



รายงานประจำปี 2556

Annual Report 2013

iStudio
by SPVI

iBeat
by SPVI

U·Store
by SPVI

Smart Bar



Solutions for
New Generation

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General Information

Company	S P V I Public Company Limited
Nature of business	The Company is a major resale of products under the Apple brand, including computers, iOS devices (iPod, iPad, iPhone) and various other accessories, as well as products under other brands compatible with Apple products, such as hard drives for video storage, portable hard drives, print products, and graphic products. The Company also distributes peripherals for iOS devices, such as speakers, headphones, protective cases, and screen protectors.
Address	213/58-59 Soi Ladprao 94, Sriwara Road, Phlapphla, Wangthonglang Bangkok 10310
Tel :	02-559-2901-10 Fax: 02-559-2488
Company Registered Number	0107556000264
Website	www.spvi.co.th
Telephone no.	0-2559-2901-10
Fax no.	0-2559-2488

Other Relevant Information

1. Share Registrar	Thailand Securities Depository Co., Ltd. 4th, 6th-7th Floor, Stock Exchange of Thailand 62 Ratchadapisek Road, Klong Toey, Bangkok 10110 Tel : +66 (0) 2359-1200 Fax : +66 (0) 2359-1262
2. Auditor	Mr. Wichart Lokatekrawee Certified Public Accountant No.4451 Ernst & Young Co., Ltd. 33rd Floor, Lake Ratchada Office Complex 193/136-137 Ratchadapisek Road, Bangkok 10110 Tel : +66 (0) 2264-0777 Fax : +66 (0) 2264-0789-90

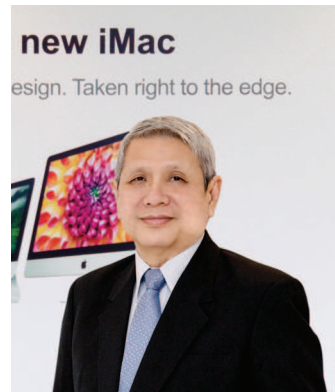
Message from Chairman of the Board and Executive Chairman

SPVI Public Company Limited has been a dealer of advanced technology products during the past 20 years. APPLE, a renowned world leading brand, is our main product line. We have sustained continuous expansion, keeping pace with the rapid growth of the computer industry in Thailand, providing sales and services through various channels.

On December 19th, 2013, SPVI registered with the Stock Exchange of Thailand and for the first time had a public offering of common stock. The excellence responses from investors, indicated a high level of trust in SPVI, are an important step toward the future growth of our company. Our products and services offering are extensive, including hardware, software, consulting, after-sales services and training. In order to set ourselves apart from other competitors in high-tech industries, we are planning to expand our services to address the needs of various market segments covering individual, organizations, as well as academic and governmental entities.

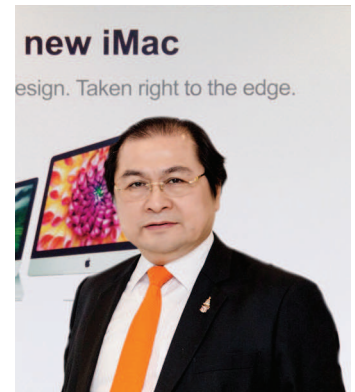
Our major strengths include the well-known, trusted products, supported by the experienced teams of professionals and strong customer base. Not only do these factors contribute to our continuous growth, but also our ability to adapt to the ever changing high-tech industry in order to provide our customers with the best possible products and services. We constantly strive to improve our customer services and support, utilizing the latest up to date technology to assist our customers to be more productive and competitive in their respective markets. Our objective is to grow together with all our customers.

On behalf of the Board of Directors, we would like to assure that the Board will manage, invest and justify all the investment to sustain the growth of the company in order to realize the best possible return to our shareholders.



new iMac

design. Taken right to the edge.



new iMac

design. Taken right to the edge.



Mr. Teera Aphaiwongse
Chairman of the Board



Mr. Min Intanate
Executive Chairman



Board of Directors

Board of Directors



Mr. Teera Aphaiwongse
Chairman of the Board
and Chairman of Audit Committee



Mr. Min Intanate
Director and Executive Chairman

Name – Last Name	Mr. Teera Aphaiwongse
Position	Chairman of the Board and Chairman of Audit Committee
Age	66 Years

Educations	<ul style="list-style-type: none"> - Master of Engineering (Computer Science) University of New South Wales, Australia - Certificate Director Certification Program (DCP) 5/2001 - Certificate National Defence College
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Shareholding Percentage	0.10% as of 31 Jan 2014
Appointment Date	29 October 2012

5 Years' Work Experience

2012-Present	Chairman of the Board and Chairman of Audit Committee S P V I Public Company Limited
2011-Present	Advisor to the Board of National Credit Bureau Co., Ltd.
2011-Present	Director Electronic Transactions Development Agency Ministry of Information and Communication Technology
2010-2013	Chairman of the Board Thai Digital ID Co., Ltd.
1988-2013	Chairman of the Board Processing Center Co., Ltd.
2010-2012	Chairman of Sub Committee National Electronic Transactions Standards Ministry of Information and Communication Technology
2005-2012	Chairman of the Board National ITMX Co., Ltd.
1998-2010	Executive Director Bangkok Bank Public Company Limited
1971-2010	Last Position – Senior Executive Vice-president Bangkok Bank Public Company Limited

Name – Last Name	Mr. Min Intanate
Position	Director and Executive Chairman
Age	59 Years

Educations	<ul style="list-style-type: none"> - Honorary Doctoral Degree of Laws, Dominican University of California, USA - PhD in Science (Honorary) Information Technology for Management, Mahasarakham University - Bachelor (Honorary) of Science, Engineering and Agricultural, Rajamangala University of Technology Thanyaburi - Bachelor of Architecture, Fu Hsing Institute of Technology (Taiwan) - Certificate Director Accreditation Program (DAP) 2005 - Certificate Role of the Chairman Program (RCP) 2005
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Shareholding Percentage	0.08% as of 31 Jan 2014
Appointment Date	6 January 2011

5 Years' Work Experience

2011-Present	Executive Chairman and Director S P V I Public Company Limited
2013-Present	Director & Chief Executive Officer SVOA Public Company Limited
2008-Present	Director ABIKS Development Co., Ltd.
2006-Present	Director Lease IT Public Company Limited
2006-Present	Chairman of the Board D&B (Thailand) Co., Ltd.
2000-Present	Director National Credit Bureau Co., Ltd.
1996-Present	Executive Chairman & Director IT City Public Company Limited
1995-Present	Director Core & Peak Co., Ltd.
1989-Present	Executive Chairman & Director ARIP Public Company Limited
1987-Present	Director Advanced Research Group Co., Ltd.



Mr. Narathorn Wongvises
Director

Name – Last Name	Mr. Narathorn Wongvises
Position	Director
Age	60 Years
Educations	- Master of Science Industrial and Systems Engineering San Jose State University, USA - Certificate Director Accreditation Program (DAP) 7/2004
Shareholding Percentage	1.89% as of 31 Jan 2014
Appointment Date	6 January 2011
5 Years' Work Experience	
2011-Present	Director S P V I Public Company Limited
2012-Present	Advisor Silverlake (Thailand) Ltd.
2012-Present	Advisor AR Elastomer Co., Ltd.
2012-Present	Chairman of the Board PCC International Co., Ltd.
2011-Present	Advisor Advanced Research Group Co., Ltd.
2007-2012	Director Krung Thai Card Public Company Limited
2006-2012	Managing Director KTB Computer Services Co., Ltd.



Mr. Trisorn Volyarngosol
Director, Executive Director
and Managing Director

Name – Last Name	Mr. Trisorn Volyarngosol
Position	Director, Executive Director and Managing Director
Age	52 Years
Educations	- Master of Business Administration University of New Haven, U.S.A. - Certificate Director Accreditation Program (DAP) SET 2012
Shareholding Percentage	6.33% as of 31 Jan 2014
Appointment Date	6 January 2011
5 Years' Work Experience	
2011-Present	Director S P V I Public Company Limited
1996-Present	Director S P V Digital Service Co., Ltd.
1994-Present	Director S P V Advance Corporation Ltd.



Mrs. Petcharat Volyarngosol
Director, Executive Director
and Vice president (Operations)



Mr. Sujin Suwannagate
Independent Director and
Member of Audit Committee

Name – Last Name	Mrs. Petcharat Volyarngosol
Position	Director, Executive Director and Vice president (Operations)
Age	53 Years
Educations	<ul style="list-style-type: none"> - Master of Business Administration Major in Finance University of New Haven, U.S.A. - Master of Computer Information System University of New Haven, U.S.A. - Certificate Director Accreditation Program (DAP) SET 2012
Shareholding Percentage	8.32% as of 31 Jan 2014
Appointment Date	6 January 2011
5 Years' Work Experience	
2011-Present	Director S P V I Public Company Limited
1996-Present	Director S P V Digital Service Co., Ltd.
1994-Present	Director S P V Advance Corporation Ltd.

