Synnex Technology International Corp.
2019 General Shareholders' Meeting
Minute

Agenda for 2019 General Shareholders' Meeting of Synnex Technology International Corp.

I. Time: 9:00am, June 6, 2019 (Thursday)

II. Location: Auditorium, 3F, Central Pictures Ba-De Building, No. 260, Section 2, Ba-De Road, Taipei City

III. Total outstanding Synnex shares：1,667,946,968shares

IV. Total shares represented by shareholders present in person or by proxy：1,344,470,957 shares Percentage of shares held by shareholders present in person or by proxy：80.60%

V. Chairman：Miau Feng-Chiang, the Chairman of the Board of Directors

VI. Recorder：Lin Shu-Chen

VII. Directors present：Director Tu Shu-Wu, Independent Director Way Yung-Do, Mitac Inc. Representative Director Yang Hsiang-Yun, Mitac Inc.Representative Director Chou The-Chien.

VIII. Announcement to start meeting

IX. Chairman's Statements (omitted)

X. Reports

No. 1

Subject: **The Company's 2018 business report is submitted for review.**
Description: **Please refer to Attachment 1.**

No. 2

Subject: The Audit Committee's report on the audit on the Company's 2018 closing statements is submitted for review.

Description: Please refer to Attachment 2 and 3.

No. 3

Subject: The Report on 2018 profit distributable as employee's compensation and director's compensation is submitted for review.

Description:

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

(II) It is proposed to issue 0.01% employee's compensation totaling NT$700,000 and 0.11% director's compensation totaling NT$7,000,000 in 2018, all of which to be issued in cash.

XI. Approvals

(Proposed by Board of Directors)

No. 1

Subject: The Company's 2018 business report and financial statements are submitted for approval.

Description:

(I) The Company's 2018 business report and financial statements have been approved by board resolution and submitted to the Audit Committee for audit. Please refer to Attachments 1 and 3 hereto for relevant informatio

(II) Please approve.

Resolution: Voting Results：Shares represented at the time of voting：1,344,470,957

Voting Results (including votes casted electronically)	% of the total represented share present
Votes in favor：1,153,639,994votes	85.80%
Votes against：224,745votes	0.01%
Votes invalid： none	0.00%
Votes abstained：190,606,218votes	14.17%

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

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

Subject: **The Company's 2018 profit distribution proposal is submitted for approval.**

Description: **(I) The Company realized after-tax profit of NT$6,607,404,537 in 2018. The profit distribution table is provided below. Cash dividend for this year will be distributed with the minimum unit of N$1 (digits after the decimal point to be ignored). The total number of fractional amounts will be included as the Company's other income. In this year's profit distribution, profit realized in 2018 will first be distributed. Any shortfall will then be distributed out of the undistributed profit after 1998.**

2018 Profit Distribution Table

Unit: NT$

(I) Carry-forward of undistributed profit from previous period	$ 2,942,964,819
Plus: Adjustment for 2018 reserved earnings	335,819,041
Undistributed profit after adjustment	3,278,783,860
(II) Plus: Net profit after tax in current period	6,607,404,537
Minus: Provision of legal reserve	(660,740,454)
Minus: Special reserve	(1,356,458,439)
Balance distributable for current year	4,590,205,644
Distributable profit in this period	7,868,989,504
(III) Distribution in this period	
Shareholder dividend in cash ($2 per share)	(3,335,893,936)
Total amount of distribution	(3,335,893,936)
(IV) Undistributed profit carried over to following year	$ 4,533,095,568

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

necessary adjustments and has the full discretion to handle relevant matters.

(III) Please approve.

Resolution: Voting Results：Shares represented at the time of voting：1,344,470,957

Voting Results (including votes casted electronically)	% of the total represented share present
Votes in favor：1,157,201,796votes	86.07%
Votes against：406,654votes	0.03%
Votes invalid： none	0.00%
Votes abstained：186,862,507votes	13.89%

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

XII. Discussions

Proposal 1 (by Board of Directors)

Subject: Proposed amendment to certain clauses of the Articles of Association of the Company are submitted for approval.

Illustration:(1)Proposed amendment to certain clauses of the Articles of Association of the Company are prepared in accordance with legislations and the actual requirements of the Company. For Comparison Table of Amended Clauses, please refer to Attachment 4.

(2)Submission for approval.

Resolution: Voting Results：Shares represented at the time of voting：1,344,470,957

Voting Results (including votes casted electronically)	% of the total represented share present
Votes in favor：1,140,868,302votes	84.85%
Votes against：242,931votes	0.01%
Votes invalid： none	0.00%
Votes abstained：203,359,724votes	15.12%

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

Proposal 2 (by Board of Directors)

Subject: Proposed amendment to certain clauses of the Procedure for Acquisition or Disposal of Assets of the Company are submitted for approval.

Description: (1)Proposed amendment to certain clauses of the Procedure for Acquisition or Disposal of Assets of the Company are prepared in accordance with the letter from the Financial Supervisory Commission Jing-Guang-Zheng-Fa-Zi No. 1070341072 dated 26 November 2018. For

Comparison Table of Amended Clauses, please refer to Attachment 5.

(2)Submission for approval.

Resolution: Voting Results：Shares represented at the time of voting：1,344,470,957

Voting Results (including votes casted electronically)	% of the total represented share present
Votes in favor：1,140,850,525votes	84.85%
Votes against：246,931votes	0.01%
Votes invalid：none	0.00%
Votes abstained：203,373,501votes	15.12%

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

Proposal 3 (by Board of Directors)

Subject: Proposed amendment to certain clauses of the Procedure for Derivatives Trading of the Company are submitted for approval.

