval to appoint the external auditor from KPMG Poomchai Audit Co.,Ltd, as the external auditor for the year 2020 with Ms. Marisa Tharathornbunpakul Certified Public Accountant number 5752 or Mr. Banthit Tangpakorn Certified Public Accountant number 8509 or Mr. Watchara Pattarapitak Certified Public Accountant number 6669 as the Auditor for the Company and the subsidiary. Its auditing fee for the Company and the subsidiary is proposed at the total amount of 2,740,000 Baht (Consisting of 2,200,000 Baht for Synnex (Thailand) Public Company Limited and 540,000 Baht for Prism Solutions Company Limited) to be approved in the Annual General Meeting of Shareholders.

## Performance Assessment

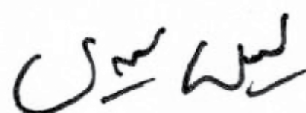
The Audit Committee's self-performance assessment has been conducted annually, as an individual and group assessment, according to the SET guidelines. The result showed that the Audit Committee had performed its duties and responsibilities, according to the Audit Committee Charter, with a commitment to accuracy, discretion, transparency, and independence. The Audit Committee had full access to all pertinent information from management, employees and associated parties. The Audit Committee had given beneficial and practical comments and recommendations benefiting all stakeholders.

## Revision of the Audit Committee Charter

The Audit Committee has reviewed the revision of the Audit Committee Charter annually by taking into consideration best practice in accordance with the SEC's regulations.

In summary, the Audit Committee concluded that the Board of Directors, Management, and Executive Directors performed their duties with integrity and diligence in pursuit of the Company's goals and in preparation for new challenges, and that the Company demonstrated commitment to effective and transparent Corporate Governance which included appropriate risk management and internal control system.

On behalf of the Audit Committee



**( Mr. Chakkrit Parapuntakul )**  
**Chairman of the Audit Committee**

# REPORT OF THE BOARD OF DIRECTORS ON FINANCIAL REPORTING

## Dear Shareholders

The Company's Board of Directors of Synnex (Thailand) Public Company Limited heeds the significance of financial reporting of the Company and the Subsidiary as well as the financial information included in the annual report to assure that the Company's financial reporting is prepared using accurate and complete accounting records and being in accordance with Thai Financial Reporting Standards (TFRSs), using suitable accounting policies and adhere to such policies regularly, so that the financial statements will reflect the financial position and essential operating result of the Company.

The Company's Board of Directors has appointed the Audit Committee which consist of independent directors, possessing qualifications as required by the Securities and Exchange Commission and related rules and regulations, to supervise the Company's internal control system to be effective; audit the financial statements to be sufficient

and accurate; disclose related transactions which are potential of conflicts of interest as per the requirements of the Stock Exchange of Thailand and related regulations. The Audit Committee already reported on their performance to the Board of Directors.

The Board of Directors resolved that the financial statements of the Company the Subsidiary for the year 2019, which had been reviewed and audited by the Audit Committee with Company's Management and the Auditor, reflected the accurate financial position and operating results of the Company and the Subsidiary which is in compliance with Thai Financial Reporting Standards (TFRSs) and key information has been adequately disclosed in the notes to the financial statements. The auditor has expressed opinion on the financial statements of Synnex Public Company Limited and the consolidated financial statements and its subsidiaries in the Auditor's Report.



( **Supant Mongkolsuthree** )  
**Chairman**



# CONNECTED TRANSACTIONS

The Company has transactions with certain related party transactions. Arising from normal business operations for year ended December 31, 2019 according on the following.

The Company's related	Relationship causing the conflict	Description Account	Amount (Thousand Baht)	Transactions	Reason and Necessity of Transaction
<b>Reason and Necessity of Transaction</b>	Subsidiary	<ul style="list-style-type: none"> <li>Revenue from sales and service</li> </ul>	134,556	Selling products	<ul style="list-style-type: none"> <li>The Company's selling prices of products and service were higher than costs under the normal course of business that can be referred to the prices offered to other customers.</li> </ul>
		<ul style="list-style-type: none"> <li>Other revenue</li> </ul>	934	Revenue from rental and other service	<ul style="list-style-type: none"> <li>The service location fee's rates charged in proportion to the area and found that the rates are reasonable and compared with similar rates of office as the fair value. These transactions were in business collaboration to the high beneficial for the company.</li> </ul>
		<ul style="list-style-type: none"> <li>Interest income</li> </ul>	866	Interest income on lending in the form of promissory notes. Interest rate of 1.9%-2.25% per year.	<ul style="list-style-type: none"> <li>The loan interest rates a rate comparable to that of financial transactions on the basis of fair value.</li> </ul>
		<ul style="list-style-type: none"> <li>Short term loans</li> </ul>	32,000	Short term loans on lending in the form of promissory notes. Interest rate of 1.9%-2.25% per year.	<ul style="list-style-type: none"> <li>These transactions were in business collaboration to the high beneficial for the company.</li> </ul>
		<ul style="list-style-type: none"> <li>Purchasing products/service</li> </ul>	4,868	Purchasing products	<ul style="list-style-type: none"> <li>The price the Company buy in operation or to sale the price has been agreed the cost plus the cost of packaging and labor margin compared to other companies in the market items such as normal trading conditions.</li> </ul>

The Company's related	Relationship causing the conflict	Description Account	Amount (Thousand Baht)	Transactions	Reason and Necessity of Transaction
		<ul style="list-style-type: none"> <li>Technical assistance and other service expense</li> </ul>	401	Service training system	<ul style="list-style-type: none"> <li>These transactions were in business collaboration to the high beneficial for the company.</li> </ul>
<b>T.K.S. Technology Public Company Limited</b>	Related Parties	<ul style="list-style-type: none"> <li>Revenue from sales and service</li> </ul>	184	Selling products	<ul style="list-style-type: none"> <li>The Company's selling prices of products and service were higher than costs under the normal course of business that can be referred to the prices offered to other customers.</li> </ul>
		<ul style="list-style-type: none"> <li>Purchase of goods or receiving of services</li> </ul>	198,668	Purchase of goods	<ul style="list-style-type: none"> <li>The price the Company buy in operation or to sale the price has been agreed the cost plus the cost of packaging and labor margin compared to other companies in the market items such as normal trading conditions.</li> </ul>
<b>T.K.S. Siam press Management Company Limited</b>	Related Parties	<ul style="list-style-type: none"> <li>Revenue from sales and service</li> </ul>	8,277	Selling products	<ul style="list-style-type: none"> <li>The Company's selling prices of products and service were higher than costs under the normal course of business that can be referred to the prices offered to other customers.</li> </ul>
		<ul style="list-style-type: none"> <li>Purchase of goods or receiving of services</li> </ul>	43,479	Purchase of goods	<ul style="list-style-type: none"> <li>The price the Company buy in operation or to sale the price has been agreed the cost plus the cost of packaging and labor margin compared to other companies in the market items such as normal trading conditions.</li> </ul>

The Company's related	Relationship causing the conflict	Description Account	Amount (Thousand Baht)	Transactions	Reason and Necessity of Transaction
		<ul style="list-style-type: none"> <li>Printing services</li> </ul>	9,683	Ordering the printing journals and brochures for sales promotion.	<ul style="list-style-type: none"> <li>The printing service fee's rate was similar to the market price under the normal cost business that can be referred to other customers' offered rates.</li> </ul>
		<ul style="list-style-type: none"> <li>Warehouse management expense</li> </ul>	6,284	The warehouse management and logistics fee is 3%, Products under TKS, Idea green are 2% of selling price.	<ul style="list-style-type: none"> <li>These transactions were in business collaboration to the high beneficial for the company.</li> </ul>
<b>Gofive Company Limited</b>	Related Parties	<ul style="list-style-type: none"> <li>Revenue from sales and service</li> </ul>	5,657	Selling products	<ul style="list-style-type: none"> <li>The Company's selling prices of products and service were higher than costs under the normal course of business that can be referred to the prices offered to other customers.</li> </ul>
<b>TBSP Public Company Limited</b>	Related Parties	<ul style="list-style-type: none"> <li>Other revenue</li> </ul>	848	Revenue from Internal Audit Service Year 2020 (1.13 MB)	<ul style="list-style-type: none"> <li>The service location fee's rates charged in proportion to the area and found that the rates are reasonable and compared with similar rates of office as the fair value. These transactions were in business collaboration to the high beneficial for the company.</li> </ul>
<b>PT Automation (Thailand)</b>	Joint venture	<ul style="list-style-type: none"> <li>Revenue from sales and service</li> </ul>	583	Selling products	<ul style="list-style-type: none"> <li>The Company's selling prices of products and service were higher than costs under the normal course of business that can be referred to the prices offered to other customers.</li> </ul>

The Company's related	Relationship causing the conflict	Description Account	Amount (Thousand Baht)	Transactions	Reason and Necessity of Transaction
		<ul style="list-style-type: none"> <li>Other revenue</li> </ul>	660	Revenue from rental and other service	<ul style="list-style-type: none"> <li>The service location fee's rates charged in proportion to the area and found that the rates are reasonable and compared with similar rates of office as the fair value. These transactions were in business collaboration to the high benefit for the company.</li> </ul>
		<ul style="list-style-type: none"> <li>Purchase of goods or receiving of services</li> </ul>	8,233	Purchase of goods	<ul style="list-style-type: none"> <li>The price the Company buy in operation or to sale the price has been agreed the cost plus the cost of packaging and labor margin compared to other companies in the market items such as normal trading conditions.</li> </ul>
<b>Next Capital Company Limited</b>	Joint venture	<ul style="list-style-type: none"> <li>Revenue from sales and service</li> </ul>	160	Selling products	<ul style="list-style-type: none"> <li>The Company's selling prices of products and service were higher than costs under the normal course of business that can be referred to the prices offered to other customers.</li> </ul>
		<ul style="list-style-type: none"> <li>Interest Income</li> </ul>	1,315	Interest income on lending in the form of promissory notes. Interest rate of 4.1% per year.	<ul style="list-style-type: none"> <li>The loan interest rates a rate comparable to that of financial transactions on the basis of fair value.</li> </ul>
		<ul style="list-style-type: none"> <li>Short term loans</li> </ul>	50,000	Short term loans on lending in the form of promissory notes. Interest rate of 4.1% per year.	<ul style="list-style-type: none"> <li>These transactions were in business collaboration to the high benefit for the company.</li> </ul>

## Measures or Procedure Concerning the Approval of Related Transactions

Related transactions of the Company must be proposed to the Board of Directors for consideration and approval in a meeting in which the Audit Committee attends to express opinions on the necessity to enter such transactions and validity of these transactions. The Company's procedure of approval on related transactions is in compliance with the law concerning the Stock Exchange of Thailand (SET) as well as SET regulations, notifications, orders, and requirements. Directors with vested interest in related transactions are not entitled to vote to approve such transactions and the transactions approved will be disclosed in the notes to the financial statements of the Company and/or the Subsidiary.

## Policies and Trend of Related Transactions with Potential Conflicts of Interest

- The Company adopts a policy to assure that related normal business transactions and normal business supporting transactions in general trading conditions, such as the purchase or sale of goods and services, are treated in accordance with normal trading terms and at market price, which can be compared to the price offered to non-related parties, and strictly adhered to contracts mutually agreed. Pricing and trading terms of related transactions are clearly and fairly stated and not grounds for conflict of interest. Accounting and Finance Department is in charge of making the report on related transactions while Internal Audit Department is liable to audit the report and present it to the Audit Committee to review and comment on the appropriateness and validity of related transactions every quarter.
- The Company has a policy to propose normal business transactions and normal business supporting transactions with abnormal trading conditions and other related transactions to the Board of Directors' Meeting for review and approval in which the Audit Committee attends to express opinions on the necessity to enter such transactions and validity of these transactions before proceeding on. The Company's procedure must comply with the law concerning the Stock Exchange of Thailand (SET) as well as SET regulations, notifications, orders, and requirements on top of obeying the requirement on disclosure of related transactions regarding the acquisition or disposal of major assets of the Company or the Subsidiary. In the event that the Audit Committee lacks expertise to review any given related transaction, the Company will arrange an independent expert to evaluate such transaction to facilitate the decision making of the Board of Directors or shareholders, depending on the event. Directors with vested interest in related transactions are not entitled to vote to approve such transactions.
- For related transactions that may occur in the future, the Company's directors are obliged to comply with the regulations and shall not approve any items which directors themselves or any parties have vested interests which are potential to create conflicts of interest for the Company and/or the Subsidiary. Additionally, the Company's directors shall not authorize anyone to act on their behalf to engage in transactions with conflicts and must disclose such transactions with the Company's Board of Directors and/or the Subsidiary for review and consideration.
- Regarding the trends of related transactions in the future, there will be such transactions as part of regular business operations which the Company is obliged to strictly conduct in transparency and compliance with the Company's policies on related transactions which are consistent with the requirements of the Stock Exchange of Thailand and other regulators.



# MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Financial Status and Operating Performance Results for the Full Year end December 31, 2019

## Operating Result

Description	2019		2018		2017	
	MB	%	MB	%	MB	%
Operating revenues	34,804.31	100.00	38,196.00	100.00	32,426.01	100.00
Operating costs	33,475.32	96.18	36,577.56	95.76	30,990.54	95.57
Gross profit	1,328.99	3.82	1,618.45	4.24	1,435.47	4.43
Selling and administrative expenses	833.44	2.39	870.70	2.28	808.72	2.49
Net profit for the year	523.93	1.51	721.49	1.89	623.84	1.92
Earnings per share (THB)	0.64		0.94		0.81	

## Operating revenues

Despite the growth in sale of products in gaming and computer notebook segments, and revenues from services, total revenues from sales and services in 2019 declined markedly as a result of the trade dispute between US and China, instigating in a sharp drop in sale of products in communication device group. Furthermore, the imbalance between supply and demand of products in multimedia and computer components groups, which are cyclical in nature, drove down average selling prices and revenues from sale of products in these groups. Moreover, commercial sale team had been restructured in order to accommodate the increasing nature of solution-based sales in the future. As a result, total revenue from sales and services in 2019 amounted to THB 34,804 million, declining 8.88% from the previous year.

However, the Company and the vendor of communication devices, whose brand was affected by the trade dispute, worked closely to manage the situation, which had been gradually improving in the second half of 2019. In addition, the Company also implemented several measures, including introducing new brand, in order to increase sale of other brands in the same product category and mitigate the impact from the trade dispute. Moreover, the imbalance between supply and demand of products in multimedia and computer components groups has been gradually readjusted from the beginning of 2020. Finally, revenue from commercial sale has been improving since the latter half of 2019 upon the completion of the restructuring of the sale team.

## Operating costs

Operating costs in 2019 amounted to THB 33,475 million, declining 8.48% from the previous year, approximately the same rate as the decline in operating revenues. Gross profit margin was 3.82% of total revenues, lower than 4.24% in 2018 as a result of the lower mix of products with high margins, such as multimedia and computer components groups, and commercial products. Consequently, gross profit in 2019 dropped to THB 1,329 million, declining 17.89% from the previous year, mainly driven by lower revenues and gross profit margin.

## Selling and administrative expenses

Selling and administrative expenses in 2019 amounted to THB 833.44 million, declining 4.28% from the previous year. They were 2.39% of total operating revenues, compared to 2.28% in the previous year. As a distributor

of technology products and services, the Company emphasizes on implementing technology to help improve internal processes in every aspect, e.g. the automation of warehouse, in order to manage operating expenses at an appropriate level.

## Net profit

Net profit for 2019 amounted to THB 523.93 million, declining 27.38% from the previous year, mainly driven by lower revenues and gross profit margin, as well as higher financial costs, even though selling and administrative expenses were managed efficiently by incorporating technology into internal processes. Moreover, the Company continues to work closely with partners, and manages operating costs and selling and administrative expenses more efficiently, in order to make net profit grow sustainably.

## Financial position

Description	2019		2018		2017	
	THB million	%	THB million	%	THB million	%
<b>Assets</b>						
Current assets	10,177.43	89.73	10,745.31	91.83	8,078.08	89.67
Non-current assets	1,164.42	10.27	955.39	8.17	930.41	10.33
<b>Total assets</b>	<b>11,341.85</b>	<b>100.00</b>	<b>11,700.71</b>	<b>100.00</b>	<b>9,008.49</b>	<b>100.00</b>
<b>Liabilities</b>						
Current assets	8,057.75	71.04	8,379.78	71.62	5,787.55	64.25
Non-current assets	71.43	0.63	236.01	2.02	447.63	4.97
<b>Total liabilities</b>	<b>8,129.17</b>	<b>71.67</b>	<b>8,615.79</b>	<b>73.64</b>	<b>6,235.19</b>	<b>69.21</b>

Description	2019		2018		2017	
	THB million	%	THB million	%	THB million	%
<b>Shareholders' equity</b>						
Issued and paid-up capital	847.36	7.47	770.33	6.58	770.33	8.55
Share premium	403.71	3.56	403.71	3.45	403.71	4.48
Retained earnings	1,946.47	17.16	1,888.59	16.14	1,582.53	17.57
Other components of shareholders'	15.14	0.13	22.29	0.19	16.73	0.19
<b>Total shareholders' equity</b>	<b>3,212.68</b>	<b>28.33</b>	<b>3,084.91</b>	<b>26.36</b>	<b>2,773.30</b>	<b>30.79</b>
<b>Total liabilities and shareholders'</b>	<b>11,341.85</b>	<b>100.00</b>	<b>11,700.71</b>	<b>100.00</b>	<b>9,008.49</b>	<b>100.00</b>

## Assets

As of 31 December 2019, total assets amounted to THB 11,341.85 million, comprising THB 10,177.43 million current assets, or 89.73% of total assets, and THB 1,164.42 million non-current assets, or 10.27% of total assets.

As of 31 December 2019, total assets declined 3.07% from a year earlier because of the decline in account receivables and inventories, in line with the decline in revenues, and lower cash and cash equivalents. Short-term loans, however, increased from the same period last year, while other current assets were at approximately the same level.

## Liabilities

As of 31 December 2019, total liabilities amounted to THB 8,129.17 million, decreasing 5.65% from a year earlier. The decline was a result of lower account payables and long-term loan, even though short-term loans from financial institutions went up. The Company's current assets were still higher than current liabilities. Total li-

bilities comprised THB 8,057.75 million current liabilities, or 99.12% of total liabilities, and THB 71.43 million non-current liabilities, or 0.85% of total liabilities.

The majority of the Company's liabilities were current liabilities, consisting of THB 5,104.12 million short-term loans from financial institutions and THB 2,159.04 million account payables. Total liabilities to total equity ratio ("D/E Ratio") at the end of 2019 was 2.53 times, declining from 2.79 times at the end of 2018, as a result of lower total liabilities and higher shareholders' equity. The Company maintained D/E Ratio at a level not exceeding 3.00 times and the Gearing Ratio was 1.64 times at the end of 2019, increasing from 1.51 times at the end of 2018.

## Shareholders' equity

As of 31 December 2019, shareholders' equity was equal to THB 3,212 million, increasing 4.14% from a year earlier as a result of THB 523.93 million net profit for the period and THB 77.03 million stock dividend, which was offset by THB 466.05 million dividend payment and THB 7.15 million decline in other components of shareholders' equity.

## Cash Flows

unit : THB thousand

	2019	2018	2017
Cash ow from (used in) operating activities	100,925.72	(71,005.91)	(635,845.10)
Cash ow from (used in) investing activities	(327,136.43)	(199,780.29)	(306,802.37)
Cash ow from (used in) nancing activities	136,724.64	323,457.96	941,719.35
Effect of exchange rate changes on cash and cash equivalents	(1,304.13)	(428.62)	(754.26)
Net increase (decrease) in cash and cash equivalents	90,790.20	52,243.96	(1,682.38)
Cash and cash equivalents at the beginning of the period	256,851.17	204,607.21	206,289.59
Cash and cash equivalents at the end of the period	166,060.97	256,851.17	204,607.21
<b>Cash cycle (days)</b>	<b>69</b>	<b>56</b>	<b>54</b>

For 2019, net cash ows amounted to THB (89.49) million, comprising THB 100.93 million cash ow from operating activities and THB 136.72 million cash ow from nancing activities, which was offset by THB (327.14) million cash flow used in investing activities. Cash from used in investing activities consisted mainly of THB (122.50) million additional investment in joint ventures and THB (191.21) million net increase in loan receivables. Moreover, cash ow from nancing activities comprised THB 601.38 million net increase of loans from financial institutions, which was offset by THB (464.66) million dividend and interest payments.

In 2019, the Company had a Cash Cycle of 69 days that increased from 56 days in 2018. As such, this resulted from the increase in the average receivables collections period that was 60 days in 2019 compared to 49 days in 2018, and due to the increase in trade account receivables following the growth in total sales revenues together with the increased in credit limits and longer payment terms given to premium customers so as to support the ability to increase sales and overall business growth. Similarly, there was an increase in total inventory on hand to support the marketing strategies deployed by

all the Business Units; whereby this resulted in Average Inventory Sales being increased from 30 days in 2018 to 37 days in 2019. As for the Average Payables Payment Period, this was at 28 days in 2019, increasing from 23 days in 2018 due to the Company still making payments in cash or earlier than the due date so as to benefit from trade discounts given.

In 2019, the Company had a Liquidity Ratio that deceased to 1.26 times and a Current Ratio of 0.41 times, due to the appropriate financial structure of the Company being mainly made up of the profits achieved from normal operations together with obtaining short term loans for use as working capital. As such, the Company has achieved improved overall management, control and monitoring, and risk management of its trade account receivables as well as inventory on hand, which has resulted in receiving credit lines from many financial institution and commercial banks with costs of funds that are appropriate for the Company; as well as resulted in the Company enjoying continuing positive financial liquidity to support its business situation and ongoing business growth.

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

Financial statements for the year ended  
31 December 2019  
and  
Independent Auditor's Report





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## Independent Auditor's Report

### To the Shareholders of Synnex (Thailand) Public Company Limited

#### *Opinion*

I have audited the 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 2019, 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.

In my opinion, the accompanying 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 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Maia*



### Key Audit Matters

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

Valuation of trade accounts receivable	
Refer to notes 2(c), 3(d), 6 and 28 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group distributes computer equipment of over 50 world-recognised brands whereas the Group's customer base includes over 5,000 countrywide computer retailers and wholesalers including corporate customers and government projects. Accordingly, the Group had material trade accounts receivable.</p> <p>The Group has a credit policy including analysis of payment histories and future expectations of customer payments for setting up allowance for doubtful accounts to reflect the collectible amount of trade accounts receivable.</p> <p>The estimation of allowance for doubtful accounts involves categorisation of trade accounts receivable by the age profile and requires significant management judgment. Therefore, I considered that this is a significant risk and a key area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding the process of collection and measurement of allowance for doubtful accounts by inquiry of management;</li> <li>• evaluating the controls design and implementation regarding categorisation of trade accounts receivable aging and estimation of allowance for doubtful accounts;</li> <li>• performing a retrospective assessment of the allowance by comparing past experience of allowance with actual results in order to evaluate the appropriateness of the assumptions made in the current year;</li> <li>• testing the appropriateness of trade accounts receivable aging report exported from accounting system on a sample basis with the assistance of KPMG's information technology specialist;</li> <li>• testing the receipt of cash after the year end on a sample basis;</li> <li>• in respect of long-outstanding trade accounts receivable, assessment of the allowance level was considered by examining the collection histories as well as assessment of information regarding the troubled trade accounts receivable in the lawyer confirmation;</li> <li>• consideration of the adequacy of the Group's disclosures in respect of allowance for doubtful accounts in accordance with Thai Financial Reporting Standards.</li> </ul>

*Maxim*

Valuation of inventories	
Refer to notes 2(c), 3(e) and 9 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group had material inventories. The Group's products are related to computer equipment which is subject to rapid changes in consumer demand in response to changing technology trends impacting price volatility.</p> <p>The Group has a policy for setting up allowance for decline in value of inventories to reflect the net realisable value of inventories. The measurement of net realisable value of inventories involves categorisation of inventories by the age profile and requires significant management's judgment. Therefore, I considered that this is a significant risk and a key area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding process of measurement of net realisable value of inventories by inquiry of management;</li> <li>• evaluating the control design and implementation regarding categorisation of inventories aging and the measurement of net realisable value of inventories;</li> <li>• performing a retrospective assessment of the measurement by comparing past experience of the measurement and actual results in order to evaluate the appropriateness of the assumptions made in the current year;</li> <li>• testing the appropriateness of inventories aging report exported from accounting system on a sample basis with the assistance of KPMG's information technology specialist;</li> <li>• comparing the cost of inventories against the net realisable value including the estimated distribution costs with the related documents on a sample basis;</li> <li>• in respect of long-outstanding inventories, assessment of the allowance level was considered with the historical data of consumer's demands, sales plans as well as considering the selling price trend of each long-outstanding inventories;</li> <li>• consideration of the adequacy of the Group's disclosures in respect of allowance for decline in value of inventories in accordance with Thai Financial Reporting Standards.</li> </ul>