Name – Last Name	Mr. Sujin Suwannagate
Position	Independent Director and Member of Audit Committee
Age	63 Years
Educations	<ul style="list-style-type: none"> - Master of Business Administration Long Island University, U.S.A. - Certificate Director Accreditation Program (DAP) SET 2012
Shareholding Percentage	0.08% as of 31 Jan 2014
Appointment Date	29 October 2012
5 Years' Work Experience	
2012-Present	Independent Director and Member of Audit Committee S P V I Public Company Limited
2008-Present	Director, Siam City Leasing - Factoring Public Company Limited
- 1999-2011	Director and Member of Audit Committee National Credit Bureau Co., Ltd.
- 2008-2010	Director and Chairman of Audit Committee Siam City Securities Co., Ltd.
- 1984-2012	Executive Vice President Siam City Bank Public Company Limited
- 2005-2008	Chairman of the Board SCIB Services Co., Ltd.



Mrs. Susama Rativanich
Independent Director and
Member of Audit Committee

Name – Last Name	Mrs. Susama Rativanich
Position	Independent Director and Member of Audit Committee
Age	36 Years
Educations	- Master of Science in Information Systems, American University, U.S.A. - Certificate Director Accreditation Program (DAP) SET 2012
Shareholding Percentage	0.08% as of 31 Jan 2014
Appointment Date	Date 29 October 2012
5 Years' Work Experience	
2012-Present	Independent Director and Member of Audit Committee S P V I Public Company Limited
2012-Present	Assistant Vice President, General Administration Division MCOT Public Company Limited
2011-2012	Acting Assistant Vice President, General Administration Division MCOT Public Company Limited
2009-2012	Senior Secretary to Chairman MCOT Public Company Limited
2008-2009	Secretary to Chairman MCOT Public Company Limited
2002-2008	Secretary to President MCOT Public Company Limited

Executive Committee



Mr. Min Intanate
Director and Executive Chairman

Name – Last Name	Mr. Min Intanate
Position	Director and Executive Chairman
Age	59 Years

Educations	<ul style="list-style-type: none"> - Honorary Doctoral Degree of Laws, Dominican University of California, USA - PhD in Science (Honorary) Information Technology for Management, Mahasarakham University - Bachelor (Honorary) of Science, Engineering and Agricultural, Rajamangala University of Technology Thanyaburi - Bachelor of Architecture, Fu Hsing Institute of Technology (Taiwan) - Certificate Director Accreditation Program (DAP) 2005 - Certificate Role of the Chairman Program (RCP) 2005
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Shareholding Percentage	0.08% as of 31 Jan 2014
Appointment Date	6 January 2011

5 Years' Work Experience

2011-Present	Executive Chairman and Director S P V I Public Company Limited
2013-Present	Director & Chief Executive Officer SVOA Public Company Limited
2008-Present	Director ABIKS Development Co., Ltd.
2006-Present	Director Lease IT Public Company Limited
2006-Present	Chairman of the Board D&B (Thailand) Co., Ltd.
2000-Present	Director National Credit Bureau Co., Ltd.
1996-Present	Executive Chairman & Director IT City Public Company Limited
1995-Present	Director Core & Peak Co., Ltd.
1989-Present	Executive Chairman & Director ARIP Public Company Limited
1987-Present	Director Advanced Research Group Co., Ltd.



Mr. Trisorn Volyarngosol
Director, Executive Director
and Managing Director

Name – Last Name	Mr. Trisorn Volyarngosol
Position	Director, Executive Director and Managing Director
Age	52 Years

Educations	<ul style="list-style-type: none"> - Master of Business Administration University of New Haven, U.S.A. - Certificate Director Accreditation Program (DAP) SET 2012
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Shareholding Percentage	6.33% as of 31 Jan 2014
Appointment Date	6 January 2011

5 Years' Work Experience

2011-Present	Director S P V I Public Company Limited
1996-Present	Director S P V Digital Service Co., Ltd.
1994-Present	Director S P V Advance Corporation Ltd.



Mrs. Petcharat Volyarngosol
Director, Executive Director
and Vice president (Operations)

Name – Last Name	Mrs. Petcharat Volyarngosol
Position	Director, Executive Director and Vice president (Operations)
Age	53 Years
Educations	<ul style="list-style-type: none"> - Master of Business Administration Major in Finance University of New Haven, U.S.A. - Master of Computer Information System University of New Haven, U.S.A. - Certificate Director Accreditation Program (DAP) SET 2012
Shareholding Percentage	8.32% as of 31 Jan 2014
Appointment Date	6 January 2011
5 Years' Work Experience	
2011-Present	Director S P V I Public Company Limited
1996-Present	Director S P V Digital Service Co., Ltd.
1994-Present	Director S P V Advance Corporation Ltd.



Mr. Pheerapol Amphan
Executive Director and
Vice President (Accounting and Finance)

Name – Last Name	Mr. Pheerapol Amphan
Position	Executive Director and Vice President (Accounting and Finance)
Age	48 Years
Educations	<ul style="list-style-type: none"> - Master of Business Administration Lindenwood College, U.S.A. - Certificate Company Secretary Program (CSP)
Shareholding Percentage	0.04% as of 31 Jan 2014
Appointment Date	6 January 2011
5 Years' Work Experience	
2011-Present	Executive Director and Vice President (Accounting and Finance) S P V I Public Company Limited
1994-2010	Director, Accounting & Financial Management CMGRP (THAILAND) Ltd.

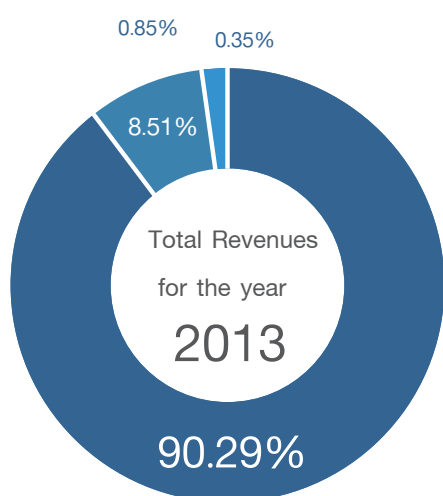
SUMMARY OF FINANCIAL INFORMATION

For the year ending of December 31	2013	2012	2011
Total Assets	419.12	524.71	441.50
Total Liabilities	149.25	302.91	262.58
Shareholders' Equity	269.87	221.80	178.92
Total Revenue	2,304.85	2,520.08	2,219.92
Total Expenses	2,279.35	2,455.04	2,129.92
Net Profit	16.26	45.88	57.49
Financial Ratio			
Net Profit Margin (%)	0.71	1.78	2.59
Debt to Equity Ratio (times)	0.55	1.37	1.47
Return on Assets (%)	3.45	9.28	13.02
Return on Equity (%)	6.03	22.38	32.13
Information per share			
⁽¹⁾ Basic Earnings per share (Baht)	0.06	3.74	4.79
Number of shares-Issued and paid up (share: Million)	400	12	12
⁽²⁾ Par value per share (Baht)	0.50	10.00	10.00

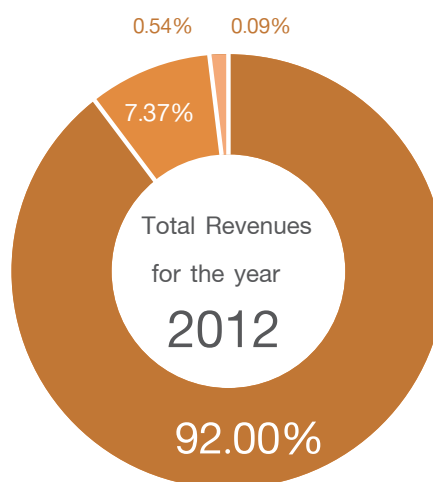
⁽¹⁾ Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year

⁽²⁾ On 10 April 2013, The par value of Company's ordinary share has been change from 10 Baht per share to 0.50 Baht each

REVENUE COMPARISONS 2013



- Apple Products
- Non - Apple
- Service
- Other



- Apple Products
- Non - Apple
- Service
- Other



Vision Mission

Vision

The goals of the Company are: to be a leader in IT Solutions for the New Generation through the creative use of technology, to ensure that stockholders will get a good return on investment, and to participate in social care, especially for continuing education.

The Mission

1. Commitment to service and innovation for consumers who want to use creative technology.
2. Develop human resources; to create a culture in which employees work cooperatively to provide professional services to customers, with a focus on developing the knowledge of employees to keep pace with the ever-changing innovation.

Corporate Social Responsibility

The focus of the company is to operate under the corporate governance based on the principle of ethics, with a sense of responsibility to stockholders, both within and outside the organization, employees, customers, and the wider society, to lead to the development of a sustainable business.

In the year of 2013, The company recognizes the importance of education by supporting projects such as:

- Challenge based learning project. The company participated with Burapha University In order to use the Tablet as a teaching and learning tools for teachers in Eastern region

- iCamp 2013 is the computer project. Provides the students the opportunity to practice photography and video editing which can be use in daily life such as traveling and researching new knowledge for the future.

In addition, the company has also joined The Better Thailand foundation project to support and encourage society of wisdom by the project to build a Learning Center.