Illustration: (1)Proposed amendment to certain clauses of the Procedure for Derivatives Trading of the Company are prepared in accordance with the letter from the Financial Supervisory Commission Jing-Guang-Zheng-Fa-Zi No. 1070341072 dated 26 November 2018. For Comparison Table of Amended Clauses,please refer to Attachment 6.

(2) Submission for approval.

Resolution: Voting Results：Shares represented at the time of voting：1,344,470,957

Voting Results (including votes casted electronically)	% of the total represented share present
Votes in favor：1,140,852,357votes	84.85%
Votes against：242,018votes	0.01%
Votes invalid：none	0.00%
Votes abstained：203,376,582votes	15.12%

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

XIII. Motions

XIV. Adjournment

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2018 AND 2017

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

SYNNEX TECHNOLOGY INTERNATIONAL

CORPORATION AND ITS SUBSIDIARIES

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2018, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the Group that is required to be included in the consolidated financial statements of affiliates, is the same as the Group required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard 10. If relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Matthew Miau Feng Chiang

SYNNEX TECHNOLOGY INTERNATIONAL

CORPORATION AND ITS SUBSIDIARIES

March 13, 2019

<u>Report of Independent Accountant Translated From Chinese</u>

PWCR18000337

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

Opinion

We have audited the accompanying consolidated balance sheets of Synnex Technology International Corporation and subsidiaries (the "Group") as at December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit and the reports of other independent accountants (see information disclosed in the *Other Matter - Scope of the Audit* section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the group's consolidated financial statements stated as follows:

Key audit matter – Assessment of allowance for uncollectible accounts

<u>Description</u>

Please refer to Note 4(10) & (11), for accounting policies adopted for accounts receivable. Please refer to Note 5(2), for critical accounting estimates and key sources of assumption uncertainty of loss allowance for accounts receivable. Please refer to Note 6(4) for details of accounts receivable.

The Group is primarily engaged in the sale of communication products, consumer electronic products, electronic products and components. The Group manages the collection of accounts receivable from customers and bears the associated credit risk. The Group assesses impairment of accounts receivable in accordance with IFRS 9, 'Financial instruments'. The management categorized the accounts receivable assessment into individual provision and group provison. For individually assessed accounts receivable, loss allowance is recognised on a case by case basis. The assessment process is affected by management's judgement on various factors: customers' financial conditions, internal credit ratings, historical transaction records, current economic conditions, etc. For group assessed accounts receivable, assessment process is affected by management's judgement on historical uncollectible records, and current economic conditions and the forecastability information to assess the default possibility of uncollectible accounts. As management's judgement on determining allowance for uncollectible accounts is relatively subjective and the estimated amount is material to the financial statements, therefore, we indicated that the assessment of allowance for uncollectible accounts as one of the key audit matters.

How our audit addressed the matter

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

1. The credit quality of the Group's customers, assessed the reasonableness of classification of accounts receivable, the policies and the procedures applied in loss allowance provision.
2. For individually assessed accounts, selected and verified samples of managements' impairment evaluation. Discussed with management the assessment results and evaluated the adequacy of the provision.
3. For accounts assessed as a group, considered historical uncollectible records and the management's forecastability adjustment information to determine whether the provision ratio of allowance for uncollectible accounts is reasonable. For significant accounts, examined subsequent collections after balance sheet date.

Key audit matter – Assessment of allowance for valuation of inventory

Please refer to Note 4(14) for description of accounting policies on allowance for inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty. Please refer to Note 6(7) for details of inventory items.

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

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

How our audit addressed the matter

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

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

Key audit matter – Assessment of purchase rebate

Description

Please refer to Note 4(14) for accounting policies adopted for the recognition of purchase rebate. Please refer to Note 5(2) for critical accounting estimates and assumptions applied in the accounting policy for the recognition of purchase rebate.

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

How our audit addressed the matter

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

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

Other matters – Scope of the Audit

We did not audit the financial statements of certain consolidated subsidiaries. The financial statements of these subsidiaries were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the amounts and the information disclosed in Note 13 included in these financial statements, is based solely on the reports of the other independent accountants. The subsidiaries held assets of $1,113,086 thousand and $1,353,876 thousand, constituting 1% and 1% of the total consolidated assets as of December 31, 2018 and 2017, respectively, and generated net operating income of $0, constituting 0% of the total consolidated net operating income for both the years then ended. Furthermore, information disclosed in Note 6(10) relative to investments accounted for under equity method and information on certain investees disclosed in Note 13 for the years ended December 31, 2018 and 2017 is based solely on the reports of the other independent accountants. Additionally, for certain investees financial reports that were prepared under different accounting standards, we have performed required additional auditing procedures and adjusted these reports in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission. The related investment income before adjustments (including share of profit or loss of associates accounted for using equity method) was $1,843,352 thousand and $1,755,032 thousand for the years ended December 31, 2018 and 2017, respectively, constituting 27% and 27% of the consolidated total net operating income for the years then ended, respectively. The comprehensive income recognised for these investments accounted for using equity method was $2,034,333 thousand and $1,672,262 thousand, constituting 35% and 39% of consolidated total comprehensive income for the years ended December 31, 2018 and 2017, respectively. The balance of related long-term equity investments amounted to $14,422,245 thousand and $12,963,234 thousand, constituting 10% and 9% of the total consolidated assets as of December 31, 2018 and 2017, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with other matter paragraphs on the parent company only financial statements of Synnex Technology International Corporation as at and for the years ended December 31, 2018 and 2017.