*Naiga*





### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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

*Manna.*



As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

*Maria.*





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

(Marisa Tharathornbunpakul)  
Certified Public Accountant  
Registration No. 5752

KPMG Phoomchai Audit Ltd.  
Bangkok  
18 February 2020

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

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
Current assets					
Cash and cash equivalents	5	166,060,971	256,851,174	159,700,723	243,868,443
Trade accounts receivable	4, 6	5,606,482,776	5,901,486,972	5,615,433,792	5,880,853,731
Other receivables	7	305,112,446	352,694,943	299,363,367	348,408,256
Short-term loans	4,8	239,490,000	126,500,000	271,490,000	167,500,000
Inventories	9	3,253,848,572	3,498,365,185	3,248,711,583	3,495,757,088
Rebate receivables		534,035,905	546,774,515	534,020,556	546,391,900
Prepayment for goods		72,194,496	62,445,151	72,090,360	62,341,015
Other current assets		206,088	192,497	206,088	192,497
Total current assets		10,177,431,254	10,745,310,437	10,201,016,469	10,745,312,930
Non-current assets					
Investment in subsidiary	10	-	-	9,400,000	9,400,000
Investments in joint ventures	11	527,370,797	366,116,191	458,748,494	336,248,285
Other long-term investments	12	29,785,275	38,720,858	29,785,275	38,720,858
Trade accounts receivable	4, 6	97,328,747	93,933,067	95,429,747	93,933,067
Other receivables	7	7,210,024	5,774,923	7,110,324	5,675,224
Long-term loans	8	78,220,000	-	78,220,000	-
Property, plant and equipment	13	357,375,725	377,918,631	355,694,571	376,173,256
Intangible assets		10,196,643	9,093,921	9,768,796	9,093,917
Deferred tax assets	25	56,934,932	63,837,028	55,141,639	62,216,325
Total non-current assets		1,164,422,143	955,394,619	1,099,298,846	931,460,932
Total assets		11,341,853,397	11,700,705,056	11,300,315,315	11,676,773,862

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

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
<i>Current liabilities</i>					
Short-term loans from financial institutions	14	5,104,117,163	4,291,656,054	5,104,117,163	4,291,656,054
Trade accounts payable	4, 15	2,159,044,201	3,036,825,242	2,158,917,652	3,018,974,556
Other payables	4, 16	333,661,537	486,593,125	334,201,690	485,531,306
Current portion of long-term loans					
from financial institution	14	161,180,000	211,080,000	161,180,000	211,080,000
Current tax payable		-	7,398,454	-	7,398,454
Accrued expenses	4, 17	299,742,265	346,227,013	296,822,002	340,527,668
<b>Total current liabilities</b>		<b>8,057,745,166</b>	<b>8,379,779,888</b>	<b>8,055,238,507</b>	<b>8,355,168,038</b>
<i>Non-current liabilities</i>					
Long-term loans from financial institution	14	-	161,180,000	-	161,180,000
Other payables	16	31,652,275	45,598,483	31,652,275	45,598,483
Non-current provisions for employee					
benefits	18	39,362,692	28,726,321	38,158,278	28,581,516
Other non-current liabilities		412,118	508,015	405,509	501,405
<b>Total non-current liabilities</b>		<b>71,427,085</b>	<b>236,012,819</b>	<b>70,216,062</b>	<b>235,861,404</b>
<b>Total liabilities</b>		<b>8,129,172,251</b>	<b>8,615,792,707</b>	<b>8,125,454,569</b>	<b>8,591,029,442</b>
<i>Equity</i>					
Share capital:	19				
Authorised share capital		880,000,000	800,000,000	880,000,000	800,000,000
Issued and paid-up share capital		847,361,206	770,328,649	847,361,206	770,328,649
Share premium:					
Share premium on ordinary shares	19	350,872,541	350,872,541	350,872,541	350,872,541
Share premium on treasury shares	19	52,835,830	52,835,830	52,835,830	52,835,830
Retained earnings					
Appropriated					
Legal reserve	20	88,000,000	80,000,000	88,000,000	80,000,000
Unappropriated		1,858,469,942	1,808,585,236	1,820,649,542	1,809,417,307
Other components of equity		15,141,627	22,290,093	15,141,627	22,290,093
<b>Total equity</b>		<b>3,212,681,146</b>	<b>3,084,912,349</b>	<b>3,174,860,746</b>	<b>3,085,744,420</b>
<b>Total liabilities and equity</b>		<b>11,341,853,397</b>	<b>11,700,705,056</b>	<b>11,300,315,315</b>	<b>11,676,773,862</b>

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

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

		Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Income from operations</b>					
Revenue from sale of goods	4	34,692,155,868	38,099,603,195	34,672,696,620	38,075,601,258
Revenue from rendering of services	4	112,151,346	96,400,830	108,210,647	63,547,370
<b>Total income</b>	21	<b>34,804,307,214</b>	<b>38,196,004,025</b>	<b>34,780,907,267</b>	<b>38,139,148,628</b>
<b>Operating costs</b>					
Cost of sale of goods	4, 9, 23	33,415,566,545	36,540,798,654	33,419,629,210	36,523,276,204
Cost of rendering of services	4, 23	59,748,658	36,756,431	50,159,358	27,280,657
<b>Total costs</b>		<b>33,475,315,203</b>	<b>36,577,555,085</b>	<b>33,469,788,568</b>	<b>36,550,556,861</b>
<b>Gross profit</b>		<b>1,328,992,011</b>	<b>1,618,448,940</b>	<b>1,311,118,699</b>	<b>1,588,591,767</b>
Gain on exchange rate		101,190,358	131,000,368	101,190,358	131,000,368
Other income	4	83,563,439	56,652,836	84,199,236	59,527,853
<b>Profit before expenses</b>		<b>1,513,745,808</b>	<b>1,806,102,144</b>	<b>1,496,508,293</b>	<b>1,779,119,988</b>
Distribution costs	4, 23	462,984,951	493,955,663	458,329,067	478,020,801
Administrative expenses	4, 23	370,459,675	376,744,803	357,603,527	360,800,831
Finance costs	24	75,005,793	55,948,083	75,005,793	55,948,077
<b>Total expenses</b>		<b>908,450,419</b>	<b>926,648,549</b>	<b>890,938,387</b>	<b>894,769,709</b>
<b>Profit before income tax expense</b>		<b>644,049,786</b>	<b>893,769,954</b>	<b>605,569,906</b>	<b>884,350,279</b>
Tax expense	25	(120,116,617)	(172,278,564)	(120,289,208)	(173,781,276)
<b>Profit for the year</b>		<b>523,933,169</b>	<b>721,491,390</b>	<b>485,280,698</b>	<b>710,569,003</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments	12	(8,935,583)	6,949,898	(8,935,583)	6,949,898
Income tax relating to item that will be reclassified subsequently to profit or loss	25	1,787,117	(1,389,980)	1,787,117	(1,389,980)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(7,148,466)</b>	<b>5,559,918</b>	<b>(7,148,466)</b>	<b>5,559,918</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	18	-	10,299,570	-	8,692,883
Income tax relating to items that will not be reclassified	25	-	(2,059,914)	-	(1,738,577)
<b>Total items that will not be reclassified to profit or loss</b>		<b>-</b>	<b>8,239,656</b>	<b>-</b>	<b>6,954,306</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(7,148,466)</b>	<b>13,799,574</b>	<b>(7,148,466)</b>	<b>12,514,224</b>
<b>Total comprehensive income for the year</b>		<b>516,784,703</b>	<b>735,290,964</b>	<b>478,132,232</b>	<b>723,083,227</b>

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

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

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
<b>Profit attributable to:</b>					
Owners of the parent		523,933,169	721,491,390	485,280,698	710,569,003
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>523,933,169</b>	<b>721,491,390</b>	<b>485,280,698</b>	<b>710,569,003</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		516,784,703	735,290,964	478,132,232	723,083,227
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>516,784,703</b>	<b>735,290,964</b>	<b>478,132,232</b>	<b>723,083,227</b>
<b>Basic earnings per share</b>	26	<b>0.64</b>	<b>0.94</b>	<b>0.59</b>	<b>0.92</b>

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**

	Note	Retained earnings				Other components of shareholders' equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve (in Baht)	Available-for-sale investments	Total equity
Year ended 31 December 2018							
Balance at 1 January 2018		770,328,649	350,872,541	52,835,830	80,000,000	16,730,175	2,773,302,087
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends	27	-	-	-	-	-	(423,680,702)
Total distributions to owners of the parent		-	-	-	-	-	(423,680,702)
Comprehensive income for the year							
Profit		-	-	-	-	-	721,491,390
Other comprehensive income		-	-	-	-	5,559,918	13,799,574
Total comprehensive income for the year		-	-	-	-	5,559,918	735,290,964
Balance at 31 December 2018		770,328,649	350,872,541	52,835,830	80,000,000	22,290,093	3,084,912,349

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 shareholders' equity			
		Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve (in Baht)	Unappropriated investments	Available-for-sale investments	Total equity
Note								
Year ended 31 December 2019								
	Balance at 1 January 2019	770,328,649	350,872,541	52,835,830	80,000,000	1,808,585,236	22,290,093	3,084,912,349
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the parent</i>								
	Dividends	77,032,557	-	-	-	(466,048,463)	-	(389,015,906)
	Total distributions to owners of the parent	77,032,557	-	-	-	(466,048,463)	-	(389,015,906)
Comprehensive income for the year								
	Profit	-	-	-	-	523,933,169	-	523,933,169
	Other comprehensive income	-	-	-	-	-	(7,148,466)	(7,148,466)
	Total comprehensive income for the year	-	-	-	-	523,933,169	(7,148,466)	516,784,703
	Transfer to legal reserve	-	-	-	8,000,000	(8,000,000)	-	-
	Balance at 31 December 2019	847,361,206	350,872,541	52,835,830	88,000,000	1,858,469,942	15,141,627	3,212,681,146

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					
		Retained earnings			Other components of equity		
		Issued and paid-up share capital	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve	Unappropriated	Available-for-sale investments
					(in Baht)		
							Total equity
		Note					
Year ended 31 December 2018							
Balance at 1 January 2018			770,328,649	350,872,541	52,835,830	80,000,000	1,515,574,700
							16,730,175
							2,786,341,895
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends		27	-	-	-	(423,680,702)	-
Total distributions to owners of the parent			-	-	-	(423,680,702)	(423,680,702)
Comprehensive income for the year							
Profit			-	-	-	710,569,003	-
Other comprehensive income			-	-	-	6,954,306	5,559,918
Total comprehensive income for the year			-	-	-	717,523,309	5,559,918
Balance at 31 December 2018			770,328,649	350,872,541	52,835,830	80,000,000	1,809,417,307
							22,290,093
							3,085,744,420