Business Overview

The Company's core business is resale of products under the brand "Apple" including computers, iOS (iPod, iPad, iPhone) and various accessories as well as Non-Apple products such as hard drive storage for video, portable hard drive storage, publications and graphic products and peripherals for iOS (iPod, iPad, iPhone) such as speakers, headphones, case protection, screen protector etc. Moreover, the company has been expanding its service coverage to customers by setting up service centers for Apple products under the name "Smart Bar" and training centers for customers and enterprises according to Apple's standard

Presently, the Company has 17 branches which can be classified into 6 branches under iStudio brand, 1 branch under iShop brand, 1 branch under iBeat brand, 9 branches under U•Store brand and 3 service centers under Smart Bar brand. In addition, the Company also has more than 48 outlets of Apple products nationwide including 22 outlets in IT City and 26 outlets in Big C Supercenters.

o Business Objectives

The Company aims to be a leading integrated IT educator and developer through Apple Education Solution in order to create Creative Learning orientation. The Company focuses on Edutivity which is educational oriented activities. Our experienced management team, sales team and Solution Engineer team can access our targeted customer groups including students, teachers in universities, private organisations and individuals. The Company will emphasise our leadership within targeted customer groups at all levels and professions which are marketing channels that tend to expand according to the trend of global economy. Moreover, Thailand has started using 3G across the country in order to support industrial growth during ASEAN Economic Community (AEC).

Regarding this, computers, tablets and smartphones will play a major role in this modern connected world.

Both individual and organizational targeted groups have a need to develop their potential at all times, in particular, professionals who need to rely on technology in their works and individuals who want to use technology creatively throughout their lives (Creative Life Long Learning). Furthermore, the Company also aims to expand customer base into other organizations by diversify its products and solutions such as Color Management System, disk storage systems that can connect to File Server of an enterprise.

Besides, we also have objective to increase sales through adding sales channels and after-sales services by expanding outlets and service centers including iStudio, iBeat, U•Store, and point-of-sales in IT City and other locations.



o Company Background & Significant changes in the past year

S P V I Public Company Limited was established by Mr. Trisorn Volyarngosol and Mrs. Petcharat Volyarngosol, experienced dealers of Apple products since 1989 who first established the company under the name SPV Business Center Co., Ltd., with registered capital of 3,000,000 baht. The main business objectives are to distribute Apple computers. Later, in 1994, in order to improve shareholder structure to conform with the business growth, Mr. Trisorn and Mrs. Petcharat Volyarngosol registered a new company in the name of SPV Advance Co., Ltd., with registered capital of 6,000,000 baht.

After experiencing business success and continuous growth of 'Apple' market in Thailand, on 6th January 2011, Mr. Trisorn and Mrs. Petcharat Volyarngosol jointed hands with IT CITY Public Company Limited to set up SPVi Co., Ltd. with the registered capital of 120,000,000 baht. Regarding this, SPV Advance Co., Ltd. had transferred assets and employees associated with distribution of Apple products to the new company. As a result of this joint venture, the Company was able to expand distribution channels of Apple products into IT City Store nationwide.

The company has also expanded its standard service to customers by setting up service centers for Apple products under the brand 'Smart Bar' and training center for customers and organizations under Apple standard. In this regard, the company is the only company in Thailand that has been appointed to be Authorized Apple Training Center in the country. In addition, the Company has also been appointed to be an authorized dealer for other product brands that are compatible with Apple products to support growing customers' demand.

Significant changes in the past year

Month / Year	Important Events
January 2011	The Company was established with registered capital of 120.00 million baht.
March 2011	<ul style="list-style-type: none"> • Acquired all assets and employees which related to Apple business from SPV Advance Co., Ltd. • Acquired 15 branches which are 4 iSudios, 1 iShop, 1 iBeat, 7 U•Stores and 2 Smart Bars. • Opened Apple corners in IT City.
July 2011	Opened U•Stores at Mahidol University and Dhurakij Pundit University.
October 2011	Opened Apple corner in Big C
December 2011	Opened iStudio at Central Plaza Grand Rama 9 department store.
January 2012	Opened U•Store at Burapha University.
February 2012	Opened Smart Bar at Cental Chaengwattana department store.
June 2012	Opened iStudio at Gateway Ekamai department store.

Significant changes in the past year (continued)

Month / Year	Important Events
April 2013	<ul style="list-style-type: none"> • Converted to public company limited. • Changed par value from 10.00 baht to 0.50 baht, thus the number of common shares increased from 120.00 million shares to 240.00 million shares. • Increased the registered capital by another 80 million baht from 120.00 million baht to 200.00 million baht by issuing new 160.00 million shares, par value at 0.50 baht allocated as follows: <ol style="list-style-type: none"> 1) 50.00 million shares offered to existing shareholders which already allocated, resulting in the Company paid-up capital to be 290.00 million shares. 2) 104.50 million shares offer to initial public offering. 3) 5.50 million shares offer to the Company's directors and employees.
December 2013	<p>Increased paid-up capital to 400.00 million shares., at par value of 0.50 baht, by issuing 160,000,000 newly-issued ordinary shares</p>



Nature of Business

o Revenues Structure

Revenue Classification	2011		2012		2013	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenues from Apple Products						
- Mac (Desktop and Laptop)	1,298.19	58.48	846.65	33.60	640.11	27.77
- iOS Devices	621.69	28.00	1,380.08	54.76	1,315.11	57.06
- Apple Accessories	75.09	3.38	91.78	3.64	125.79	5.46
Total Revenues from Apple Products	1,994.97	89.87	2,318.50	92.00	2,081.16	90.29
Revenues from Non-Apple Products						
- Accessories	159.22	7.17	133.90	5.31	134.52	5.84
- Professional Graphics	44.70	2.01	29.47	1.17	44.51	1.93
- Software	7.60	0.34	20.35	0.81	15.25	5.84
- Computer	0.77	0.03	1.96	0.08	1.76	0.08
Total Revenues from Non-Apple Products	212.28	9.56	185.68	7.37	196.04	8.51
Total Revenues from Sales	2,207.25	99.43	2,504.19	99.37	2,277.05	98.79
Service Income	12.21	0.55	13.55	0.54	19.62	0.85
Other Income	0.45	0.02	2.34	0.09	8.18	0.35
Total Revenues	2,219.92	100.00	2,520.08	100.00	2,305	100.00

o Product Characteristics & Service

The Company's core business is resale of products under the brand "Apple" including computers, iOS and accessories as well as Non-Apple products that can be used with Apple products, in order to accommodate integrated needs of customers. Moreover, the Company has also expanded its standard service to customers by setting up service centers for Apple products under the brand 'Smart Bar' and training center for customers and organizations under Apple standard. The company is the only company in Thailand that has been appointed to be Authorized Apple Training Center in the country. The products and services of the Company can be divided as follows:

(1) Apple Products

The Company granted an authorization from Apple South Asia (Thailand) Limited to be a reseller of Apple products which can be categorized into three groups as follows:

- Apple Computer; MAC OS (MAC Operating System) which consist of iMac, Mac Pro, Mac Mini, MacBook Pro and MacBook Air.
- iOS Devices which consist of iPod, iPad and iPhone. For iPhone, since Apple appointed mobile operators to be the distributors of iPhone, thus the Company will purchase iPhone from those distributors.
- Apple Accessories such as battery charger, headphone, mouse, device connector, internet router and AppleCare Protection.

(2) Non-Apple Products

In order to accommodate customer's needs, the Company also granted an authorization to be a reseller of non Apple products which can be divided into four categories as follows;

- Accessories such as hard drives for video storage, external hard disk, headphone, bluetooth, iPhone/iPad case and wireless loudspeaker.
- Professional Graphics comprising of Inkjet Printer (Pro Series) under "Epson" brand, imported paper for printing from Japan under "iPaper" brand, Digital Imaging and Graphics Art under "X-rite" brand
- Software products which consist of Adobe and EFI (Colorproof XF Program)
- Dell Computer

(3) Services

The company granted an authorized Apple Service Provider from Apple South Asia (Thailand) Limited that can legally service all Apple products through its service centers which operate under the name "Smart Bar". Moreover, the Company is the only reseller in Thailand who granted an Authorized Apple Training Center that can legally open its own training center for both retail and corporate customers.



Risk Factors

1. Risk from depending on major distributors

The Company granted an authorization from Apple South Asia (Thailand) Limited to be a reseller of Apple products and also opened three service centers to provide after sales service for all customers. In 2011, 2012 and period of nine-month ended 30 September 2013, the Company purchase products from Apple in the proportion of 75.75%, 73.65% and 75.37% of total products purchased respectively. The contract with Apple is a year-to year contract which could be terminated at any time and that will have an adverse impact on the company's business. However, Mr. Trisorn Volyarngosol, Mrs Petcharat Volyarngosol and the management team have experiences as an Apple reseller for more than 20 years as well as obtaining many awards from Apple. In addition, the Company also has the ability to generate a large number of sales and strictly complied with the terms and conditions of the contract. As a result, the management team believes that the Company will continue to gain credibility and support from Apple.