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

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

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

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

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

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

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

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

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

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

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

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

Yeh, Tsui Miao

Wu, Yu-Lung

For and on behalf of PricewaterhouseCoopers, Taiwan
March 13, 2019

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2018		December 31, 2017	
	Assets	Notes	AMOUNT	%	AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 5,674,663	4	$ 5,714,960	4
1110	Financial assets at fair value through profit or loss - current	6(2) and 12(4)	738,004	-	609,254	1
1120	Current financial assets at fair value through other comprehensive income	6(3)	1,023,708	1	-	-
1125	Available-for-sale financial assets - current	12(4)	-	-	1,351,569	1
1150	Notes receivable, net	6(4) and 12(4)	8,764,666	6	7,813,861	6
1160	Notes receivable - related parties	7(2)	-	-	8,813	-
1170	Accounts receivable, net	6(4), 8 and 12(4)	48,600,958	33	48,195,050	35
1180	Accounts receivable - related parties	7(2)	340,215	-	224,600	-
1200	Other receivables	6(6)	7,054,731	5	7,228,657	5
1210	Other receivables - related parties	7(2)	312	-	210	-
1220	Current income tax assets		5,159	-	34,053	-
130X	Inventories, net	6(7) and 8	40,799,936	28	36,259,016	26
1410	Prepayments		4,619,648	3	3,143,821	2
1470	Other current assets	8	60,601	-	76,719	-
11XX	**Current Assets**		117,682,601	80	110,660,583	80
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,561,538	1	-	-
1523	Available-for-sale financial assets - noncurrent	12(4)	-	-	48,861	-
1543	Financial assets carried at cost - noncurrent	12(4)	-	-	1,721,020	1
1550	Investments accounted for under equity method	6(8)	14,489,928	10	13,031,738	9
1600	Property, plant and equipment	6(9)	6,919,339	5	6,857,063	5
1760	Investment property - net	6(10)	1,172,414	1	1,247,092	1
1780	Intangible assets	6(11)	632,183	-	641,440	-
1840	Deferred income tax assets	6(28)	1,227,640	1	823,130	1
1900	Other non-current assets	6(4)(12), 8 and 12(4)	3,832,726	2	3,770,341	3
15XX	**Non-current assets**		29,835,768	20	28,140,685	20
1XXX	**Total assets**		$ 147,518,369	100	$ 138,801,268	100

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2018 AMOUNT	%	December 31, 2017 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(13)	$ 40,776,119	28	$ 36,080,920	26
2110	Short-term notes and bills payable	6(14)	7,690,000	5	8,580,000	6
2120	Financial liabilities at fair value through profit or loss - current	6(2) and 12(4)	2,417	-	645	-
2150	Notes payable		1,758,453	1	3,268,210	3
2160	Notes payable - related parties	7(2)	-	-	97	-
2170	Accounts payable		37,527,280	26	34,553,760	25
2180	Accounts payable - related parties	7(2)	12,455	-	20,745	-
2200	Other payables	6(15)	5,814,717	4	7,288,832	5
2220	Other payables - related parties	7(2)	181	-	3,440	-
2230	Current income tax liabilities		1,658,242	1	1,230,772	1
2300	Other current liabilities	6(16)	2,120,420	1	318,552	-
21XX	**Current Liabilities**		97,360,284	66	91,345,973	66
	Non-current liabilities					
2570	Deferred income tax liabilities	6(28)	245,456	-	164,299	-
2600	Other non-current liabilities		552,729	1	529,166	-
25XX	**Non-current liabilities**		798,185	1	693,465	-
2XXX	**Total Liabilities**		98,158,469	67	92,039,438	66
	Equity attributable to owners of parent					
	Share capital	6(18)				
3110	Share capital - common stock		16,679,470	11	16,679,470	12
	Capital surplus	6(19)				
3200	Capital surplus		14,846,786	10	14,364,858	11
	Retained earnings	6(20)				
3310	Legal reserve		7,514,560	5	6,903,070	5
3320	Special reserve		4,820,549	3	2,837,318	2
3350	Unappropriated retained earnings		9,886,188	7	9,207,169	7
	Other equity interest	6(21)				
3400	Other equity interest		(6,177,007)	(4)	(4,820,548)	(4)
31XX	**Equity attributable to owners of the parent**		47,570,546	32	45,171,337	33
36XX	**Non-controlling interest**		1,789,354	1	1,590,493	1
3XXX	**Total equity**		49,359,900	33	46,761,830	34
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 147,518,369	100	$ 138,801,268	100

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

			Year ended December 31			
			2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	**Sales revenue**	6(22), 7(2) and 12(5)	$ 383,194,939	100	$ 364,207,877	100
5000	**Operating costs**	6(7) and 7(2)	(368,696,835)	(96)	(351,346,513)	(97)
5950	**Net operating margin**		14,498,104	4	12,861,364	3
	Operating expenses	6(17)(26)(27)				
6100	Selling expenses		(5,829,830)	(2)	(5,290,902)	(1)
6200	General and administrative expenses		(2,414,147)	(1)	(2,638,898)	(1)
6450	Expected credit loss	12(2)	(841,879)	-	-	-
6000	**Total operating expenses**		(9,085,856)	(3)	(7,929,800)	(2)
6900	**Operating profit**		5,412,248	1	4,931,564	1
	Non-operating income and expenses					
7010	Other income	6(23) and 7(2)	1,274,586	-	1,268,516	-
7020	Other gains and losses	6(24)	147,296	-	498,585	-
7050	Finance costs	6(25)	(701,198)	-	(578,518)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(8)	1,845,203	1	1,759,191	1
7000	**Total non-operating income and expenses**		2,565,887	1	2,947,774	1
7900	**Profit before income tax**		7,978,135	2	7,879,338	2
7950	Income tax expense	6(28)	(1,065,475)	-	(1,465,099)	-
8200	**Profit for the year**		$ 6,912,660	2	$ 6,414,239	2