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

## Separate financial statements

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

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2019	2018	2019	2018
		(in Baht)			
<b>Cash flows from operating activities</b>					
Profit for the year		523,933,169	721,491,390	485,280,698	710,569,003
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense		120,116,617	172,278,564	120,289,208	173,781,276
Finance costs		75,005,793	55,948,083	75,005,793	55,948,077
Depreciation and amortisation		45,687,668	43,108,216	44,002,701	41,116,121
Non-current provisions for employee benefit		11,176,273	4,754,557	10,784,998	4,467,217
Unrealised gains on exchange		(4,833,418)	(17,404,286)	(4,833,418)	(17,404,286)
Share of profit of joint ventures	11	(38,754,397)	(14,316,359)	-	-
Bad and doubtful debts expenses	6	10,456,417	20,204,306	10,604,701	12,828,067
Losses on inventories devaluation	9	23,755,116	20,557,595	23,751,772	20,643,842
Cost of donated goods		1,995,611	4,309,505	1,995,611	4,309,505
Gains on disposal of interest in joint venture		-	(147,735)	-	(147,735)
Gains on disposal of plant and equipment		(138,944)	(87,124)	(138,944)	(68,037)
Interest income		(13,178,492)	(3,773,083)	(13,978,958)	(4,508,241)
Dividend income		(2,184,254)	(1,787,117)	(2,184,254)	(1,787,117)
		<u>753,037,159</u>	<u>1,005,136,512</u>	<u>750,579,908</u>	<u>999,747,692</u>
<b>Changes in operating assets and liabilities</b>					
Trade accounts receivable		280,957,333	(1,513,429,339)	253,123,792	(1,485,616,681)
Other receivables		57,636,542	(135,612,266)	59,549,464	(141,154,216)
Inventories		218,765,886	(976,815,465)	221,298,122	(974,650,204)
Rebate receivables		12,738,610	(92,258,615)	12,371,344	(91,891,349)
Prepayment for goods		(9,749,345)	189,699,617	(9,749,345)	189,699,617
Other current assets		(13,591)	(15,739)	(13,591)	(15,739)
Trade accounts payable		(871,526,456)	1,417,941,066	(853,802,319)	1,400,833,418
Other payables		(166,895,964)	207,165,155	(165,293,991)	206,719,697
Accrued expenses		(45,849,978)	7,587,957	(43,070,896)	5,854,641
Non-current provisions for employee benefits paid		(539,902)	(6,350,000)	(1,208,236)	(6,350,000)
Net cash generated from operating		<u>228,560,294</u>	<u>103,048,883</u>	<u>223,784,252</u>	<u>103,176,876</u>
Taxes paid		<u>(127,634,579)</u>	<u>(174,053,974)</u>	<u>(128,085,109)</u>	<u>(174,053,974)</u>
<b>Net cash from (used in) operating activities</b>		<u><b>100,925,715</b></u>	<u><b>(71,005,091)</b></u>	<u><b>95,699,143</b></u>	<u><b>(70,877,098)</b></u>
<b>Cash flows from investing activities</b>					
Proceeds from sale of interest in joint venture	11	-	22,500,000	-	22,500,000
Acquisition of interest in joint ventures	11	(122,500,209)	(81,393,950)	(122,500,209)	(81,393,950)
Proceeds from sale of plant and equipment		249,427	434,649	249,427	113,364
Acquisition of plant and equipment		(21,583,989)	(16,030,567)	(20,041,500)	(15,748,683)
Acquisition of intangible assets		(4,773,978)	(1,960,722)	(4,267,878)	(1,960,722)
Proceeds from loans receivable		193,280,000	31,960,000	202,280,000	31,960,000
Increase in loans receivable		(384,490,000)	(158,460,000)	(384,490,000)	(158,460,000)
Dividends received		2,184,254	1,787,117	2,184,254	1,787,117
Interest received		10,498,067	1,383,179	11,298,533	2,118,338
<b>Net cash used in investing activities</b>		<u><b>(327,136,428)</b></u>	<u><b>(199,780,294)</b></u>	<u><b>(315,287,373)</b></u>	<u><b>(199,084,536)</b></u>

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



**Synnex (Thailand) Public Company Limited and its Subsidiary**
**Statement of cash flows**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
<i>(in Baht)</i>					
<b><i>Cash flows from financing activities</i></b>					
Proceeds from borrowings		36,127,409,285	31,888,887,732	36,127,409,285	31,888,887,732
Repayment of borrowings		(35,526,028,176)	(31,084,432,161)	(35,526,028,176)	(31,084,432,161)
Dividends paid to owners of the Company	27	(389,015,906)	(423,680,702)	(389,015,906)	(423,680,702)
Interest paid		(75,640,563)	(57,316,907)	(75,640,563)	(57,316,901)
<b>Net cash from financing activities</b>		<b>136,724,640</b>	<b>323,457,962</b>	<b>136,724,640</b>	<b>323,457,968</b>
Net increase (decrease) in cash and cash equivalents,					
before effect of exchange rates		(89,486,073)	52,672,577	(82,863,590)	53,496,334
Effect of exchange rate changes on cash and cash equivalents		(1,304,130)	(428,618)	(1,304,130)	(428,618)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(90,790,203)</b>	<b>52,243,959</b>	<b>(84,167,720)</b>	<b>53,067,716</b>
Cash and cash equivalents at 1 January		256,851,174	204,607,215	243,868,443	190,800,727
<b>Cash and cash equivalents at 31 December</b>	5	<b>166,060,971</b>	<b>256,851,174</b>	<b>159,700,723</b>	<b>243,868,443</b>
<b><i>Non-cash transaction</i></b>					
Gains (losses) on remeasuring available-for-sale investments		(8,935,583)	6,949,898	(8,935,583)	6,949,898

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

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

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21	Segment information and disaggregation of revenue
22	Employee benefit expenses
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These notes form an integral part of the financial statements.

This 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 18 February 2020.

**1 General information**

Synnex (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand on 16 June 2008. The Company’s registered office at 433 Sukontasawat Road, Lardprao, Lardprao, Bangkok, Thailand.

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

The principal activities of the Company are engaged in the distribution of computers, IT system, and communication devices. Details of the Company’s subsidiary and joint ventures as at 31 December 2019 and 2018 are given in notes 10 and 11, respectively.

**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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements. The Group’s has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The details of accounting policies are disclosed in note 3(o).

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 31.

*(b) Functional and presentation currency*

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

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*(c) Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

*(i) Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- |    |  |
|----|--|
| 11 | Equity-accounted investees: whether the Group has significant influence over an investee   |
| 21 | Revenue recognition: <ul style="list-style-type: none"><li>• whether revenue from sales of products is recognised over time or at a point in time.</li></ul> |

*(ii) Assumptions and estimation uncertainties*

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- |    |  |
|----|--|
| 6  | Measurement of allowance for doubtful debts of trade accounts receivable;                                  |
| 9  | Valuation of inventories: key assumptions underlying allowance for decline in value of inventories;        |
| 11 | Acquisition of joint ventures: fair value of the net assets acquired, measured on a provisional basis; and |
| 18 | Measurement of defined benefit obligations: key actuarial assumptions.                                     |

**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 subsidiary (together referred to as the "Group") and the Group's interests in joint ventures.

*Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiary section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

*Subsidiary*

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.



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*Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(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**

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at value less allowance for doubtful accounts. The Group provided allowance for doubtful accounts to reflect the collectible amount of trade accounts receivable related to provision for loss from uncollectible customers. The management used judgments in estimation of allowance for doubtful accounts by analysing the aging of trade accounts receivable and reference to analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

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**(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, cost of conversion 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.

The Group provided allowance for decline in value of inventories to reflect the net realisable value of inventories. The management used judgments in estimation of allowance for decline in value of inventories by analysing the aging of inventories together with analysis of obsolete inventory and future expectations of sales.

**(f) Investments**

*Investments in subsidiary and joint ventures*

Investments in subsidiary and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

*Investments in other equity securities*

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 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*

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*Owned assets*

Property, plant and equipment are measured 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.

Any 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 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 and installation.

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

**(h) Intangible assets**

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee. Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

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*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licenses	3, 5 and 10 years
-------------------	-------------------

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

**(i) 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. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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 unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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.

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 available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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An impairment loss in respect of a goodwill is not reversed. 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.

**(j) *Interest-bearing liabilities***

Interest-bearing liabilities are recognised initially at cost.

**(k) *Trade and other accounts payable***

Trade and other accounts payable are stated at cost.

**(l) *Employee benefits***

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.



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*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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 establishes Employee Joint Investment Program for the Group's employees to buy the Company's shares through Employee Joint Investment Program as a defined contribution plan. The assets for which are held in a separate assets and are managed by a licensed agent. Contributions are made by the Group and its employees. The Group's contributions to the Program are charged to the profit or loss for the year to which they relate.

**(m) 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.

**(n) Share capital**

*Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

*Repurchase of share capital (treasury shares)*

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

**(o) Revenue**

*Accounting policies for revenue recognition in 2019*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

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*Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time based on stage of completion / as the services are provided. The stage of completion is assessed based on surveys of work performed / cost-to-cost method. The related costs are recognised in profit or loss when they are incurred.

*Accounting policies for revenue recognition in 2018*

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.

**(p) Investment income**

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

**(q) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

**(r) 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.

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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.

**(s) 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 subsidiary and joint ventures 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.

In determining the amount of current and deferred 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

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**(i) 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.

**(u) Related parties**

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity

**(v) 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, deferred tax assets and other assets.

**4 Related parties**

Relationship with subsidiary and joint ventures are described in notes 10 and 11, respectively. Relationship with other related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
T.K.S. Technologies Public Company Limited	Thailand	Major shareholder, 38.51% shareholding
King's Eye Investments Ltd.	British Virgin Islands	Major shareholder, 34.99% shareholding
T.K.S Siam Press Management Co., Ltd.	Thailand	Mutual shareholding and directors
TBSP Public Company Limited (Formerly "Thai British Security Printing Public Company Limited")	Thailand	Mutual shareholding and directors
Go Five Co., Ltd.	Thailand	Mutual shareholding and directors
Synnex Global Ltd.	British Virgin Islands	Indirect shareholding via King's Eye Investments Ltd.
Synnex Technology International Corporation	Taiwan	Indirect shareholding via King's Eye Investments Ltd.
Key management personnel	Thailand, Taiwan	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	Market price
Rendering of service	Market price
Purchase of goods	Market price
Receiving of services	Market price
Interest income	1.9% - 4.1% per annum
Other income	Contractually agreed prices
Sale of assets	Market price
Technical assistance and other service expenses	Contractually agreed prices
Warehouse management expense	Contractually agreed prices
Printing service expense	Market price
Key management personnel	Criteria defined by Nomination and Remuneration Committee and Company's policies

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

<b>Year ended 31 December</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Sales of goods or rendering of services	-	-	134,556	118,894
Purchases of goods or receiving of services	-	-	4,868	250
Interest income	-	-	866	818
Other income	-	-	934	1,852
Technical assistance and other service expenses	-	-	401	444
<b>Joint ventures</b>				
Sales of goods or rendering of services	2,098	17,677	743	4,508
Purchases of goods or receiving of services	8,233	2,042	8,233	2,042
Interest income	1,315	12	1,315	12
Other income	660	580	660	580
<b>Key management personnel</b>				
Short-term benefit	54,688	59,968	52,952	59,968
<b>Other related parties</b>				
Sales of goods or rendering of services	16,345	25,906	14,153	3,053
Purchases of goods or receiving of services	243,347	224,267	242,147	224,134
Other income	1,144	192	1,119	192
Sale of equipment	24	-	24	-
Technical assistance and other service expenses	86	64	86	64
Warehouse management expense	6,284	9,052	6,284	9,052
Printing service expense	9,683	9,449	9,683	9,449



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

<i>Trade accounts receivable</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Prism Solutions Co., Ltd.	-	-	29,162	3,963
<b>Joint ventures</b>				
Next Capital Co., Ltd.	617	-	-	-
(Formerly "BAF (Thailand) Co., Ltd.")				
PT Automation (Thailand) Limited	21	351	21	351
<b>Other related parties</b>				
T.K.S. Siam Press Management Co., Ltd.	1,844	1,868	367	184
T.K.S. Technologies Public Company Limited	5	10	5	10
Gofive Co., Ltd.	1,768	-	1,765	-
<b>Total</b>	<b>4,255</b>	<b>2,229</b>	<b>31,320</b>	<b>4,508</b>

<i>Other receivable</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Joint venture</b>				
Next Capital Co., Ltd.	381	-	381	-
(Formerly "BAF (Thailand) Co., Ltd.")				
<b>Total</b>	<b>381</b>	<b>-</b>	<b>381</b>	<b>-</b>

<i>Movement of loans to</i>	<b>Interest rate</b>	<b>Consolidated financial statements</b>			
		At	At		At
	31 December	1 January	Increase	Decrease	31 December
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>		
<b>2019</b>					
<b>Joint venture</b>					
Next Capital Co., Ltd.	4.1	-	90,000	(40,000)	50,000
(Formerly "BAF (Thailand) Co., Ltd.")					
<b>Key management personnel</b>	2	-	9,600	-	9,600
<b>Total</b>		<b>-</b>	<b>99,600</b>	<b>(40,000)</b>	<b>59,600</b>
<b>2018</b>					
<b>Joint venture</b>					
PT Automation (Thailand) Limited	2	-	2,000	(2,000)	-
<b>Total</b>		<b>-</b>	<b>2,000</b>	<b>(2,000)</b>	<b>-</b>

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

	Interest rate		Separate financial statements		
<i>Movement of loans to</i>	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			<i>(in million Baht)</i>		
<b>2019</b>					
<b>Subsidiary</b>					
Prism Solutions Co., Ltd.	1.9 - 2.25	41,000	-	(9,000)	32,000
<b>Joint venture</b>					
Next Capital Co., Ltd. (Formerly “BAF (Thailand) Co., Ltd.”)	4.1	-	90,000	(40,000)	50,000
<b>Key management personnel</b>	2	-	9,600	-	9,600
<b>Total</b>		<u>-</u>	<u>99,600</u>	<u>(49,000)</u>	<u>59,600</u>
<b>2018</b>					
<b>Subsidiary</b>					
Prism Solutions Co., Ltd.	1.9 - 2.25	41,000	-	-	41,000
<b>Joint venture</b>					
PT Automation (Thailand) Limited	2	-	2,000	(2,000)	-
<b>Total</b>		<u>41,000</u>	<u>2,000</u>	<u>(2,000)</u>	<u>41,000</u>

**Short-term loans**

As at 31 December 2019, the Company had short-term loans to related company, amounting to Baht 50 million which bears interest at 4.10% per annum. The terms of loans are within three months.