2. Risk associate with the product obsolescence

Apple products are the fast-paced technological change as well as other IT products. Driven by rapid ICT changed, new products are developed and launched into the market with an increasing speed to meet the customer's demand; therefore the Company may encounter problems with the inventory management for the out-dated models which cannot be sold in the market.

However, the management team has a good understanding of customer's needs due to the experienced management in the business for a long period of time. Moreover, the Company also appointed product managers to monitor inventory stores and carefully select the products to be sold to each type of customers. To prevent an obsolescence problem, the product manager conducts a survey about customer's requirements through salespersons and branch managers regularly. Furthermore, the Company follows new products information and trend of IT from Apple and other resellers which will help the Company in selecting the products to fit its customer's needs. Moreover, the Company has an efficient inventory management by using the inventory online system to link the inventory data of all branches, by the end of each day, the Company will perform a random check for the inventory of each branch and compare to the report generated by the Company's inventory system. For the branches with low inventory turnover, the products will be transferred to the other branches and the Company will provide promotional activities which may help boost

their sales. On the other hand, the branches with inadequate inventory will be able to check the products information from the other branches immediately, as a result the products will be sold faster before it outdated. Apart from that, when Apple launches new products to replace the old models, the Company will be compensated for the price difference which will enable the Company to reduce the old products' price in order to be able to compete in the market.

3. Risk associated with the competition

Base on the fact that Information and Communication Technology (ICT) industry has experienced a rapid growth particularly smartphone and tablet PC resulting in high competition among vendors such as Apple, Samsung, Nokia and HTC. The vendors have to develop and launch new products frequently. However, the Apple's ongoing product innovation such as Mac OSX for Apple Computer, revamped iOS for smartphone and tablet, Clouding System and Retina Display for laptop, a variety of application as well as the safety of its network system has allowed Apple to capture a higher proportion of profit and maintain its market share. As can be seen from StatCounter Global Stats indicated that the smartphone market share in Thailand has been changed dramatically in the past couple years which Apple market share continued to increase from 8.54% in 2010 to 30.03% in 2012 and 34.29% in 2013. Concerning competition among resellers, currently there are seven resellers in Thailand who granted authorization from Apple and operate the business in the same manner as the Company. However, each reseller cannot open same type of stores at the same location and required to submit application for an approval from Apple before opening new branches. Consequently, to success in the business each reseller have to efficiently manage their own distribution channels in order to serve and accommodate wide range of customers as well as providing better quality services.

Regarding distribution channels, at present, the Company has 17 branches mostly located in prime area of Bangkok and the company also has 48 Apple corners nationwide with 22 branches in IT City and 26 branches in Big C. Moreover, the Company also provides service centers which offer after sales services for all Apple products to provide one-stop solutions for all customers. Apart from that, most resellers focus more on retails market by opening more branches nationwide while the Company has a wide range of corporate and educational customers since the Company's management engaged in this business for a long period of time.

Furthermore, the Company also creates Apple Education Solution by combining Apple products with other products to serve the institutional customers and the Company provides experienced staffs to support the education. Last but not least, the Company also success in installing the network system for many schools and universities. Consequently, all of these reasons will have played a major role in helping the Company to become a successful leader in the corporate and educational markets.

4. Risk under lease agreement

Since the Company has provided products and services to retail customers through 17 branches (6 iStudios, 1 iShop, 1 iBeat, 9 U•stores) and 3 service centers which are located in shopping malls, office buildings and universities, the Company has to rent and sign lease agreements in both short-term and long-term. Thus, the Company might not be able to renew the contracts or encounter changes in terms agreement that could increase costs to the Company. As of December 31, 2013, one of the Company's branches has the remaining contractual term of 17 years. The others are short-term contracts which are no more than 3 years. However, the management of the Company has been a good partner of leaser for more than 10 years. Therefore, the renewal risk remains low.

5. Risk associate with working capital

As Apple products become more popular particularly when new products are launched, the Company requires a large number of working capital in order to provide sufficient products to all customers. However, the Company has loans outstanding with various banks and the Company may factor its receivables and compounded with fund raising from the initial public offering so as to strengthen its working capital. Apart from that, most of the company's products are sold to cash buyers. Although the Company will focus more on selling to corporate customers, it still remained short cash cycle at 11.38 days for the year 2013 which will help the Company to manage its working capital efficiently.

6. Risk associated with fraud (Operational risk)

The Company needs to distribute the products to branches and from the fact that those products are valuable, mobile and desirable, the Company might face fraud from operational staffs. Therefore, the Company had deployed the internal control and verification system, also inventory system that

is supported by IT. Moreover, the Company assigned branch managers to randomly check the products inventory level on a daily basis, especially high-value products. Accounting officers also perform complete physical inventories counting once a month. Staffs in the branch are responsible for lost items, unless explicit evidence shows the incident is inevitable and not caused by the Company employees. Therefore, the protocol and procedure will limit the loss within the insignificant amount.

7. Risk from relying on management team who are major shareholders of the Company

The Company was established by Mr. Trisorn Volyarngosol and Mrs. Petcharat Volyarngosol who have experiences as Apple reseller and have a good relationship with Apple for more than 20 years, thus the two managements have played an important role in the Company. As a result, the Company may risk from depending on these managements. However, Volyarngosol group still holds 23.87% of the total capital after IPO which is considered to be in a high proportion which can be incentive for the managements. Moreover, the Company has policy to support work as a team and hire more professional staffs by focusing on the Company's efficiency and potential development. Furthermore, the Company clearly defines the scope of duties and responsibilities in the Company's authority table.

Shareholder Structure

As of December 31, 2013 The company has registered capital 200.00 million baht and paid up 200.00 million baht Divided to Ordinary share 400 million shares, at Baht 0.50 par value.

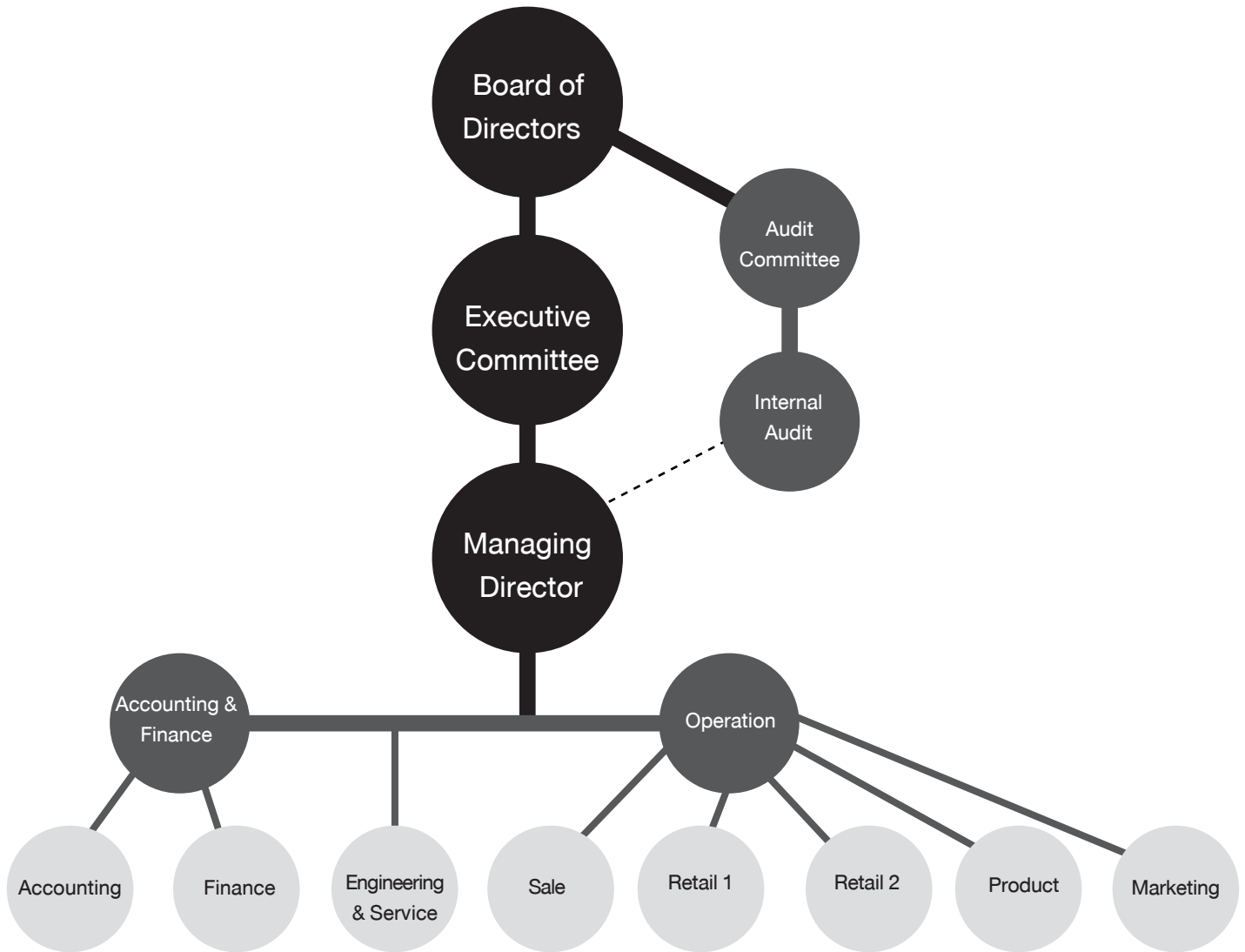
Top Ten Major shareholders as of 31 January 2014 include :