（Continued）

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

			Year ended December 31			
			2018		2017	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial losses on defined benefit plans		($ 9,075)	-	($ 19,769)	-
8316	Unrealized losses on financial assets at fair value through comprehensive income	6(3)	(253,164)	-	-	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(8)(21)	(3,472)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	7,668	-	3,630	-
8310	**Components of other comprehensive loss that will not be reclassified to profit or loss**		(258,043)	-	(16,139)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(953,956)	-	(2,239,494)	(1)
8362	Unrealized gain on valuation of available-for-sale financial assets	6(21) and 12(4)	-	-	219,629	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(8)(21)	194,453	-	(82,770)	-
8360	**Components of other comprehensive loss that will be reclassified to profit or loss**		(759,503)	-	(2,102,635)	(1)
8300	**Total other comprehensive loss for the year**		($ 1,017,546)	-	($ 2,118,774)	(1)
8500	**Total comprehensive income for the year**		$ 5,895,114	2	$ 4,295,465	1
	Profit, attributable to:					
8610	Owners of parent		$ 6,607,404	2	$ 6,114,896	2
8620	Non-controlling interest		305,256	-	299,343	-
	Profit		$ 6,912,660	2	$ 6,414,239	2
	Comprehensive income attributable to:					
8710	Owners of parent		$ 5,689,430	2	$ 4,115,116	1
8720	Non-controlling interest		205,684	-	180,349	-
	Total comprehensive income for the year		$ 5,895,114	2	$ 4,295,465	1
	Earnings per share					
9750	**Basic earnings per share**	6(29)	$	3.96	$	3.67
9850	**Diluted earnings per share**	6(29)	$	3.96	$	3.67

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				Retained earnings			Other equity interest					
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Total	Non-controlling interest	Total equity
2017												
Balance at January 1, 2017		$ 16,679,470	$ 14,196,063	$ 6,415,402	$ 126,513	$ 7,992,064	($ 3,044,176)	$ -	$ 206,858	$ 42,572,194	$ 1,310,302	$ 43,882,496
Net income for 2017		-	-	-	-	6,114,896	-	-	-	6,114,896	299,343	6,414,239
Other comprehensive (loss) income for 2017		-	-	-	-	(16,139)	(2,206,110)	-	222,469	(1,999,780)	(118,994)	(2,118,774)
Total comprehensive income		-	-	-	-	6,098,757	(2,206,110)	-	222,469	4,115,116	180,349	4,295,465
Appropriations of 2016 earnings	6(20)											
Provision for legal reserve		-	-	487,668	-	(487,668)	-	-	-	-	-	-
Provision for special reserve		-	-	-	2,710,805	(2,710,805)	-	-	-	-	-	-
Distribution of cash dividend		-	-	-	-	(1,667,947)	-	-	-	(1,667,947)	-	(1,667,947)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	167,496	-	-	(61)	-	-	-	167,435	-	167,435
Difference between consideration and carrying amount of subsidiaries disposed	6(30)	-	-	-	-	(17,171)	461	-	(50)	(16,760)	99,842	83,082
Capital surplus transferred from unclaimed dividends		-	1,299	-	-	-	-	-	-	1,299	-	1,299
Balance at December 31, 2017		$ 16,679,470	$ 14,364,858	$ 6,903,070	$ 2,837,318	$ 9,207,169	($ 5,249,825)	$ -	$ 429,277	$ 45,171,337	$ 1,590,493	$ 46,761,830
2018												
Balance at January 1, 2018		$ 16,679,470	$ 14,364,858	$ 6,903,070	$ 2,837,318	$ 9,207,169	($ 5,249,825)	$ -	$ 429,277	$ 45,171,337	$ 1,590,493	$ 46,761,830
Effects of retrospective application and retrospective restatement		-	-	-	-	324,942	-	(15,626)	(429,277)	(119,961)	1,393	(118,568)
Balance at January 1 after adjustments		16,679,470	14,364,858	6,903,070	2,837,318	9,532,111	(5,249,825)	(15,626)	-	45,051,376	1,591,886	46,643,262
Net income for 2018		-	-	-	-	6,607,404	-	-	-	6,607,404	305,256	6,912,660
Other comprehensive (loss) income for 2018	6(21)	-	-	-	-	(6,418)	(653,194)	(258,362)	-	(917,974)	(99,572)	(1,017,546)
Total comprehensive income		-	-	-	-	6,600,986	(653,194)	(258,362)	-	5,689,430	205,684	5,895,114
Appropriations of 2017 earnings	6(20)											
Provision for legal reserve		-	-	611,490	-	(611,490)	-	-	-	-	-	-
Provision for special reserve		-	-	-	1,983,231	(1,983,231)	-	-	-	-	-	-
Distribution of cash dividend		-	-	-	-	(3,669,483)	-	-	-	(3,669,483)	-	(3,669,483)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	480,615	-	-	17,295	-	-	-	497,910	-	497,910
Difference between consideration and carrying amount of subsidiaries disposed	6(30)	-	6	-	-	-	-	-	-	6	(8,216)	(8,210)
Capital surplus transferred from unclaimed dividends		-	1,307	-	-	-	-	-	-	1,307	-	1,307
Balance at December 31, 2018		$ 16,679,470	$ 14,846,786	$ 7,514,560	$ 4,820,549	$ 9,886,188	($ 5,903,019)	($ 273,988)	$ -	$ 47,570,546	$ 1,789,354	$ 49,359,900