**Trade accounts payable**

<i>Trade accounts payable</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Joint venture</b>				
PT Automation (Thailand) Limited	689	87	689	87
<b>Other related parties</b>				
T.K.S. Technologies Public Company Limited	19,186	21,168	19,186	21,168
T.K.S. Siam Press Management Co., Ltd.	8,192	7,930	8,192	7,930
<b>Total</b>	<b>28,067</b>	<b>29,185</b>	<b>28,067</b>	<b>29,185</b>

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<i>Other payables</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Prism Solutions Co., Ltd.	-	-	1,483	55
<b>Joint venture</b>				
PT Automation (Thailand) Limited	-	43	-	43
<b>Other related parties</b>				
T.K.S. Siam Press Management Co., Ltd.	3,451	5,339	3,451	5,339
Synnex Technology International Corporation	76	58	76	58
<b>Total</b>	<b>3,527</b>	<b>5,440</b>	<b>5,010</b>	<b>5,495</b>
 <i>Accrued expenses</i>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Prism Solutions Co., Ltd.	-	-	955	-
<b>Other related party</b>				
T.K.S. Siam Press Management Co., Ltd.	453	1,012	453	1,012
<b>Total</b>	<b>453</b>	<b>1,012</b>	<b>1,408</b>	<b>1,012</b>

***Significant agreements with related parties***

***Trademark license agreement***

On 11 December 2007, the Company entered into “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 Investments 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.

***Building rental agreement and other services***

The Company has entered into agreements to provide building rental and other services to Prism Solutions Co., Ltd. The agreement rate is annually specified with a rental and other services fees of Baht 1.8 million per year. The agreement term is for a period of one year starting from 1 January 2018 to 31 December 2018, and Baht 0.84 million starting from 1 January 2019 to 31 December 2019 and is automatically renewed for a period of 3 years unless either party gives notice or intention to terminate the agreement.

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Memorandum of agreement for warehouse management and transport and delivery of goods***

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 2017 until 31 August 2020. The Company has to monthly pay the service fees calculated at the rates of 2.00% - 3.00% of sales price excluding value added tax. The agreement is automatically renewed for a period of 3 years unless either party gives notice or intention to terminate the agreement.

***Warehouse management and delivery service agreement***

The Company entered into an agreement for warehouse management and delivery service with T.K.S. Siam Press Management Co., Ltd. for the period of 9 months commencing from 2 July 2018 until 31 March 2019. The Company has to monthly pay the service fees calculated at the rates of 0.34% of sales price excluding value added tax plus actual delivery expenses. The agreement can be early terminated if either party gives notice or intention for at least 2 months.

***Technical service agreement***

In January 2019, the Company entered into an agreement for technical service with Prism Solution Co., Ltd. for the period 1 year commencing from 1 January 2019 until 31 December 2019. The company has to monthly pay the service fees calculated at the rates of 0.03% of sales amount. The agreement can be early terminated if either party gives notice or intention for at least 30 days.

**5 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	16,332	40,729	16,317	40,704
Cash at banks - current accounts	88,730	36,231	88,629	36,223
Cash at banks - savings accounts	60,999	179,891	54,755	166,941
<b>Total</b>	<b>166,061</b>	<b>256,851</b>	<b>159,701</b>	<b>243,868</b>

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**6 Trade accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	4	4,255	2,229	31,320	4,508
Other parties		5,862,801	6,234,273	5,835,546	6,203,920
<b>Total</b>		<b>5,867,056</b>	<b>6,236,502</b>	<b>5,866,866</b>	<b>6,208,428</b>
Less allowance for doubtful accounts		(163,245)	(241,082)	(156,003)	(233,641)
<b>Net</b>		<b>5,703,811</b>	<b>5,995,420</b>	<b>5,710,863</b>	<b>5,974,787</b>
Current		5,606,482	5,901,487	5,615,543	5,880,854
Non-current		97,329	93,933	95,430	93,933
<b>Total</b>		<b>5,703,811</b>	<b>5,995,420</b>	<b>5,710,863</b>	<b>5,974,787</b>
Bad and doubtful debts expense for the year		10,456	20,204	10,605	12,828
Written off bad debts		(88,293)	(154,348)	(88,243)	(154,284)
<b>Total</b>		<b>(77,837)</b>	<b>(134,144)</b>	<b>(77,638)</b>	<b>(141,456)</b>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit terms	1,949	2,130	29,632	4,409
Overdue:				
Less than 2 months	2,306	99	1,688	99
	<b>4,255</b>	<b>2,229</b>	<b>31,320</b>	<b>4,508</b>
<b>Other parties</b>				
Within credit terms	3,617,075	3,761,388	3,600,743	3,740,108
Overdue:				
Less than 2 months	1,725,083	1,978,103	1,719,659	1,976,524
2 - 3 months	151,259	242,780	151,259	242,780
3 - 4 months	89,084	25,153	89,084	25,153
4 - 6 months	58,906	3,662	58,906	3,662
6 - 9 months	50,681	5,092	50,681	2,650
9 - 12 months	19,186	6,336	19,186	1,286
Over 12 months	151,527	211,759	146,028	211,757
	<b>5,862,801</b>	<b>6,234,273</b>	<b>5,835,546</b>	<b>6,203,920</b>
Less allowance for doubtful accounts	(163,245)	(241,082)	(156,003)	(233,641)
	<b>5,699,556</b>	<b>5,993,191</b>	<b>5,679,543</b>	<b>5,970,279</b>
<b>Net</b>	<b>5,703,811</b>	<b>5,995,420</b>	<b>5,710,863</b>	<b>5,974,787</b>

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



**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**7 Other receivables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Refundable value added tax	237,056	179,517	232,782	176,923
Other receivables	43,908	153,822	43,909	153,822
Withholding tax refund	10,023	-	9,259	-
Prepaid expenses	6,651	8,679	6,597	8,653
Others	14,684	16,452	13,926	14,685
<b>Total</b>	<b>312,322</b>	<b>358,470</b>	<b>306,473</b>	<b>354,083</b>
Current	305,112	352,695	299,363	348,408
Non-current	7,210	5,775	7,110	5,675
<b>Total</b>	<b>312,322</b>	<b>358,470</b>	<b>306,473</b>	<b>354,083</b>

**8 Loans receivable**

		<b>Interest rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2019	2018	2019	2018	2019	2018
		<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Related parties	4	1.9 - 4.1	1.9 - 2.25	50,000	-	82,000	41,000
Others		3.5 - 6.0	3.5 - 5.8	244,990	126,500	244,990	126,500
Employees and executives		2.0	-	22,720	-	22,720	-
<b>Total</b>				<b>317,710</b>	<b>126,500</b>	<b>349,710</b>	<b>167,500</b>
Current				239,490	126,500	271,490	167,500
Non-current				78,220	-	78,220	-
<b>Total</b>				<b>317,710</b>	<b>126,500</b>	<b>349,710</b>	<b>167,500</b>

Movements during the year ended 31 December of loans receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	126,500	-	167,500	41,000
Increase	384,490	158,460	384,490	158,460
Decrease	(193,280)	(31,960)	(202,280)	(31,960)
<b>At 31 December</b>	<b>317,710</b>	<b>126,500</b>	<b>349,710</b>	<b>167,500</b>

As at 31 December 2019, the Company had a long-term loan to other company, amounting to Baht 73.5 million (2018: Nil) which bears interest at 5.25% per annum (2018: Nil). The term of the loan is five years.

As at 31 December 2019, the Company had long-term loans to Company's employees and executives, amounting to Baht 22.72 million (2018: Nil) which bears interest at 2.00% per annum (2018: Nil). The term of the loan is three years. The loans are secured by the share certificates according to the condition of Company Ownership Participation Program (see note 22).

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**9 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	3,251,115	3,426,635	3,245,456	3,423,510
Goods in transit	103,730	148,969	103,730	148,969
<b>Total</b>	<b>3,354,845</b>	<b>3,575,604</b>	<b>3,349,186</b>	<b>3,572,479</b>
Less allowance for decline in value	(100,994)	(77,239)	(100,474)	(76,722)
<b>Net</b>	<b>3,253,849</b>	<b>3,498,365</b>	<b>3,248,712</b>	<b>3,495,757</b>
Inventories recognised as an expense in 'cost of sale of goods':				
- Cost	33,391,812	36,520,241	33,395,877	36,502,632
- Write-down to net realisable value	23,755	20,558	23,752	20,644
<b>Net</b>	<b>33,415,567</b>	<b>36,540,799</b>	<b>33,419,629</b>	<b>36,523,276</b>

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2019

### 10 Investment in subsidiary

Name of subsidiary	Type of business	Separate financial statements									
		Ownership		Interest		Paid-up capital		Cost		At cost - net	
		2019	2018	2019	2018	2019	2018	2019	2018		
			(%)								
Prism Solutions Co., Ltd.	Training service, repair and maintenance service of computer system, and selling computer accessories	99.99	99.99	15,000	15,000	9,400	9,400	9,400	9,400	9,400	9,400
Total						9,400	9,400	9,400	9,400	9,400	9,400

The subsidiary is incorporated and operate in Thailand and did not have dividend payment during the year ended 31 December 2019 and 2018.

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**11 Investments in joint ventures**

	Type of business	Ownership interest	Consolidated financial statements				
			Paid-up capital		Cost		Equity
			2019	2018	2019	2018	
		(%)			(in thousand Baht)		
Next Capital Co., Ltd. (Formerly "BAF (Thailand) Co., Ltd.")	Hire purchasing motorcycle	40	300,000	300,000	449,748	327,248	354,795
PT Automation (Thailand) Limited	Selling computer, computer accessories and peripheral components	50	8,000	8,000	9,000	9,000	11,321
<b>Total</b>			<b>458,748</b>	<b>336,248</b>	<b>527,371</b>	<b>366,116</b>	

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

### Notes to the financial statements

For the year ended 31 December 2019

	Separate financial statements					
	Ownership interest		Paid-up capital		Cost	
	2019	2018	2019	2018	2019	2018
		(%)			(in thousand Baht)	
Next Capital Co., Ltd.	40	27.5	300,000	300,000	449,748	327,248
(Formerly "BAF(Thailand) Co., Ltd.")						
PT Automation (Thailand) Limited	50	50	8,000	8,000	9,000	9,000
<b>Total</b>					<b>458,748</b>	<b>336,248</b>

All joint ventures were incorporated and operate in Thailand.

None of the Company's joint ventures are publicly listed and consequently do not have published price quotations.



**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Acquisitions*

On 26 March 2019, the Company made an additional investment in 12.5% of the issued and paid up capital of Next Capital Co., Ltd. (formerly “BAF (Thailand) Co., Ltd.”) a joint venture of the Group, for a consideration of Baht 122.5 million, bringing the Group’s total interest in such joint venture to 40%.

On 22 February 2018, Next Capital Co., Ltd. (formerly “BAF (Thailand) Co., Ltd.”) increased its authorised share capital from Baht 4 million to Baht 300 million. The Group invested in the additional share capital of Next Capital Co., Ltd. (formerly “BAF (Thailand) Co., Ltd.”) for a consideration of Baht 81.39 million, bringing the Group’s total interest in such joint venture to 27.5%.

*Disposals*

On 31 January 2018, the Company sold 2.5% of its 30% interest in the issued and paid-up capital of Next Capital Co., Ltd. (formerly “BAF (Thailand) Co., Ltd.”) for a consideration of Baht 22.5 million. The Group and the Company recognised a gain of Baht 0.15 million on the sale in the statement of comprehensive income for the year ended 31 December 2018.

*Joint ventures*

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group’s interest in these companies.