Name of Shareholders	No. of Shares	% of shareholding
1. IT City Public Company Limited	116,000,000	29.00
2. Mrs. Petcharat Volyarngosol	33,294,000	8.32
3. Mr. Trisorn Volyarngosol	25,311,050	6.33
4. Ms. Patchara kiatnuntavimon	11,750,000	2.93
5. Mrs. Pattra Pongpianskul	9,779,863	2.44
6. Mr. Somchai Volyarngosol	8,506,860	2.13
7. Mr. Narathorn Wongvises	7,550,000	1.89
8. Mr. Peerapat Volyarngosol	7,359,668	1.84
9. Ms. Patrinda Volyarngosol	7,359,112	1.84
10. Mrs. Nopparat Kulsuppaisan	5,700,000	1.43
11. Other Shareholders	167,389,447	41.85
Total	400,000,000	100.00

Dividend Policy

The company's dividend policy is to pay dividend not less than 40 percent of net profit after tax. However, the payout ratio may be lower if the company plans to expand its operations.

Management Structure and Corporate Governance



Board of Directors

Name – Last Name	Position
1. Mr. Teera Aphaiwongse	Chairman of the Board and Chairman of Audit Committee
2. Mr. Min Intanate	Director
3. Mr. Narathorn Wongvises	Director
4. Mr. Trisorn Volyarngosol	Director
5. Mrs. Petcharat Volyarngosol	Director
6. Mr. Sujin Suwannagate	Independent Director and Member of Audit Committee
7. Mrs. Susama Rativanich	Independent Director and Member of Audit Committee

Company's Secretary

Mr. Pheerapol Amphan

Authorized Directors

Mr. Narathorn Wongvises or Mr. Min Intanate co-signs with either Mr. Trisorn Volyarngosol or Mrs. Petcharat Volyarngosol together with the Company's seal affixed

Director Meeting Attendance for the year 2013

Director	Board Meeting Attendant / Total Meeting	Audit Committee Meeting Attendant / Total Meeting
1. Mr. Teera Aphaiwongse	4/4	4/4
2. Mr. Min Intanate	4/4	-
3. Mr. Narathorn Wongvises	4/4	-
4. Mr. Trisorn Volyarngosol	4/4	-
5. Mrs. Petcharat Volyarngosol	3/4	-
6. Mr. Sujin Suwannagate	4/4	4/4
7. Mrs. Susama Rativanich	4/4	4/4

Authorized Duties of the Board of Directors

1. Carry out its responsibilities in compliance with all relevant laws and regulations, the Company's objectives and Articles of Association, including the resolutions of the shareholders' meetings honestly and protect interest of the Company;
2. Has the authority to elect Board of Management to perform one or several tasks as assigned by the Board of Directors, appoint Chief Executive Officer and Committees such as the Audit Committee, Nomination and Remuneration Committee as deemed appropriate.
3. Determine objectives, directions, policies, operating plans and budgets of the Company; oversee the administration and management of the Committees or individuals who have been assigned by the Board to be according to the prescribed policy;
4. Review and approve policies, directions, strategies, business plans, annual budget for the business operation, annual expenditure budget and large investment projects of the Company which are proposed by the Board of Management;

5. Monitor that the operations are conforming to implementation plans and budgets.
6. consider and approve other important businesses related to the Company or deem appropriated to benefit the Company. The following transactions can be undertaken only after approval from the shareholders' meeting has been granted. However, it is prescribed that in a transaction where a director or any other person may have a conflict of interest with the Company or its subsidiary (if any) the director is not eligible to vote on the transaction.

- (a) Transactions that by law require the resolution of the shareholders' meeting;
- (b) Transactions in which directors have an interest and are required by law or Stock Exchange of Thailand to be approved by the shareholders' meeting.

The following transactions can be undertaken only after approval from Board of Directors' Meeting and not less than three out of four votes of the attendees who are entitled to vote in the shareholders' meeting.

- (a) Sale or transfer of all or a substantial part of the Company;
- (b) Purchase or acquisition of another company or a private company
- (c) Make, amend or terminate agreement relating to all or substantial part of business of the Company, assign a third party to manage the businesses of the Company, or merge the business with other juristic person with objective to share profits;
- (d) Amendment in memorandum of association or regulations;
- (e) Increase, or decrease in capital, bond issuance, merger or dissolution of the Company.

Executive Committee

Name-Surname	Position
Mr. Min Intanate	Executive Chairman
Mr. Trisorn Volyarngosol	Managing Director
Mrs. Petcharat Volyarngosol	Vice President – Operations
Mr. Pheerapol Amphan	Vice President – Accounting & Finance

Authorities and Responsibilities of the Executive Board

1. Propose objectives, policies, business plans and strategies, and annual budget of the Company to be considered by the Board of Directors;
2. Monitor business operations of the Company to be in accordance with policies, implementation plans and budgets approved by the Board of Directors
3. Approve normal business transactions of the Company under the investment or budget approved by the Board of Directors. The amount for each transaction must be within the given authority approved by the Board of Directors;
4. Present organizational structure, number of manpower and management authority to the Board of Directors for approval;
5. Consider and adjust bonuses for employees ranking below Managing Directors and approve manpower which is not included in the annual budget;
6. Has the power to appoint or hire a consultant regarding the administration within the organization to create utmost efficiency;

7. Consider profit and loss of the Company, proposed interim dividends or annual dividends to the Board of Directors for approval;
8. Has the power to authorize any person(s) to carry out a task under the supervision of the Board of Management or delegate authority to the person(s) as deemed appropriate by the Board of Directors and within the period deemed appropriate. The Board of Directors may dismiss, withdraw, change or reassign the authorized person(s) or the delegation of authority as appropriate;
9. Perform other duties as assigned by the Board of Directors from time to time.

The Board of Directors may delegate one or more director(s) or any other person to carry out particular activities on behalf of the Board. However, this delegation excludes the authorization or sub-authorization of the director(s) or appointee(s) in the approval of transactions with potential conflict of interest (as defined by the Notification of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies) with the Company or its subsidiaries and/or related companies. The Board of Management will not have authority to act in this matter. The matter will have to be proposed to the Board of Directors Meeting and/or shareholders meeting (as the case may be) for consideration and approval. There is exception for a transaction in accordance with normal business and commercial operation as prescribed by the SEC and/or the Stock Exchange of Thailand and/or related agencies.

Audit Committee

Name-Surname	Position
Mr. Teera Aphaiwongse*	Chairman of the Audit Committee
Mr. Sujin Suwannagate *	Member of the Audit Committee
Mrs. Susama Rativanich	Member of the Audit Committee

Remarks: * is a Director who has sufficient knowledge and experience to be able to ensure the reliability of financial statements.

Secretary of the Audit Committee

Ms. Yupa Benchawikai

Authorities and Responsibilities of the Audit Committee

1. Review the Company's financial reporting process to ensure accuracy and adequacy;
2. Review that the Company has appropriate and efficient internal control and internal audit systems, determine the independence of the internal audit unit independence, as well as recommend the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of an internal audit;
3. Review the Company's compliance with the securities and exchange law, regulations of the Exchange and other laws relating to the Company's businesses;
4. Consider, select, nominate and recommend the remuneration of an independent person to be the Company's auditor, as well as attend a non-management meeting with the auditor at least once a year;
5. Review related transactions or those of possible conflict of interest to ensure they are compliant with all relevant laws and regulations of the Exchange, and that they are reasonable and of maximum benefit to the Company
6. Prepare and disclose in the Company's annual report, a report on the Audit Committee's monitoring activities which must be signed by the Chairman of the Audit Committee 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 securities and exchange laws, regulations of the Exchange or laws pertinent to the Company's businesses,

- d) An opinion on the suitability of an auditor,
- (e) An opinion on transactions that may lead to conflicts of interests,
- (f) The number of the audit committee meetings, and the attendance of such meetings by each committee member,
- (g) An opinion or overview received by the audit committee through the performance of its duties as defined in the committee's charter,
- (h) Other transactions according to the audit committee's opinion, should be disclosed to the shareholders and general investors within the scope of duties and responsibilities assigned by the Company's Board of Directors

7. To perform any other task assigned by the Company's Board of Directors and agreed by the Audit Committee

Management Team

Name-Surname	Position
1. Mr. Trisorn Volyarngosol	Managing Director
2. Mrs. Petcharat Volyarngosol	Vice President – Operations
3. Mr. Pheerapol Amphan	Vice President – Accounting & Finance
4. Mrs. Duangnapa	Assistant Vice President – Product Management
5. Mr. Pongsakorn Boonsrimuang	Senior Manager – Engineering and Service
6. Mr. Pairoj Ullisnant	Senior Manager – Retail 1