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

SYNNEX TECHNOLOGY INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		$ 7,978,135	$ 7,879,338
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(26)	338,388	340,836
Amortization	6(11)(26)	63,310	59,349
Amortization of land use rights	6(12)	20,190	19,886
Provision for bad debts expense	12(4)	-	293,574
Expected credit loss	12(2)	841,879	-
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(24)	100,290	(30,909)
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6(7)	187,698	(119,452)
Interest expense	6(25)	701,198	578,518
Interest income	6(23)	(388,760)	(373,526)
Dividend income	6(23)	(200,275)	(151,777)
Share of profit of associates and joint ventures accounted for under the equity method	6(8)	(1,845,203)	(1,759,191)
Cash dividends on investments accounted for under the equity method		379,617	407,166
(Gain) loss on disposal of property, plant and equipment and investment property	6(24)	(3,147)	(2,097)
Depreciation of investment property	6(10)	57,837	57,782
Gain on disposal of financial asset investments	6(24)	-	(357,363)
Gain on disposal of investments accounted for under the equity method	6(24)	(741,035)	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		(158,013)	(43,522)
Notes and accounts receivable		(1,403,463)	(7,383,841)
Inventories		(4,728,414)	(2,491,459)
Other receivables		132,614	154,248
Prepayments		(1,470,813)	(749,753)
Other current assets		10,777	88,274
Overdue receivables		(1,276,330)	(284,249)
Long-term lease and installment receivables		(29,384)	(33,364)
Net changes in liabilities relating to operating activities			
Notes and accounts payable		1,443,460	6,738,170
Other payables		432,107	447,104
Other current liabilities		(171,966)	4,035
Other non-current liabilities		20,718	46,292
Cash inflow (outflow) generated from operations		291,415	3,334,069
Interest paid		(619,844)	(561,897)
Interest received		388,760	373,526
Dividend received		244,635	151,777
Income tax paid		(936,150)	(595,035)
Net cash (used in) provided by operating activities		(631,184)	2,702,440

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale financial assets		$ -	$ 733,492
Proceeds from capital reduction of financial assets at fair value through profit or loss		2,932	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		72,537	-
Proceeds from disposal of investments accounted for using equity method	6(8)	1,372,999	-
Acquisition of investments accounted for using equity method		-	(922,145)
Net cash flow from acquisition of subsidiaries		(8,232)	-
Net cash flow from acquisition of subsidiaries' share		(8,210)	-
Acquisition of property, plant and equipment	6(33)	(577,268)	(497,298)
Increase in investment property	6(10)	(2,435)	(2,119)
Proceeds from disposal of property, plant and equipment and investment property		17,384	7,336
Acquisition of intangible assets	6(33)	(57,639)	(41,072)
Decrease in refundable deposits		379,868	(98,160)
Increase in refundable deposits		(127,116)	-
Decrease (increase) in restricted time deposits		696,878	(1,136,323)
Increase in other non-current assets		(577,175)	-
Decrease in other non-current assets		17,823	106,101
Net cash provided by (used in) investing activities		1,202,346	(1,850,188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	6(34)	4,500,306	(2,606,893)
(Decrease) increase in short-term notes and bills payable	6(34)	(890,000)	3,160,000
Increase in guarantee deposits received		52,750	1,824
Decrease in guarantee deposits received		(56,196)	-
Payment of cash dividends	6(20)	(3,669,483)	(1,667,947)
Proceeds from disposal of subsidiaries (retained control)		-	83,082
Net cash used in financing activities		(62,623)	(1,029,934)
Effects of changes in foreign exchange rates		(548,836)	(1,581,680)
Decrease in cash and cash equivalents		(40,297)	(1,759,362)
Cash and cash equivalents at beginning of the year		5,714,960	7,474,322
Cash and cash equivalents at end of the year		$ 5,674,663	$ 5,714,960

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS

DECEMBER 31, 2018 AND 2017

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

<u>Report of Independent Accountants Translated From Chinese</u>

PWCR18000433

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

Opinion

We have audited the accompanying parent company only balance sheets of Synnex Technology International Corporation (the "Company") as at December 31, 2018 and 2017, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audit and the reports of other independent accountants (see information disclosed in the *Other Matter - Scope of the Audit* section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2018 and 2017, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

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

Key audit matters

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

Key audit matters in relation to the parent company only financial statements for the year ended December 31, 2018 are stated as follows:

Key audit matter – Assessment of allowance for uncollectible accounts

<u>Description</u>

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

The Company is primarily engaged in the sale of communication products, consumer electronic products, electronic products and components. The Company manages the collection of accounts receivable from customers and bears the associated credit risk. The Company assesses impairment of accounts receivable in accordance with IFRS 9, 'Financial instruments'. The management categorized the accounts receivable assessment into individual provision and group provison. For individually assessed accounts receivable, allowance is recognised on a case by case basis. The assessment process is affected by management's judgement on various factors: customers' financial conditions, internal credit ratings, historical transaction records, and current economic conditions, etc. For group assessed accounts receivable, assessment process is affected by management's judgement on historical uncollectible records, current economic conditions and the forecastability information to assess the default possibility of uncollectible accounts. As management's judgement on determining allowance for uncollectible accounts is relatively subjective and the estimated amount is material to the financial statements, therefore, we indicated that the assessment of allowance for uncollectible accounts as one of the key audit matters.