	Next Capital Co., Ltd. (Formerly “BAF (Thailand) Co., Ltd.”)		PT Automation (Thailand) Limited	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Revenue	1,051,888	850,361	69,281	59,899
Profit from continuing operations	87,610	46,281	7,420	3,178
Total comprehensive income (100%)	87,610	46,281	7,420	3,178
<b>Group’s share of total comprehensive income</b>	<b>35,044</b>	<b>12,727</b>	<b>3,710</b>	<b>1,589</b>
Current assets	1,989,710	1,681,714	28,657	19,830
Non-current assets	2,272,990	2,139,968	9,123	9,719
Current liabilities	(2,514,944)	(1,333,646)	(4,674)	(3,773)
Non-current liabilities	(568,798)	(1,357,812)	(3,042)	(3,133)
Net assets (100%)	1,178,958	1,130,224	30,064	22,643
Group’s share of net assets	471,583	314,039	15,032	11,321
Goodwill	40,756	40,756	-	-
<b>Carrying amount of interest in joint ventures</b>	<b>512,339</b>	<b>354,795</b>	<b>15,032</b>	<b>11,321</b>

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**12 Other long-term investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Other long-term investments</b>				
Equity securities available for sale	29,785	38,721	29,785	38,721
<b>Total</b>	<b>29,785</b>	<b>38,721</b>	<b>29,785</b>	<b>38,721</b>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Available-for-sale securities</b>				
At 1 January	38,721	31,771	38,721	31,771
Valuation adjustment	(8,936)	6,950	(8,936)	6,950
<b>At 31 December</b>	<b>29,785</b>	<b>38,721</b>	<b>29,785</b>	<b>38,721</b>

# Synnex (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements  
For the year ended 31 December 2019

## 13 Property, plant and equipment

### Consolidated financial statements

	Land	Buildings	Machinery and equipment	Computer	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
<b>Cost</b>									
At 1 January 2018	125,372	396,848	154,774	103,597	41,772	14,653	12,325	1,926	851,267
Additions	-	1,041	1,704	5,908	622	-	131	6,625	16,031
Disposals	-	-	(188)	(3,638)	(118)	-	-	-	(3,944)
Transfers	-	4,838	527	-	169	-	803	(6,337)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>125,372</b>	<b>402,727</b>	<b>156,817</b>	<b>105,867</b>	<b>42,445</b>	<b>14,653</b>	<b>13,259</b>	<b>2,214</b>	<b>863,354</b>
Additions	-	906	1,394	16,628	518	-	-	2,138	21,584
Disposals	-	-	(676)	(2,819)	(234)	-	-	-	(3,729)
Transfers	-	2,026	360	1,329	-	-	236	(3,951)	-
<b>At 31 December 2019</b>	<b>125,372</b>	<b>405,659</b>	<b>157,895</b>	<b>121,005</b>	<b>42,729</b>	<b>14,653</b>	<b>13,495</b>	<b>401</b>	<b>881,209</b>
<b>Accumulated depreciation</b>									
At 1 January 2018	-	170,590	138,785	85,698	29,088	14,601	9,658	-	448,420
Depreciation charge for the year	-	21,122	4,610	10,269	3,397	27	1,186	-	40,611
Disposals	-	-	(187)	(3,307)	(102)	-	-	-	(3,596)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>191,712</b>	<b>143,208</b>	<b>92,660</b>	<b>32,383</b>	<b>14,628</b>	<b>10,844</b>	<b>-</b>	<b>485,435</b>
Depreciation charge for the year	-	21,775	4,206	11,784	3,342	21	888	-	42,016
Disposals	-	-	(676)	(2,767)	(175)	-	-	-	(3,618)
<b>At 31 December 2019</b>	<b>-</b>	<b>213,487</b>	<b>146,738</b>	<b>101,677</b>	<b>35,550</b>	<b>14,649</b>	<b>11,732</b>	<b>-</b>	<b>523,833</b>

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2019

### Consolidated financial statements

	Land	Buildings	Machinery and equipment	Computer	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
<i>Net book value</i>									
At 1 January 2018	125,372	226,258	15,989	17,899	12,684	52	2,667	1,926	402,847
At 31 December 2018 and 1 January 2019	125,372	211,015	13,609	13,207	10,062	25	2,415	2,214	377,919
At 31 December 2019	125,372	192,172	11,157	19,328	7,179	4	1,763	401	357,376

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 280 million (2018: Baht 267 million).

### Security

At 31 December 2019 the Group's properties with a net book value of Baht 247 million (2018: Baht 271 million) were subject to secure long-term loans from financial institution (see note 14).

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2019

### Separate financial statements

	Land	Buildings	Machinery and equipment	Computer	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
<b>Cost</b>									
At 1 January 2018	125,372	396,848	152,623	95,934	40,620	14,560	7,387	1,859	835,203
Additions	-	1,041	1,686	5,644	622	-	131	6,625	15,749
Disposals	-	-	(188)	(3,165)	(117)	-	-	-	(3,470)
Transfers	-	4,838	527	-	169	-	803	(6,337)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>125,372</b>	<b>402,727</b>	<b>154,648</b>	<b>98,413</b>	<b>41,294</b>	<b>14,560</b>	<b>8,321</b>	<b>2,147</b>	<b>847,482</b>
Additions	-	906	1,394	15,086	518	-	-	2,138	20,042
Disposals	-	-	(676)	(2,819)	(234)	-	-	-	(3,729)
Transfers	-	2,026	360	1,329	-	-	236	(3,951)	-
<b>At 31 December 2019</b>	<b>125,372</b>	<b>405,659</b>	<b>155,726</b>	<b>112,009</b>	<b>41,578</b>	<b>14,560</b>	<b>8,557</b>	<b>334</b>	<b>863,795</b>
<b>Accumulated depreciation</b>									
At 1 January 2018	-	170,590	137,403	78,910	28,294	14,540	6,377	-	436,114
Depreciation charge for the year	-	21,122	4,213	9,878	3,200	8	199	-	38,620
Disposals	-	-	(187)	(3,137)	(101)	-	-	-	(3,425)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>191,712</b>	<b>141,429</b>	<b>85,651</b>	<b>31,393</b>	<b>14,548</b>	<b>6,576</b>	<b>-</b>	<b>471,309</b>
Depreciation charge for the year	-	21,774	3,910	11,305	3,193	8	219	-	40,409
Disposals	-	-	(676)	(2,767)	(175)	-	-	-	(3,618)
<b>At 31 December 2019</b>	<b>-</b>	<b>213,486</b>	<b>144,663</b>	<b>94,189</b>	<b>34,411</b>	<b>14,556</b>	<b>6,795</b>	<b>-</b>	<b>508,100</b>

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2019

### Separate financial statements

	Land	Buildings	Machinery and equipment	Computer	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Leasehold improvement	Construction in progress and machinery under installation	Total
<i>Net book value</i>									
At 1 January 2018	125,372	226,258	15,220	17,024	12,326	20	1,010	1,859	399,089
At 31 December 2018 and 1 January 2019	125,372	211,015	13,219	12,762	9,901	12	1,745	2,147	376,173
At 31 December 2019	125,372	192,173	11,063	17,820	7,167	4	1,762	334	355,695

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 265 million (2018: Baht 252 million).

### Security

At 31 December 2019 the Company's properties with a net book value of Baht 247 million (2018: Baht 271 million) were subject to secure long-term loans from financial institution (see note 14).



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**Notes to the financial statements**  
**For the year ended 31 December 2019**

**14 Interest-bearing liabilities**

	Consolidated/Separate financial statements					
	Secured	Unsecured	Total (in thousand Baht)	Secured	Unsecured	Total
<b>Current</b>						
Short-term loans from financial institutions	-	5,104,117	5,104,117	-	4,291,656	4,291,656
Current portion of long-term loans from financial institution	161,180	-	161,180	211,080	-	211,080
<b>Total current interest-bearing liabilities</b>	<b>161,180</b>	<b>5,104,117</b>	<b>5,265,297</b>	<b>211,080</b>	<b>4,291,656</b>	<b>4,502,736</b>
<b>Non-current</b>						
Long-term loans from financial institution	-	-	-	161,180	-	161,180
<b>Total non-current interest-bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161,180</b>	<b>-</b>	<b>161,180</b>
<b>Total</b>	<b>161,180</b>	<b>5,104,117</b>	<b>5,265,297</b>	<b>372,260</b>	<b>4,291,656</b>	<b>4,663,916</b>

**Secured interest-bearing liabilities  
as at 31 December**

	Note	Consolidated/Separate financial statements	
		2019	2018
		(in thousand Baht)	
Property, plant and equipment, net book value	13	246,993	271,143

As at 31 December 2019, the Group and the Company had unutilised credit facilities totalling Baht 4,534 million (2018: Baht 4,777 million).

The short-term loans from financial institutions were trust receipts payable and promissory notes with maturity periods ranging from 1 - 6 months, bearing interest rate at 1.4 % - 1.72 % per annum (2018: 1.50 % - 1.97 % per annum).

In June 2016, the Company entered into a long-term loan agreement with a local financial institution for Baht 500 million bearing interest at the rate of 2.65% per annum. The loan is monthly repayable of Baht 9.26 million for each instalment, commencing in July 2016 covering 54 months since the first drawdown date.

In May 2017, the Company entered into a long-term borrowing agreement with a local financial institution for Baht 300 million bearing interest at the rate of 2.86% per annum. The borrowing is monthly repayable in the same amount for each instalment, commencing in June 2017 covering 3 years since the first drawdown date. In this regard, the Company has mortgaged some land, including structures thereon with the financial institution to secure its long-term borrowing from the financial institution.

Loans from financial institution were long-term loan secured by land including structures there on of the Company. In addition, the transfer of beneficial right of insurance claim on securities and parts of goods to the lenders at Baht 583 million of secured amount.

In addition, the Group shall comply with conditions in the loan agreements including:

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In addition, the Group shall comply with conditions in the loan agreements including:

- Maintain the debt to equity ratio to not more than 3 to 1 time and DSCR ratio not less than 1.20 time until the loan is completely repaid.
- Synnex Technology International Corporation or King's Eye Investments Ltd. and T.K.S Technologies Public Co., Ltd. shall remain as the shareholders, either directly or indirectly, at all time and each company must hold the shares not less than 30% of the issued and fully paid-up registered share capital.

**15 Trade accounts payable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	4	28,067	29,185	28,067	29,185
Other parties		<u>2,130,977</u>	<u>3,007,640</u>	<u>2,130,851</u>	<u>2,989,790</u>
<b>Total</b>		<b><u>2,159,044</u></b>	<b><u>3,036,825</u></b>	<b><u>2,158,918</u></b>	<b><u>3,018,975</u></b>

**16 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	4	3,527	5,440	5,010	5,495
Other parties		<u>361,787</u>	<u>526,752</u>	<u>360,844</u>	<u>525,634</u>
<b>Total</b>		<b><u>365,314</u></b>	<b><u>532,192</u></b>	<b><u>365,854</u></b>	<b><u>531,129</u></b>
Current		333,662	486,593	334,202	485,531
Non-current		<u>31,652</u>	<u>45,599</u>	<u>31,652</u>	<u>45,598</u>
<b>Total</b>		<b><u>365,314</u></b>	<b><u>532,192</u></b>	<b><u>365,854</u></b>	<b><u>531,129</u></b>

**17 Accrued expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Accrued sale rebate	208,256	231,969	208,256	231,969
Accrued bonus	78,392	93,252	74,740	90,378
Accrued operating expenses	10,089	13,784	10,821	13,728
Others	<u>3,005</u>	<u>7,222</u>	<u>3,005</u>	<u>4,453</u>
<b>Total</b>	<b><u>299,742</u></b>	<b><u>346,227</u></b>	<b><u>296,822</u></b>	<b><u>340,528</u></b>

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**18 Non-current provisions for employee benefits**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Defined benefit plan	<u>39,362</u>	<u>28,726</u>	<u>38,158</u>	<u>28,582</u>

***Legal severance pay plan***

The group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<b><i>Present value of the defined benefit obligations</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	28,726	40,621	28,582	39,157
<b>Include in profit or loss:</b>				
Current service cost	3,141	4,755	3,055	4,468
Past service cost	6,826	-	6,557	-
Interest on obligation	<u>1,209</u>	<u>-</u>	<u>1,173</u>	<u>-</u>
	<u>11,176</u>	<u>4,755</u>	<u>10,785</u>	<u>4,468</u>
<b>Included in other comprehensive income</b>				
Actuarial gain	<u>-</u>	<u>(10,300)</u>	<u>-</u>	<u>(8,693)</u>
<b><i>Other</i></b>				
Transfer-in from related party	784	-	22	-
Benefit paid	<u>(1,324)</u>	<u>(6,350)</u>	<u>(1,231)</u>	<u>(6,350)</u>
	<u>504</u>	<u>(6,350)</u>	<u>(1,209)</u>	<u>(6,350)</u>
<b>At 31 December</b>	<u><b>39,362</b></u>	<u><b>28,726</b></u>	<u><b>38,158</b></u>	<u><b>28,582</b></u>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<b><i>Principal actuarial assumptions</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	3.13 - 3.17	3.13 - 3.17	3.13	3.13
Future salary increases	6.08 - 6.46	6.08 - 6.46	6.46	6.46
Employee turnover	0 - 65%	0 - 65%	0 - 65%	0 - 65%

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Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 15 years (2018: 16 years).