Authorities and Duties of the Managing Director

1. Supervise, administer and operate normal business operations for the benefit of the Company and in accordance with the Company's objectives and regulations, as well as rules, resolutions, policies, plans and budgets approved by the Board of Directors Meeting and/or the Shareholders' Meeting under the relevant laws and authority prescribed by the Board of Directors;
2. Supervise and/or manage daily business operation of the Company;
3. Prepare and present business policies, business plans, operational plans and goals, business strategies, annual budgets for business operation, annual expenditure budget and determine management authority for presentation to the Board of Management and the Board of Directors;
4. Adopt policies of the Board of Directors in order to determine directions, strategies and business goals so as to define core missions for implementation of the management team;
5. Supervise, monitor and follow up on performance of the management and operation teams, provide suggestions and solutions to problems so that they can implement the strategies and plans laid in accordance with the Company's policies;
6. Monitor and evaluate performance of the management and operation teams, report progress of the management and operation to the Board of Management, the Audit Committee and the Board of Directors on regular basis;
7. Issue orders, regulations, notifications and memorandum of understandings to ensure that the operations are conforming with policies and interest of the Company as well as to maintain discipline within the organization;
8. Determine management directions to cover details for selection, training, hiring and dismissal of employees, rates of wages, salaries, commissions, bonuses and welfares for employees within the framework approved by the Board of Directors;
9. Has the power to appoint and dismiss employees of the Company in positions lower than Director;
10. Has the authority to approve expenses for normal business operations such as purchasing of assets, important investment for the benefit of the Company and other transactions for the benefit of the Company. Managing Director is authorized

to approve only normal trade transactions under the budget prescribed in Authority Table that have been approved by the Board of Directors.

Selection of Directors

The selection of Directors of the Company will be made through the shareholders' meeting. The Board of Directors shall consider nominees according to experience, knowledge, skills and attributes required by law as the Company does not have the Nominating Committee to find candidates for Directors. The shareholders' meeting will then elect the Company's directors according to the process prescribed in the Articles of Association.

Compositions and Appointment of the Directors

Compositions, selection, appointment, dismissal or withdrawal of the Company's Directors are prescribed in the Company's Articles of Association and can be summarized as follows:

1. The Board of Directors of the Company will comprise not less than 5 members whose appointment has been approved by the shareholders' meeting and not less than half of the directors must reside in Thailand and possess qualifications prescribed by laws.
2. The shareholders' meeting shall elect the directors according to the following rules and procedures:
 - (1) Each shareholder shall be entitled to one vote to one share;
 - (2) Each shareholder must exercise his/her votes to elect one or several directors. In case of voting for several directors, shareholder cannot distribute the votes among nominees.
 - (3) Nominees who receive the largest number of votes, in descending order, shall be elected to the Board until the vacancies are filled. In the event of nominees receiving equal votes and exceeding the number of vacancies to be filled, the chairman of the meeting shall cast the deciding vote
3. At every annual general meeting of shareholders, one-third of the directors shall retire. If one-third is not a round number, the number closest thereto shall be the applicable number. The directors to vacate office within the first and second year following company registration shall draw lots. In subsequent years, the directors serving the longest shall resign. The directors who vacate office are eligible for re-election by shareholders.

4. Any director who wishes to resign from office, shall submit a letter of resignation to the Company. The resignation shall be effective on the date when the Company receives the letter.

The director who wishes to resign as above, may notify the Registrar of his resignation.

5. In the event that a position of director becomes vacant for any reason other than the end of the office term, the Board of Directors shall, on the next board meeting, appoint a qualified person, with qualifications according to the Public Limited Companies Act and/or Securities and Stock Exchange Laws, to be a new director, except if such remaining office term is less than 2 months. The replacement director shall hold office only for the remainder of the office term of the director whom he replaces

The resolution of the Board of Directors pursuant to the first paragraph must be approved by the votes of not less than three-fourths of the number of the remaining directors. The shareholders' meeting may remove a director from office before the end of term with a resolution of not less than three-fourths of the total votes of shareholders attending the meeting and eligible to vote and altogether holding not less than one-half of the total number of all shares held by the shareholders, attending the meeting and eligible to vote

Compositions and Appointment of Independent Director

The Board of Directors shall jointly consider qualifications of the candidates for Independent Director basing on qualifications and prohibitions according to the Public Limited Companies Act, Securities and Stock Exchange Laws, Notifications of SEC and/or related rules and regulations. In addition, the Board of Directors will select candidates for Independent Directors from qualified persons who have working experience and suitable skills to be proposed to the shareholders' meeting. Regarding this, the Company has a policy to appoint Independent Directors at least 1 in 3 of the total number of Directors and not less than 3 persons.

Compositions and Appointment of Audit Committee

The Board of Directors will appoint at least 3 members to the Audit Committee and each member must be an independent director. The Audit Committee members must possess the qualifications stipulated by the securities and exchange laws, notifications, rules and/or regulations of the Stock Exchange of Thailand that prescribes the qualifications and scope of responsibilities of the Audit Committee. In addition, the Audit Committee shall possess the

following additional qualifications:

1. Not being a Director appointed by the Board to make decision on operations of the Company, its subsidiaries, joint companies, subsidiaries, affiliate or entities that may have conflict of interest;
2. Not being a Director of a holding company, subsidiary or affiliate of the same level that is listed in stock exchange;
3. Possess sufficient knowledge and experience to be able to act as Audit Committee. At least one of the members of the Audit Committee must be knowledgeable and experienced enough to be able to review the reliability of financial statements.

The term of Chairman and member of Audit Committee shall be valid until end of their term as Directors of the Company.

Upon completing their term, Chairman and member of the Audit Committee are eligible for re-election by shareholders.

Remuneration of Directors and Management Team

- Monetary Remuneration

Remuneration of Directors

Name-Surname	Year 2012		Year 2013	
	Remuneration	Meeting Allowance**	Remuneration	Meeting Allowance**
1. Mr. Teera Aphaiwongse*	300,000	5,000	1,800,000	20,000
2. Mr. Min Intanate	380,000	5,000	480,000	20,000
3. Mr. Narathorn Wongvise	1,080,000	5,000	480,000	20,000
4. Mr. Trisorn Volyarngosol	-	5,000	-	20,000
5. Mrs. Petcharat Volyarngosol	-	5,000	-	15,000
6. Mr. Sujin Suwannagate*	100,000	5,000	600,000	20,000
7. Mrs. Susama Rativanich*	100,000	5,000	600,000	20,000
Total	1,960,000	35,000	3,960,000	135,000

Remarks* Director who has been appointed by the Board of Directors Meeting No. 3/2555 on 29th October 2012

** Meeting Allowances in 2012 are recorded as expenses in Q1 of 2013

Remuneration of Management Team

The Company paid remuneration of 16.44 million baht and 17.03 million baht to the management team in 2012 and 2013 respectively. The remuneration includes salary, bonus and other welfares.

	Year 2012		Year 2013	
	No. of the Executives (Person)	Remuneration (Baht)	No. of the Executives (Person)	Remuneration (Baht)
Salary	6	9,851,940.00	6	10,342,360.00
Bonus	6	2,363,685.00	6	2,176,270.00
Other Welfares	6	4,224,638.07	6	4,516,736.09
Total		16,440,263.07		17,035,366.09

Other remunerations

The Annual General Meeting of Shareholders for the Year 2013 on 26th March 2013 had a resolution to approved the Company to issue new 5,500,000 ordinary shares to be offered to Directors and employees of the Company at a price equal to the offering price to the public and at the same time of the IPO. Details of allocation of the newly-issued shares to the Directors and Executives are as follows

Name-Surname	Position	Number of Allotted Shares	Percentage of the Total Shares being offered to Directors and Employees
1. Mr. Teera Aphaiwongse	Chairman of the Board and Chairman of Audit Committee	400,000	7.27
2. Mr. Min Intanate	Director	300,000	5.45
3. Mr. Narathorn Wongvises	Director	300,000	5.45
4. Mr. Trisorn Volyarngosol	Director and Managing Director	300,000	5.45
5. Mrs. Petcharat Volyarngosol	Director and Vice President – Operations	300,000	5.45
6. Mr. Sujin Suwannagate	Independent Director and Member of the Audit Committee	300,000	5.45
7. Mrs. Susama Rativanich	Independent Director and Member of the Audit Committee	300,000	5.45
8. Mr. Pheerapol Amphan	Vice President – Accounting & Finance	300,000	5.45
9. Mrs. Duangnapa	Assistant Vice President – Product Management	120,000	2.18
10. Mr. Pongsakorn Boonsrimuang	Senior Manager – Engineering and Service	100,000	1.82
11. Mr. Pairoj Ullisnant	Senior Manager – Retail 1	120,000	2.18

Corporate Governance

The Company considers good corporate governance to be important as it is a vital mechanism that can lead the Company to effective and transparent management. This will create trust and confidence among shareholders, investors, stakeholders and all concerned parties. Good corporate governance is a tool to add value, create competitiveness as well as promote sustainable growth of the company in the long run.