<u>How our audit addressed the matter</u>

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

1. Understood the credit quality of the Company's customers, assessed the reasonableness of classification of accounts receivable, the policies and the procedures applied in loss allowance provision.
2. For individually assessed accounts, selected and verified samples of managements' impairment evaluation. Discussed with management the assessment results and evaluated the adequacy of the provision.
3. For accounts assessed as a group, considered historical uncollectible records and the management's forecastability adjustment information to determine whether the provision ratio of allowance for uncollectible accounts is reasonable. For significant accounts, examined subsequent collections after balance sheet date.

Key audit matter – Assessment of allowance for valuation of inventory

Please refer to Note 4(12) for description of accounting policies on allowance for inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty. Please refer to Note 6(6) for details of inventory items.

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

How our audit addressed the matter

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

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

Key audit matter – Assessment of purchase rebate

Description

Please refer to Note 4(12) for accounting policies adopted for the recognition of purchase rebate. Please refer to Note 5(2) for critical accounting estimates and assumptions applied in the accounting policy for the recognition of purchase rebate.

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

How our audit addressed the matter

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

1. Obtained an understanding and tested the effectiveness of internal control over the estimation of purchase rebate. Tested the appropriate controls over contractual terms regarding rebates. Checked whether the recognition and drawing of rebate amount has been approved by the proper authority.
2. Selected samples of details of purchase rebate estimation, reviewed the inventory items and checked its supporting documents in order to assess the reasonableness of estimation.
3. First, sampled details of purchase rebate estimation without notice from suppliers that has been recognised as of the balance sheet date. Second, after the balance sheet date, selected

samples that have received debit notes or other supporting documents from suppliers to check whether actual rebate approximated the estimation. In addition, after balance sheet date, checked whether there were significant new rebates that should be recognised as of the balance sheet date.

4. For significant outstanding rebate receivable accounts, we sampled accounts and checked the existence of original vouchers or supporting documents or tested subsequent collections after the balance sheet date.

Other matters – Scope of the Audit

We did not audit the investments accounted for using equity method and financial statements of certain subsidiaries which were included in the parent company only financial statements of the Company and were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, in so far as it relates to the investments accounted for using equity method and the amounts and the information disclosed in Note 13 included in these financial statements, is based solely on the reports of the other independent accountants. Additionally, for certain investees financial reports that were prepared under different accounting standards, we have performed required additional auditing procedures for the adjustments of these reports in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers". Therefore, our opinion expressed regarding the amounts before adjustments in the aforementioned investees' financial statements is based solely on the reports of the other independent accountants.

On December 31, 2018 and 2017, the balance of investments accounted for using equity method of certain subsidiaries was NT$14,598,752 thousand and $13,120,387 thousand, respectively, constituting 16% and 15% of parent company only total assets respectively; for the years ended December 31, 2018 and 2017, the recognised net profit of investments accounted for using equity method was NT$1,874,556 thousand and 1,787,220 thousand, respectively, constituting 28% and 29% of parent company only net profits respectively; In addition, for the years ended December 31, 2018 and 2017, the recognised comprehensive income of investments accounted for using equity method was NT $2,065,537 thousand and $1,704,450 thousand, respectively, constituting 36% and 41% of the parent company comprehensive income, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the parent company only financial statements

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

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

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

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

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

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

Yeh, Tsui Miao Wu, Yu-Lung

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2019

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2018 AND 2017

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2018		December 31, 2017	
	Assets	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 565,688	1	$ 582,125	1
1110	Financial assets at fair value through profit or loss-current	6(2)	45,742	-	-	-
1120	Current financial assets at fair value through other comprehensive income	6(3)	960,978	1	-	-
1125	Available-for-sale financial assets-current	12(4)	-	-	1,351,569	2
1150	Notes receivable-net	6(4), 12(4)	393,970	-	303,251	-
1160	Notes receivable-related parties	7(2)	31,005	-	22,118	-
1170	Accounts receivable-net	6(4)(5) and 12(4)	4,939,370	5	5,228,711	6
1180	Accounts receivable-related parties	7(2)	129,911	-	147,698	-
1200	Other receivables		571,920	1	814,169	1
1210	Other receivables-related parties	7(2)	4,155,817	5	3,705,053	4
130X	Inventories, net	6(6)	3,615,394	4	3,397,073	4
1410	Prepayments		79,625	-	117,044	-
11XX	**Current assets**		15,489,420	17	15,668,811	18
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,532,974	2	-	-
1543	Financial assets measured at cost-noncurrent	12(4)	-	-	1,691,359	2
1550	Investments accounted for under the equity method	6(7)	71,629,409	79	66,061,628	77
1600	Property, plant and equipment, net	6(8)	1,133,306	1	1,140,494	2
1780	Intangible assets		33,970	-	64,389	-
1840	Deferred income tax assets	6(24)	101,550	-	106,095	-
1900	Other non-current assets	6(9), 8	759,162	1	791,054	1
15XX	**Non-current assets**		75,190,371	83	69,855,019	82
1XXX	**Total assets**		$ 90,679,791	100	$ 85,523,830	100