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<b>Effect to the defined benefit obligation</b>	<b>Consolidated financial statements</b>			
	0.5% increase in assumption		0.5% decrease in assumption	
	2019	2018	2019	2018
<b>At 31 December</b>				
		(in thousand Baht)		
Discount rate	(2,410)	(1,135)	2,624	1,234
Future salary growth	2,518	1,098	(2,224)	(1,023)
Employee turnover	(2,928)	(1,241)	3,206	1,361

<b>Effect to the defined benefit obligation</b>	<b>Separate financial statements</b>			
	0.5% increase in assumption		0.5% decrease in assumption	
	2019	2018	2019	2018
<b>At 31 December</b>				
		(in thousand Baht)		
Discount rate	(2,332)	(1,125)	2,539	1,223
Future salary growth	2,432	1,088	(2,143)	(1,013)
Employee turnover	(2,886)	(1,241)	3,163	1,356

**19 Share capital**

<b>Registered capital</b>	Par value per share (in Baht)	2019		2018	
		Number	Amount	Number	Amount
		(thousand shares / in thousand Baht)			
<b>At 1 January</b>					
- ordinary shares	1	800,000	800,000	800,000	800,000
Reduction of shares	1	(29,671)	(29,671)	-	-
Increase of new shares	1	109,671	109,671	-	-
<b>At 31 December</b>					
- ordinary shares	1	<u>880,000</u>	<u>880,000</u>	<u>800,000</u>	<u>800,000</u>
<b>Issued and paid-up</b>					
<b>At 1 January</b>					
- ordinary shares	1	770,329	770,329	770,329	770,329
Increase of new shares	1	77,032	77,032	-	-
<b>At 31 December</b>					
- ordinary shares	1	<u>847,361</u>	<u>847,361</u>	<u>770,329</u>	<u>770,329</u>

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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*Issue of ordinary shares*

At the Annual General Meeting of the shareholders of the Company held on 25 April 2019, the shareholders approved the following resolution:

- 1) Decreased of the authorised share capital from Baht 800 million to Baht 770.33 million by way of eliminating the non-issuance of 29.67 million shares, totalling Baht 29.67 million. The registration of the decrease authorised share capital with the Ministry of Commerce was completed on 3 May 2019.
- 2) Increase of the authorised share capital from Baht 770.33 million to Baht 880 million by increasing 109.67 million new ordinary shares with the par value of Baht 1 per share, totalling Baht 109.67 million, for appropriation as stock dividends to existing shareholders and reserve as working capital. The registration of the increase authorised share capital with the Ministry of Commerce was completed on 8 May 2019.
- 3) Appropriation of dividends from the net profit for the year 2018 as follows:
  - Cash dividends at the rate of Baht 0.34 per share, amounting to Baht 261.91 million.
  - Stock dividends at the rate of 10 existing ordinary shares per 1 stock dividend at Baht 1 par value. If the number of shares is indivisible, the remainder will be paid by cash at the rate of Baht 0.10 per share.

*Share premium*

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.

## **20 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 a n amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

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*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.

**21 Segment information**

The Group has the 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, communication devices and rendering of services.
- *Segment 2*      Providing computers service and training.

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.



# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements For the year ended 31 December 2019

	Consolidated financial statements			
	Trading computer components, communication devices and rendering of services	Providing computers service and training	Total reportable segments	
<i>For the year ended 31 December</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
<b>Information about reportable segments</b>				
External revenue	34,797,357	6,951	34,804,308	38,196,004
Inter-segment revenue	136,082	14,280	150,362	120,215
Total segment revenue	34,933,439	21,231	34,954,670	38,316,219
Elimination of inter-segment revenue	(136,082)	(14,280)	(150,362)	(120,215)
<b>Consolidated revenue</b>	<b>34,797,357</b>	<b>6,951</b>	<b>34,804,308</b>	<b>38,196,004</b>
<b>Disaggregation of revenue</b>				
Primary geographical markets				
Thailand	34,797,357	6,951	34,804,308	38,196,004
<b>Total revenue</b>	<b>34,797,357</b>	<b>6,951</b>	<b>34,804,308</b>	<b>38,196,004</b>
<b>Major products/service lines</b>				
Computers, IT system, and communication devices	34,692,156	3,010	34,695,166	38,099,603
Services	105,201	3,941	109,142	96,401
<b>Total revenue</b>	<b>34,797,357</b>	<b>6,951</b>	<b>34,804,308</b>	<b>38,196,004</b>
<b>Timing of revenue recognition</b>				
At a point in time	34,797,357	6,951	34,804,308	38,196,004
<b>Total revenue</b>	<b>34,797,357</b>	<b>6,951</b>	<b>34,804,308</b>	<b>38,196,004</b>
Segment profit before income tax	641,339	2,711	644,050	893,770

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2019

	Consolidated financial statements			
	Trading computer components, communication devices and rendering of services	Providing computers service and training	Total reportable segments	
<i>For the year ended 31 December</i>	2019	2018	2019	2018
Segment assets as at 31 December				
Unallocated amounts	8,938,471	9,932,404	8,940,152	9,934,149
<b>Consolidated total assets</b>			<b>11,341,853</b>	<b>11,700,705</b>
Segment liabilities as at 31 December				
Unallocated amounts	7,875,633	8,357,772	7,875,633	8,357,772
<b>Consolidated total liabilities</b>			<b>8,129,172</b>	<b>8,615,793</b>

# Synnex (Thailand) Public Company Limited and its Subsidiary

## Notes to the financial statements

For the year ended 31 December 2019

	Separate financial statements			
	Trading computer components, communication devices and rendering of services	Providing computers service and training	Total reportable segments	
For the year ended 31 December	2019	2019	2019	2018
<i>Disaggregation of revenue</i>		<i>(in thousand Baht)</i>		
Primary geographical markets				
Thailand	34,780,907	-	34,780,907	38,139,149
Total revenue	<u>34,780,907</u>	<u>-</u>	<u>34,780,907</u>	<u>38,139,149</u>
Major products/service lines				
Computers, IT system, and communication devices	34,672,696	-	34,672,696	38,075,602
Services	108,211	-	108,211	63,547
Total revenue	<u>34,780,907</u>	<u>-</u>	<u>34,780,907</u>	<u>38,139,149</u>
Timing of revenue recognition				
At a point in time	34,780,907	-	34,780,907	38,139,149
Total revenue	<u>34,780,907</u>	<u>-</u>	<u>34,780,907</u>	<u>38,139,149</u>

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***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 Group had a large number of customer base. Accordingly, the Group had no revenue from major external customer from total revenue of the Group.

**22 Employee benefit expenses**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Salaries and wages		332,665	316,429	322,780	299,144
Overtime and bonus		44,987	108,032	43,599	106,771
Contribution to defined contribution plans		10,465	10,284	9,891	9,694
Defined benefit plan	18	11,176	4,755	10,785	4,468
Others		59,378	61,507	57,997	60,363
<b>Total</b>		<b>458,671</b>	<b>501,007</b>	<b>445,052</b>	<b>480,440</b>

***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.

***Employee Joint Investment Program***

On 26 December 2013 and 27 December 2017, the Company received the approval of Employee Joint Investment Program no.1 (EJIP no.1) and no.2 (EJIP no.2), respectively, from Securities and Exchange Commission (SEC) in accordance with the notification of the SEC, SorJor 12/2552, dated 10 June 2009. EJIP is an investment program for the periodic accumulative buying of the Company's ordinary shares, established to serve as another means of compensating Company's employees and executives.

***Company Ownership Participation Program***

In December 2019, the Company received the approval of the Company Ownership Participation Program. The program is for Company's employees and executives to invest in the Company's ordinary shares in the form of compensation for employees and executives. The employees and executives have to bring the share certificates to affirm the program participation by February 2020. Additionally, the company has provided long-term loans to employees and executives who are interested in borrowing for attending the program. The share certificates are secured the loans as mentioned in note 8. The program's condition is to hold the ordinary shares for 3 years. On maturity date, the employees and executives will be entitled to the contribution of the company at the rate of 30 - 50 % of the purchased share value according to program's condition.

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**23 Expenses by nature**

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		(in thousand Baht)			
Purchases of goods		33,567,332	37,410,429	33,573,933	37,390,655
Changes in inventories of finished goods		(175,520)	(890,188)	(178,054)	(888,023)
Loss on decline in value of inventories		23,755	20,558	23,752	20,644
Cost of rendering of services		60,294	36,756	50,159	27,281
Employee benefit expenses	22	458,671	501,007	445,052	480,440
Marketing expenses		86,078	84,809	86,449	84,830
Transportation expenses		81,034	86,561	80,954	86,539
Depreciation and amortisation expenses		45,688	43,108	44,033	41,116
Donation expenses		13,950	4,547	13,950	4,547
Bad debt and allowance for doubtful accounts		10,456	20,204	10,605	12,828
Others		137,022	130,465	134,888	128,522
<b>Total operating costs, distribution costs and administrative expenses</b>		<b>34,308,760</b>	<b>37,448,256</b>	<b>34,285,721</b>	<b>37,389,379</b>

**24 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
<b>Interest expense</b>				
Bank loans and overdrafts	75,006	55,948	75,006	55,948
<b>Total</b>	<b>75,006</b>	<b>55,948</b>	<b>75,006</b>	<b>55,948</b>

**25 Income tax expense**

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
<b>Current tax expense</b>				
Current year	111,428	149,242	111,428	149,242
	<b>111,428</b>	<b>149,242</b>	<b>111,428</b>	<b>149,242</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	8,689	23,036	8,861	24,539
	<b>8,689</b>	<b>23,036</b>	<b>8,861</b>	<b>24,539</b>
<b>Total income tax expense</b>	<b>120,117</b>	<b>172,278</b>	<b>120,289</b>	<b>173,781</b>

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
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	<b>Consolidated financial statements</b>					
	Before tax	2019 Tax benefit	Net of tax (in thousand Baht)	Before tax	2018 Tax benefit	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Available-for-sale financial assets	(8,936)	1,787	(7,149)	6,950	(1,390)	5,560
Defined benefit plan actuarial gains	-	-	-	10,300	(2,060)	8,240
<b>Total</b>	<b>(8,936)</b>	<b>1,787</b>	<b>(7,149)</b>	<b>17,250</b>	<b>(3,450)</b>	<b>13,800</b>

	<b>Separate financial statements</b>					
	Before tax	2019 Tax benefit	Net of tax (in thousand Baht)	Before tax	2018 Tax benefit	Net of tax
<b>Income tax</b>						
<b>Recognised in other comprehensive income</b>						
Available-for-sale financial assets	(8,936)	1,787	(7,149)	6,950	(1,390)	5,560
Defined benefit plan actuarial gains	-	-	-	8,693	(1,739)	6,954
<b>Total</b>	<b>(8,936)</b>	<b>1,787</b>	<b>(7,149)</b>	<b>15,643</b>	<b>(3,129)</b>	<b>12,514</b>

**Reconciliation of effective tax rate**

	<b>Consolidated financial statements</b>			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		644,050		893,770
Income tax using the Thai corporation tax rate	20	128,810	20.0	178,754
Income not subject to tax		(437)		(357)
Expenses not deductible for tax purposes		461		267
Expense not subject to tax		(3,161)		(2,969)
Current year loss for which no deferred tax asset was recognised		55		979
Under provided in prior years		2,312		-
Others		(3,299)		(4,396)
<b>Total</b>	<b>18.7</b>	<b>120,117</b>	<b>19.3</b>	<b>172,278</b>



**Synnex (Thailand) Public Company Limited and its Subsidiary**  
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	<b>Separate financial statements</b>			
	2019	2018		
	<i>Rate</i>	<i>(in</i>	<i>Rate</i>	<i>(in</i>
	<i>(%)</i>	<i>thousand</i>	<i>(%)</i>	<i>thousand</i>
		<i>Baht)</i>		<i>Baht)</i>
Profit before income tax expense		605,570		884,350
Income tax using the Thai corporation tax rate	20	121,114	20.0	176,870
Income not subject to tax		(437)		(357)
Expenses not deductible for tax purposes		461		267
Expense not subject to tax		(3,161)		(2,999)
Under provided in prior years		2,312		-
<b>Total</b>	<b>19.9</b>	<b>120,289</b>	<b>19.7</b>	<b>173,781</b>