Chapter 1 The Rights of Shareholders

The Company realizes and gives importance to various basic rights of the shareholders, such as to buy, sell or transfer shares; to obtain relevant and adequate information on the Company; to participate and vote in the shareholders' meetings to elect or remove Directors of the Company, to appoint the external auditor, to make decisions on important issues, such as dividend payment, amend of the Company's Memorandum of Association and Articles of Association and increase or decrease of capital etc.

Apart from the various basic rights of the shareholders mentioned above, the Company implemented many actions to promote and facilitate the exercise of the shareholders' rights, as follows

1. The Company sent an invitation notice to the shareholders at least 7 days before the meeting date or within the period specified by the SEC or SET. The notice would inform the date, time, place and agenda of the meeting and opinions of the Board of Directors as well as comprehensive information relating to agenda to be decided in the meeting.
2. In the case where the shareholders are unable to attend the meeting, they are entitled to appoint any person or an independent director as their proxy, using the proxy forms, enclosed with the notice of the meeting, to join the meeting and vote on their behalf.
3. The Company provides the shareholders with an opportunity to ask, express their opinions and suggestions freely during the meeting.

4. After the meeting, the Company would make minutes of the meeting which record all and accurate details of the meeting so that the shareholders can verify its accuracy.

In addition, shareholders will receive information through other channels including electronic media of SET, the Company's website, announcements in Newspapers according to the Public Limited Company Act. In this regard, the Company also has a policy to request the Board of Directors, especially Chairman of Committees such as Audit Committee to jointly attend the shareholders' meeting in order to provide clarifications or answers to inquiries of the shareholders in the meeting.

Chapter 2 The Equitable Treatment of Shareholders

The Board of Directors has a policy to promote the equitable treatment to every individual shareholder, whether Director or non-Director, Thai or foreign, major or minor, to ensure equality and fairness. After the IPO and became a listed company on the SET, the Company has a policy to increase alternatives for shareholders, who cannot attend the meeting in person, to appoint an independent director or other individual to attend a meeting and cast vote on their behalf as well as offer opportunity for shareholders to nominate persons to serve as directors in advance within a reasonable time.

The meeting will be proceeded according to regulations of the Company and agenda. Details of each agenda for consideration will be presented to the meeting thoroughly and comprehensively. Moreover, the meeting will not include additional agenda without prior notification to shareholders unnecessarily, especially important agenda that shareholders need to take time to study before making a decision.

The Board of Directors has taken measures to prevent wrongful use of inside information (Insider Trading) of individuals involved, such as Directors, executives and employees as well as their spouses and immature children. The Board also imposes penalties on disclosing of Company's date or using the information for personal benefit according to Anti Insider Trading Policy and educates Directors and executives of the Company about their obligation to report their holding of the Company's securities or their spouses and immature children and change in the holding of the Company's securities to the SEC according to Section 59 of Securities and Exchange Act B.E. 2535

Chapter 3 The Role of Stakeholders

The Company respects the rights of all stakeholders and treated them fairly as follows:

1 Employees: The Company aims to provide both skill development and training to employees on continuous basis as we realize that all employees are one of the key factors that contribute to success, progression and sustainable growth of the Company. Moreover, the Company also treats and provides rights to all employees fairly and equally.

2. Business: Partners and Creditors: The Company adheres to good business practice and strictly complies with commercial terms and/or agreements with business partners and creditors with regard to equality and mutual benefit as well as develops tighter relationship with partners.

3. Customers: The Company strives to achieve customers' satisfaction and confidence by keep on improving products and services as well as maintaining good relationships, integrity and fairness.

4. Competitors: The Company treats competitors in accordance with international standard under legal frameworks on fair trade competition, adheres on conduct business with fair and good ethics and does not have a policy to acquire information of competitors illegally and contrary to ethics

5. Communities and Society: The Company realizes its responsibilities towards the communities and society by conducting activities and participating in social services such as provide educational activities for instance.

Chapter 4 Disclosure and Transparency

The Board of Directors recognizes the importance of accurate and transparent disclosure of information, both financial and non-financial, as stipulated by the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other significant information that may affect the price of the Company's securities and influence the decision-making process of investors and stakeholders. This is to enable related parties to learn information equally. After the IPO and became a listed company on the SET, the Company disseminates information on the Company to the shareholders, investors and general public through various channels of the Stock Exchange of Thailand and the Company's website.

The Board of Directors is responsible for the accuracy, completeness and rationality of consolidated financial statements of the Company which are reported in conformity with generally accepted accounting principles and prepared according to on the appropriate accounting policy with consistency and adequate disclosures in the notes in financial statements. In addition, the Board of Directors will maintain effective internal control system to ensure, with reasonably, that the accounting records are accurate, complete, and sufficient. In order to identify weaknesses and prevent fraud or abnormal operation which create significant adverse impact on the business, the Company set up Audit Committee, which consists of members who are not director of the Company, to audit financial reports, related transactions and internal control. The Audit Committee would report directly to the Board of Directors.

As for investor relations, the Company has not yet set up a specific unit for this purpose but has assigned Managing Director to specifically handle investor relations with whom investors can contact and provide complete, accurate and thorough information to investors, analysts and other related agencies.

Chapter 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Company's Board of Directors comprises of knowledgeable and competent persons with experiences in management level from various organizations so that they can utilize their experience and expertise to develop policy and business direction of the Company effectively and bring utmost benefits to the Company and shareholders. Regarding this, the Board of Directors plays a major role in determining policy and overview of the organization, regulating, monitoring and evaluating performance of the management and operations of the Company to be in accordance with the plan.

The structure of Board of Directors consists of one-third of Independent Director. The Board composes of 7 directors, 2 of whom are managing directors and 5 non-managing directors (including Chairman of the Board) and 3 Audit Committees. In addition, the Board of Directors also appointed various committees to assist in the operations of the Company.

1.1 The Company's Board of Management consists of 4 managing directors who determine business guidelines and strategies to be in accordance with the objectives set by the Board of Directors and facilitate the administration.

1.2 The Audit Committee comprises of 3 members to perform specific duties and propose issues to the Board of

Directors for consideration and acknowledgement. The Audit Committee has the rights and duties as set out in the Scope of Responsibilities of the Audit Committee. At least one of the members of the Audit Committee must be knowledgeable and experienced enough to be able to review the reliability of financial statements

The Board of Directors has a policy which states that Chairman and Managing Director must not be the same person in order to separate their responsibilities between policy setting, supervision and management of daily operation. Regarding this, the Company has clearly distinguished the roles and responsibilities of the Board of Directors from those of management. The Board of Directors is responsible for setting policies and supervising the performance of the management. Meanwhile, the management is responsible for managing the Company's operations in line with the policies.

2. Roles, Duties and Responsibilities of the Board of Directors

The Company stipulates that the Board of Directors shall comply with Code of Best Practices for directors of listed company under the guidelines of the SET. The Board must understand and be aware of their roles and responsibilities as well as carry out their assignment in accordance with laws, objectives, regulations of the Company and resolutions of the shareholders' meeting with honesty, integrity, taking into account the interests of the Company and shareholders. Regarding this, the Board of Directors would act as the policymaker who determine business targets operating plans and budgets of the Company as well as supervise the management team to implement the business according to the specified policies, plans and budgets effectively and efficiently for utmost benefit of the Company and shareholders.

3. Board of Directors' Meetings

The Board of Directors has a policy that the Board of Directors shall hold a meeting at least once every 3 months. In addition, a special meeting can be called if it is deemed necessary. Agenda items shall be clearly defined and the meeting documents are sent 7 days in advance to allow sufficient time for their review by the directors prior to the meeting. Each meeting is recorded and the minutes together with the approved documents are stored as reference and for future inspection.

4. Remuneration of Directors and Management Team

The Company has a policy to remunerate Directors and management team at an appropriate level which is sufficient to attract the Directors and management team

with the Company. The remuneration is at comparative rates when compare to other companies' remuneration within the same industry. Factors to be considered include experience, duties, roles and responsibilities of the Directors. Moreover, the remuneration of the Directors must be approved by the general meeting of shareholders. Meanwhile, remuneration of management team must comply with the principles and policies set by the Board of Directors, which is also based on obligations, responsibilities and performance of each management as well as the operating results of the Company.

5. Development of Directors and Management Team

The Board of Directors has set up policies to promote and support training and education to the related parties in the governance of the Company, including Directors, Audit Committee, management team and Corporate Secretary in order to continuous enhance their effectiveness, especially training courses of Thai Institute of Directors Association (IOD).

Supervision on Inside Information Utilization

1. Directors, management and employees are disallowed to disclose or take advantage of confidential and/or internal information of the Company for the benefits of themselves or any other person, whether directly or indirectly.

2. Directors, management and employees of the Company as well as their spouses and immature children are prohibited from using internal information of the Company, that has or may have an impact on the price of the securities of the Company and which has not been disclosed to the public, to buy, sell, offer for sale, or persuade others to buy, sell or offer for sale of securities of the Company, whether directly or indirectly before the information is revealed to the public, whether such action is done for the benefit of themselves or others or allow others to do so for their benefits. Violators will be punished according to disciplinary action specified by the Company.