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2018 AND 2017

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

			December 31, 2018		December 31, 2017	
	Liabilities and Equity	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 29,990,000	33	$ 26,201,000	31
2110	Short-term notes and bills payable	6(11)	7,350,000	8	8,290,000	10
2150	Notes payable		350,324	1	207,291	-
2160	Notes payable - related parties	7(2)	20,223	-	8,688	-
2170	Accounts payable		3,516,492	4	4,025,201	5
2180	Accounts payable-related parties	7(2)	16,683	-	118,079	-
2200	Other payables	6(12)	836,360	1	1,045,683	1
2220	Other payables-related parties	7(2)	352,849	-	36,577	-
2230	Current income tax liabilities	6(24)	59,334	-	64,631	-
2300	Other current liabilities	6(12)	275,261	-	65,911	-
21XX	**Current liabilities**		42,767,526	47	40,063,061	47
	Non-current liabilities					
2570	Deferred income tax liabilities	6(24)	32,119	-	-	-
2600	Other non-current liabilities	6(13)	309,600	1	289,432	-
2XXX	**Total liabilities**		43,109,245	48	40,352,493	47
	Equity attributable to owners of parent					
	Share capital	6(14)				
3110	Share capital-common stock		16,679,470	18	16,679,470	19
	Capital surplus	6(15)				
3200	Capital surplus		14,846,786	17	14,364,858	17
	Retained earnings	6(16)				
3310	Legal reserve		7,514,560	8	6,903,070	8
3320	Special reserve		4,820,549	5	2,837,318	3
3350	Unappropriated retained earnings		9,886,188	11	9,207,169	11
	Other equity interest	6(17)				
3400	Other equity interest		(6,177,007)	(7)	(4,820,548)	(5)
3XXX	**Total equity**		47,570,546	52	45,171,337	53
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	**Significant events after the balance sheet date**	11				
	Total liabilities and equity		$ 90,679,791	100	$ 85,523,830	100

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2018 AND 2017

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

			Years ended December 31,			
			2018		2017	
		Notes	Amount	%	Amount	%
4000	**Sales revenue**	6(18) and 7(2)	$ 43,218,857	100	$ 45,686,499	100
5000	**Operating costs**	6(6) and 7(2)	(41,063,307)	(95)	(43,583,028)	(96)
5950	**Net operating margin**		2,155,550	5	2,103,471	4
	Operating expenses	6(13)(22) and (23)				
6100	Selling expenses		(1,031,494)	(2)	(942,618)	(2)
6200	General and administrative expenses		(1,057,823)	(3)	(1,001,505)	(2)
6450	Expected credit loss	12(2)	(1,213)	-	-	-
6000	**Total operating expenses**		(2,090,530)	(5)	(1,944,123)	(4)
6900	**Operating profit**		65,020	-	159,348	-
	Non-operating income and expenses					
7010	Other income	6(19)	885,324	2	804,980	2
7020	Other gains and losses	6(20)	115,988	-	77,072	-
7050	Finance costs	6(21)	(361,761)	(1)	(358,416)	(1)
7070	Share of profit of associates and joint ventures accounted for under the equity method	6(7)	5,998,305	14	5,472,520	12
7000	**Total non-operating income and expenses**		6,637,856	15	5,996,156	13
7900	**Profit before income tax**		6,702,876	15	6,155,504	13
7950	Income tax expense	6(24)	(95,472)	-	(40,608)	-
8200	**Profit for the year**		$ 6,607,404	15	$ 6,114,896	13
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(13)	($ 20,152)	-	($ 13,003)	-
8316	Unrealized gain (losses) on financial assets at fair value through comprehensive income		(284,546)	(1)	-	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		30,009	-	(5,347)	-
8349	Components of other comprehensive income that will not be reclassified to profit or loss	6(24)	9,909	-	2,211	-
8310	**Components of other comprehensive income that will be reclassified to profit or loss**		(264,780)	(1)	(16,139)	-
8361	Financial statements translation differences of foreign operations	6(17)	(847,646)	(2)	(2,120,500)	(5)
8362	Unrealized loss on valuation of available-for-sale financial assets	6(17) and 12(4)	-	-	221,551	1
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		194,452	1	(84,692)	-
8360	**Components of other comprehensive loss that will be reclassified to profit or loss**		(653,194)	(1)	(1,983,641)	(4)
8300	**Total other comprehensive loss for the year**		($ 917,974)	(2)	($ 1,999,780)	(4)
8500	**Total comprehensive income for the year**		$ 5,689,430	13	$ 4,115,116	9
	Earnings per share	6(25)	$	3.96	$	3.67
9750	**Basic earnings per share**					
9850	**Diluted earnings per share**		$	3.96	$	3.67