**Deferred tax assets/liabilities at 31 December**

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Total	60,721	69,410	(3,786)	(5,573)
Set off of tax	(3,786)	(5,573)	3,786	5,573
<b>Net deferred tax assets (liabilities)</b>	<b>56,935</b>	<b>63,837</b>	<b>-</b>	<b>-</b>

	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Total	58,928	67,789	(3,786)	(5,573)
Set off of tax	(3,786)	(5,573)	3,786	5,573
<b>Net deferred tax assets (liabilities)</b>	<b>55,142</b>	<b>62,216</b>	<b>-</b>	<b>-</b>

**Synnex (Thailand) Public Company Limited and its Subsidiary**  
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<i>Deferred tax</i>	<b>At 1 January</b>	<b>Consolidated financial statements</b> (Charged) / Credited to		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2019</b>				
<b>Deferred tax assets</b>				
Accounts receivable (doubtful accounts)	48,217	(15,568)	-	32,649
Inventories (allowance for decline in value)	15,448	4,751	-	20,199
Non-current provisions for Employee benefits	5,745	2,128	-	7,873
<b>Total</b>	<b>69,410</b>	<b>(8,689)</b>	<b>-</b>	<b>60,721</b>
<b>Deferred tax liabilities</b>				
Investment properties (gain from fair value adjustment)	(5,573)	-	1,787	(3,786)
<b>Total</b>	<b>(5,573)</b>	<b>-</b>	<b>1,787</b>	<b>(3,786)</b>
<b>Net</b>	<b>63,837</b>	<b>(8,689)</b>	<b>1,787</b>	<b>56,935</b>

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Consolidated financial statements</b> (Charged) / Credited to		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2018</b>				
<b>Deferred tax assets</b>				
Accounts receivable (doubtful accounts)	75,045	(26,828)	-	48,217
Inventories (allowance for decline in value)	11,337	4,111	-	15,448
Non-current provisions for Employee benefits	8,124	(319)	(2,060)	5,745
<b>Total</b>	<b>94,506</b>	<b>(23,036)</b>	<b>(2,060)</b>	<b>69,410</b>
<b>Deferred tax liabilities</b>				
Investment properties (gain from fair value adjustment)	(4,183)	-	(1,390)	(5,573)
<b>Total</b>	<b>(4,183)</b>	<b>-</b>	<b>(1,390)</b>	<b>(5,573)</b>
<b>Net</b>	<b>90,323</b>	<b>(23,036)</b>	<b>(3,450)</b>	<b>63,837</b>

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<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statements (Charged) / Credited to</b>		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2019</b>				
<b>Deferred tax assets</b>				
Accounts receivable (doubtful accounts)	46,728	(15,527)	-	31,201
Inventories (allowance for decline in value)	15,345	4,750	-	20,095
Non-current provisions for Employee benefits	5,716	1,916	-	7,632
<b>Total</b>	<b>67,789</b>	<b>(8,861)</b>	<b>-</b>	<b>58,928</b>
<b>Deferred tax liabilities</b>				
Investment properties (gain from fair value adjustment)	(5,573)	-	1,787	(3,786)
<b>Total</b>	<b>(5,573)</b>	<b>-</b>	<b>1,787</b>	<b>(3,786)</b>
<b>Net</b>	<b>62,216</b>	<b>(8,861)</b>	<b>1,787</b>	<b>55,142</b>

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statements (Charged) / Credited to</b>		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2018</b>				
<b>Deferred tax assets</b>				
Accounts receivable (doubtful accounts)	75,019	(28,291)	-	46,728
Inventories (allowance for decline in value)	11,216	4,129	-	15,345
Non-current provisions for Employee benefits	7,832	(377)	(1,739)	5,716
<b>Total</b>	<b>94,067</b>	<b>(24,539)</b>	<b>(1,739)</b>	<b>67,789</b>
<b>Deferred tax liabilities</b>				
Investment properties (gain from fair value adjustment)	(4,183)	-	(1,390)	(5,573)
<b>Total</b>	<b>(4,183)</b>	<b>-</b>	<b>(1,390)</b>	<b>(5,573)</b>
<b>Net</b>	<b>89,884</b>	<b>(24,539)</b>	<b>(3,129)</b>	<b>62,216</b>

**Unrecognised deferred tax assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
		(in million Baht)		
<b>Tax losses</b>	<b>7,432</b>	<b>7,377</b>	<b>-</b>	<b>-</b>

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The tax losses expire in 2021 to 2024. The deductible temporary differences do not expire under current tax legislation. The group has not recognised these items as deferred tax assets because it is not probable that the group will have sufficient future taxable profit to utilise the benefits therefrom.

**26 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2019 and 2018 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>523,933</u></b>	<b><u>721,491</u></b>	<b><u>485,281</u></b>	<b><u>710,569</u></b>
<b>Ordinary shares outstanding</b>				
Number of ordinary shares outstanding at 1 January	770,329	770,329	770,329	770,329
Effect of shares issued on 8 May	<u>50,230</u>	<u>-</u>	<u>50,230</u>	<u>-</u>
<b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b>	<b><u>820,559</u></b>	<b><u>770,329</u></b>	<b><u>820,559</u></b>	<b><u>770,329</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.64</u></b>	<b><u>0.94</u></b>	<b><u>0.59</u></b>	<b><u>0.92</u></b>

**27 Dividends**

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend/Stock dividend rate per share (Baht)	Amount (in million Baht)
<b>2019</b>				
Interim dividend	6 August 2019	September 2019	0.15	127.10
Annual dividend	25 April 2019	May 2019		
Stock dividend				
(Existing share : Stock dividends)			10 : 1	
Dividends (After allocation)			0.10	
Dividends			0.34	<u>261.91</u>
<b>Total</b>				<b><u>389.01</u></b>
<b>2018</b>				
Interim dividend	9 August 2018	September 2018	0.20	154.06
Annual dividend	20 April 2018	May 2018	0.35	<u>269.62</u>
<b>Total</b>				<b><u>423.68</u></b>

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**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 for speculative or trading purposes.

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 loans to (see note 8) and borrowings (see note 15). The Group mitigates this risk by ensuring that the majority of the interest rates of financial assets and liabilities of the Group are fixed and closed to market rate or are floating rates, which are based on market rates.

The effective interest rates of loan receivables as at 31 December and the periods in which the loan receivables mature or re-price were as follows:

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<i>At 31 December</i>	Effective interest rate (% per annum)	Consolidated financial statements		
		Within 1 year	Maturity period After 1 year but within 5 years (in thousand Baht)	Total
<b>2019</b>				
<b><i>Financial Assets</i></b>				
Short-term loans to related party	4.1	50,000	-	50,000
Short-term loans to others	3.5 - 6.0	189,490	55,500	244,990
Short-term loans to employees and executives	2.0	-	22,720	22,720
<b>Total</b>		<b>239,490</b>	<b>78,220</b>	<b>317,710</b>
<b><i>Financial Liabilities</i></b>				
Short-term loans from financial institutions	1.4 - 1.72	5,104,117	-	5,104,117
Long-term loans from financial institutions	2.65 - 2.86	161,180	-	161,180
<b>Total</b>		<b>5,265,297</b>	<b>-</b>	<b>5,265,297</b>
<b>2018</b>				
<b><i>Financial Assets</i></b>				
Short-term loans to others	3.5 - 5.8	126,500	-	126,500
<b>Total</b>		<b>126,500</b>	<b>-</b>	<b>126,500</b>
<b><i>Financial Liabilities</i></b>				
Short-term loans from financial institutions	1.5 - 1.97	4,291,656	-	4,291,656
Long-term loans from financial institutions	2.65 - 2.86	211,080	161,180	372,260
<b>Total</b>		<b>4,502,736</b>	<b>161,180</b>	<b>4,663,916</b>



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At 31 December	Effective interest rate (% per annum)	Separate financial statements		
		Within 1 year	Maturity period After 1 year but within 5 years (in thousand Baht)	Total
<b>2019</b>				
<b>Financial Assets</b>				
Short-term loans to related parties	1.9 - 4.1	82,000	-	82,000
Short-term loans to others	3.5 - 6.0	189,490	55,500	244,990
Short-term loans to employees and executives	2.0	-	22,720	22,720
<b>Total</b>		<b>271,490</b>	<b>78,220</b>	<b>349,710</b>
<b>Financial Liabilities</b>				
Short-term loans from financial institutions	1.4 - 1.72	5,104,117	-	5,104,117
Long-term loans from financial institutions	2.65 - 2.86	161,180	-	161,180
<b>Total</b>		<b>5,265,297</b>	<b>-</b>	<b>5,265,297</b>
<b>2018</b>				
<b>Financial Assets</b>				
Short-term loans to related party	1.9 - 2.25	41,000	-	41,000
Short-term loans to others	3.5 - 5.8	126,500	-	126,500
<b>Total</b>		<b>167,500</b>	<b>-</b>	<b>167,500</b>
<b>Financial Liabilities</b>				
Short-term loans from financial institutions	1.5 - 1.97	4,291,656	-	4,291,656
Long-term loans from financial institutions	2.65 - 2.86	211,080	161,180	372,260
<b>Total</b>		<b>4,502,736</b>	<b>161,180</b>	<b>4,663,916</b>

**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.

Assets and liabilities denominated in the foreign currency as at 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
<b>United States Dollars</b>				
Cash and cash equivalents	20,974	42,195	20,974	42,195
Trade accounts receivable	16,182	86,582	16,182	86,582
Trade accounts payable	(752,760)	(1,564,656)	(752,760)	(1,564,656)
<b>Gross statements of financial position exposure</b>	<b>(715,604)</b>	<b>(1,435,879)</b>	<b>(715,604)</b>	<b>(1,435,879)</b>
Currency forwards	719,550	1,942,352	719,550	1,942,352
<b>Net exposure</b>	<b>3,946</b>	<b>506,473</b>	<b>3,946</b>	<b>506,473</b>

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***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 statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection over than allowance for doubtful accounts.

***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.

***Carrying amount and fair values***

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Consolidated/Separate financial statements			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
(in thousand Baht)					
31 December 2019					
Financial assets measured at fair value					
Non-current					
Equity securities available for sale	29,785	29,785	-	-	29,785
31 December 2018					
Financial assets measured at fair value					
Non-current					
Equity securities available for sale	38,721	38,721	-	-	38,721

***Financial instruments not measured at fair value***

Cash and cash equivalents, receivables, loans to, payables, short-term loans and current portion of long-term loan have the carrying values approximate their fair values due to the relative short-term maturity of these financial instruments.

Long-term loan has the carrying values approximate to fair values due to interest rate approximate to market rate.

Fair values of forward contract and option contract approximate to the disclosure values due to those rates approximate to quotes announced by the financial institution.

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**29 Commitments with non-related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<i>(in thousand Baht)</i>			
<b><i>Non-cancellable operating lease commitments</i></b>				
Within one year	13,345	14,151	13,345	14,131
After one year but within five years	9,009	8,691	9,009	8,691
<b>Total</b>	<b>22,354</b>	<b>22,842</b>	<b>22,354</b>	<b>22,822</b>
<b><i>Other commitments</i></b>				
Forward Contract and Option Contract <i>(in thousand U.S. Dollar)</i>	23,899	59,684	23,899	59,684
Bank guarantees <i>(in thousand Baht)</i>	1,014,694	477,831	1,014,694	477,008

**30 Event after the reporting period**

At the Board of Directors' meeting of the Company held on 18 February 2020, the Directors approved the appropriation of dividends from the net profit of 2019 of Baht 0.32 per share, amounting to Baht 271.16 million. This dividend is subject to the approval of the Shareholders in the Annual General Meeting in April 2020.

**31 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* TFRS - Financial instruments standards

**(a) TFRS - Financial instruments standards**

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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***(b) TFRS 16 Leases***

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group's and Company's future minimum lease payments under non-cancellable operating leases amounted to Baht 22.35 million, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

The Group has made a preliminary assessment of the potential initial impact on the financial statements of TFRS - Financial instruments standards and TFRS 16 Leases expects that there will be no material impact on the financial statements in the period of initial application.



## Reference

**Security Registrar** : Thailand Securities Depository Company Limited  
93, 14<sup>th</sup> Floor, Ratchadaphisek Road,  
Dindaeng, Dindaeng, Bangkok 10400

**Telephone** : +66 2009 9000

**Fax** : +66 2009 9992

**Website** : <http://www.set.or.th/tsd>

**E-mail** : SETContactCenter@set.or.th

**Security Registrar** : KPMG Phoomchai Audit Limited  
48<sup>th</sup>-50<sup>th</sup> Floors, Empire Tower Building,  
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