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2018 AND 2017

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

				Retained earnings			Other equity interest			
	Notes	Share capital common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gain or loss on available-for-sale financial assets	Total
2017										
Balance at January 1, 2017		$ 16,679,470	$ 14,196,063	$ 6,415,402	$ 126,513	$ 7,992,064	($ 3,044,176)	$ -	$ 206,858	$ 42,572,194
Net income for 2017		-	-	-	-	6,114,896	-	-	-	6,114,896
Other comprehensive (loss) income for 2017		-	-	-	-	(16,139)	(2,206,110)	-	222,469	(1,999,780)
Total comprehensive income		-	-	-	-	6,098,757	(2,206,110)	-	222,469	4,115,116
Appropriations of 2016 earnings	6(16)									
Provision for legal reserve		-	-	487,668	-	(487,668)	-	-	-	-
Provision for special reserve		-	-	-	2,710,805	(2,710,805)	-	-	-	-
Distribution of cash dividend		-	-	-	-	(1,667,947)	-	-	-	(1,667,947)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	167,496	-	-	(61)	-	-	-	167,435
Difference between consideration and carrying amount of subsidiaries disposed	6(27)	-	-	-	-	(17,171)	461	-	(50)	(16,760)
Capital surplus transferred from unclaimed dividends		-	1,299	-	-	-	-	-	-	1,299
Balance at December 31, 2017		$ 16,679,470	$ 14,364,858	$ 6,903,070	$ 2,837,318	$ 9,207,169	($ 5,249,825)	$ -	$ 429,277	$ 45,171,337
2018										
Balance at January 1, 2018		$ 16,679,470	$ 14,364,858	$ 6,903,070	$ 2,837,318	$ 9,207,169	($ 5,249,825)	$ -	$ 429,277	$ 45,171,337
Effects of retrospective application and retrospective restatement		-	-	-	-	324,942	-	(15,626)	(429,277)	(119,961)
Balance at January 1 after adjustments		16,679,470	14,364,858	6,903,070	2,837,318	9,532,111	(5,249,825)	(15,626)	-	45,051,376
Net income for 2018		-	-	-	-	6,607,404	-	-	-	6,607,404
Other comprehensive (loss) income for 2018	6(17)	-	-	-	-	(6,418)	(653,194)	(258,362)	-	(917,974)
Total comprehensive income		-	-	-	-	6,600,986	(653,194)	(258,362)	-	5,689,430
Appropriations of 2017 earnings	6(16)									
Provision for legal reserve		-	-	611,490	-	(611,490)	-	-	-	-
Provision for special reserve		-	-	-	1,983,231	(1,983,231)	-	-	-	-
Distribution of cash dividend		-	-	-	-	(3,669,483)	-	-	-	(3,669,483)
Change in net assets of the associate and joint ventures accounted for under the equity method		-	480,615	-	-	17,295	-	-	-	497,910
Difference between consideration and carrying amount of subsidiaries disposed	6(26)	-	6	-	-	-	-	-	-	6
Capital surplus transferred from unclaimed dividends		-	1,307	-	-	-	-	-	-	1,307
Balance at December 31, 2018		$ 16,679,470	$ 14,846,786	$ 7,514,560	$ 4,820,549	$ 9,886,188	($ 5,903,019)	($ 273,988)	$ -	$ 47,570,546

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

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax for the year		$ 6,702,876	$ 6,155,504
Adjustments to reconcile profit before income tax to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation	6(8)(22)	82,368	92,202
Amortization	6(22)	42,308	43,593
Provision for bad debts expense	12(4)	-	1,870
Expected credit loss	12(2)	1,213	-
Net gain on financial assets at fair value through profit or loss	6(2)(20)	5,589	-
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6(6)	10,642	(4,219)
Loss on obsolescence	6(6)	1,586	2,441
Interest expense	6(21)	361,761	358,416
Interest income	6(19)	(3,868)	(2,113)
Dividend income	6(19)	(152,968)	(118,199)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	(5,998,305)	(5,472,520)
Cash dividends on investments accounted for under the equity method		334,067	382,708
(Gain) loss on disposal of property, plant and equipment	6(20)	(5,010)	(493)
Gain on disposal of financial asset investments	6(20)	-	(357,363)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Accounts and notes receivable		207,616	396,112
Inventories		(230,549)	102,847
Other receivables		398,289	176,146
Prepayments		37,419	(6,820)
Overdue receivables		3,668	69
Net changes in liabilities relating to operating activities			
Accounts and notes payable		(455,537)	232,814
Other payables		41,271	19,105
Other current liabilities		(18,079)	(5,404)
Accrued pension liabilities		(77)	(72)
Cash inflow (outflow) generated from operations		1,366,280	1,996,624
Interest paid		(353,462)	(347,092)
Interest received		3,868	2,113
Dividend received		152,968	118,199
Income tax paid		(54,196)	(33,016)
Net cash provided by operating activities		1,115,458	1,736,828

(Continued)

SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31, 2018	Years ended December 31, 2017
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale financial assets		$ -	$ 733,492
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		72,537	-
(Increase) decrease in other receivable due from related parties	7(2)	(606,805)	232,769
Acquisition of investments accounted for using equity method		(8,210)	-
Proceeds from disposal of investments accounted for using equity method		-	83,082
Acquisition of property, plant and equipment	6(8)	(55,463)	(71,387)
Proceeds from disposal of property, plant and equipment and investment property		6,913	2,189
Acquisition of intangible assets	6(28)	(33,509)	(21,239)
Increase in restricted time deposits		(1,134)	(460,174)
Decrease (increase) in other non-current assets		28,568	(17,217)
Increase in refundable deposits		(517)	(120)
Net cash (used in) flows from investing activities		(597,620)	481,395
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	6(29)	3,789,000	(3,094,000)
(Decrease) increase in short-term notes and bills payable	6(29)	(940,000)	3,190,000
Increase (decrease) in other payable to related parties	7(2)	286,115	(591,090)
Increase (decrease) in guarantee deposits received		93	(432)
Payment of cash dividends	6(16)	(3,669,483)	(1,667,947)
Net cash used in financing activities		(534,275)	(2,163,469)
(Decrease) increase in cash and cash equivalents		(16,437)	54,754
Cash and cash equivalents at beginning of the year		582,125	527,371
Cash and cash equivalents at end of the year		$ 565,688	$ 582,125

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