3. The Company has informed management team to understand and acknowledge their obligation to report their holding of the Company's securities or their spouses and immature children and change in the holding of the Company's securities to the SEC according to Section 59 of Securities and Exchange Act B.E. 2535

4. Directors, management and employees of the Company as well as their spouses and immature children are prohibited from trading the Company's securities for 1

month prior to the public disclosure of the Company's financial statements.

Regarding this, the Company has notified the Directors, management team and employees to acknowledge the above mentioned requirements.

Human Resource Development Policy

The company places great emphasis on training and development of employees and established a training division to particularly handle training for employees. The objectives are to develop specialized and technical knowledge, skills and experience of employees. These knowledge are the cornerstone of human development, allowing them perform assignments effectively and prepare the employees towards their career goals. This process will, in turn, strengthen operations of the Company.

The Company is providing the following trainings to employees:

Training Course for New Employees: to prepare the employees for their new workplace

1. New employees' orientation to provide information about the Company;
2. Provide sales skills training including customer service techniques and techniques for creating better experience for customers;
3. Products knowledge and demonstrations including knowledge on product innovation;
4. Training from real situations

Advance Training Course: to review knowledge for employees in each position

- Provide training for the training staffs
- Provide training for cashiers
- Provide training for demonstrating staffs

Besides, the Company also encourages employees to take outside training courses, and sit for certification exam held by brand owners, such as Apple, in order to develop specific skills in their profession continuously. This would improve competitiveness of the Company.

Related Transactions

List of related business, relationship, data of related transaction, including pricing policy based on trade transactions are disclosed in the notes to the annual financial statements ended 31st December 2013 under Item 7 of Notes to the Financial Statements: Transactions with related parties. In this regard, the Company would implement the following policy

Necessity and Reasonableness of the Related Transaction

The Audit Committee of the Company has considered information of related transactions and acknowledged that the transactions are necessary and that the transactions are made with reasonableness with purpose to create utmost benefit for the Company and in line with normal course of business.

The Process of Approving the Transaction

The Company has taken measures when making related transactions with individuals who may have conflict of interests with the Company by requesting the Audit Committee to make comments regarding the necessity of the transactions, the justification and appropriateness of the costs of the transactions by considering conditions in accordance with normal course of business based on appropriate market price and conditions. In case that the Audit Committee does not have expertise to consider the related transactions, the Company shall assign individuals with specific expertise, such as auditors, appraisers or legal office, who are independent from the Company and persons who may have conflicts of interests with the Company, to comment on such transactions so as to the Audit Committee may make consideration based on the comments and propose to the Board of Directors' Meeting or shareholders' meeting, as the case may be.

In addition, the Company has stipulated that the management team or stakeholders, who may have direct or indirect conflict of interest in that related transaction, are not allowed to take part in the approval of such item. Moreover, the Board of Directors shall ensure that the Company complies with the laws on securities and exchanges, regulations, announcements and notifications issued by the SEC as well as requirements on the disclosure of related party transactions, acquisition or disposition of important assets of the Company or its subsidiaries, and adhere to generally accepted accounting principles set by the Federation of Accounting Professions and Certified Public Accountant of Thailand. The transaction would be disclosed in the notes to financial statements that have been audited or reviewed by the auditors of the Company.

Trends of Related Transactions in the Future

The Company may continue to execute related transaction in the future which shall be in line with normal course of business based on appropriate market price and conditions. In this regard, the Company would stipulate a clear policy on related transactions which have to be in line with normal course of business as similar to a transaction for an unrelated

individual and/or company such as selling and buying of products, rendering or providing services etc. The related transactions are only made out of necessary to run business operation of the Company and for the benefit of the Company. Regarding this, the Audit Committee would monitor whether the transactions are complied with the rules and give opinions on reasonableness of the transactions on quarterly basis.

For related transactions that are not in the ordinary course of business which may occur in the future, the Company would arrange the Audit Committee to review guidelines and give comments on appropriateness of the transactions before the Company enters into that transactions. The implementation shall be made in accordance with the measures and procedures as specified above. Nonetheless, related transactions may cause conflicts of interest in the future. Hence, the Board of Directors shall comply with the laws on securities and exchanges, regulations, announcements and notifications issued by the SEC as well as requirements on the disclosure of related party transactions, acquisition or disposition of important assets of the Company or its subsidiaries, and adhere to generally accepted accounting principles set by the Federation of Accounting Professions and Certified Public Accountant of Thailand.

Employees

As at 31 December 2013, the Company employs a total of 335 employees (exclusive of 6 executives), which can be divided into 350 full time employees and 15 part time employees with the details as follows:

Department	Full Time Employee (Person)	Part Time Employee (Person)	Total
1. Accounting	13	-	13
2. Finance	10	-	10
3. Marketing	5	-	5
4. Sales	28	-	28
5. Retail 1 , 2	214	15	229
6. Engineering & Service	20	-	20
7. Product Management	27	-	27
8. Business Development	4	-	4
9. Human Resource	3	-	3
10. Training	3	-	3
11. Administration	6	-	6
12. Internal Audit	2	-	2
Total	335	15	350



Internal Controls

The Company recognizes the importance of internal controls, which are necessary to help prevent harm that may result from the operation and exploitation of the executives and employees.

During the meeting of the Board of Directors on 10 February, 2014, the Audit Committee, together with management of the Company, reviewed and evaluated the internal control systems utilized in 2013 in order to assess the adequacy of the internal control systems established by the Securities and Exchange Commission (SEC). The Audit Committee reported, freely and independently, that they found no conflicts. The important items discussed are as follows:

1. Organization Control and Environment Measure
2. Risk Management Measure
3. Management Control Activities
4. Information and Communication Systems Measure
5. Monitoring

The Board is of the opinion that the Company has an adequate system of internal controls to address the five areas of operation stated above, and that they will be effective in preventing corruption and wrongful use of company assets.



List of Directors and Controlling Persons in the Company

Name		Related Company																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Mr. Teera Aphaiwongse	X,AC																												
Mr. Min Intanate	/,C			/	/,C	/	X	/,C	/	/	/		/	/	/	/	/	/	/	/	/	/	/,///	/	/	/	/	/,C	
Mr. Narathorn Wongvises	/											X										/							
Mr. Trisorn Volyarngosol	/,///,///	/	/																										
Mrs. Petcharat Volyarngosol	/,//,*	/	/																										
Mr. Sujin Suwannagate	/,AC						/																						
Mrs. Susama Rativanich	/,AC																												
Mr. Pheerapol Amphan	//,*																												
Mrs. Duangnapa Volyarngosol	**	/																											
Mr. Pongsakorn Boonsrimuang	***																												
Mr. Pairoj Ulisnant	***																												

Note X = Chairman of the Board C = Executive Chairman AC = Audit Committee
 / = Director // = Executive Committee /// = Managing Director
 * = Vice President ** = Assistant Vice President *** = Senior Manager

Related Company :

1. S P V Digital Service Co., Ltd.
2. S P V Advance Corporation Limited
3. Advanced Research Group Co., Ltd.
4. Core and Peak Co., Ltd.
5. D2 Systems Co., Ltd.
6. D&B (Thailand) Co., Ltd.
7. Siam City Leasing And Factoring Public Company Limited
8. Business Online Public Company Limited
9. Probusiness Development Co., Ltd.
10. Pro Multi Service Co., Ltd.
11. Pro Management Solution Co., Ltd.
12. PCC International Co., Ltd.
13. Pan Pacific Consultant Co., Ltd.
14. Master Link Co., Ltd.
15. Master Vision Co., Ltd.
16. Lease It Public Company Limited
17. Venture Profile Co., Ltd.
18. ACONSULTANT Co., Ltd.
19. ANEW Corporation Ltd.
20. ANET Co., Ltd.
21. ABIKS Development Co., Ltd.
22. S.P.N. Enterprises Co., Ltd.
23. SVOA Public Company Limited
24. AR Elastomer Co., Ltd.
25. A.R. Accounting Consultant Co., Ltd.
26. ARIT Co., Ltd.
27. ARIPPublic Company Limited
28. IT City Public Company Limited

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Necessity and Reasonableness of the Related Transaction

The Audit Committee of the Company has considered information of related transactions and acknowledged that the transactions are necessary and that the transactions are made with reasonableness with purpose to create utmost benefit for the Company and in line with normal course of business.

The Process of Approving the Transaction

The Company has taken measures when making related transactions with individuals who may have conflict of interests with the Company by requesting the Audit Committee to make comments regarding the necessity of the transactions, the justification and appropriateness of the costs of the transactions by considering conditions in accordance with normal course of business based on appropriate market price and conditions. In case that the Audit Committee does not have expertise to consider the related transactions, the Company shall assign individuals with specific expertise, such as auditors, appraisers or legal office, who are independent from the Company and persons who may have conflicts of interests with the Company, to comment on such transactions so as to the Audit Committee may make consideration based on the comments and propose to the Board of Directors' Meeting or shareholders' meeting, as the case may be.

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The Company may continue to execute related transaction in the future which shall be in line with normal course of business based on appropriate market price and conditions. In this regard, the Company would stipulate a clear policy on related transactions which have to be in line with normal course of business as similar to a transaction for an unrelated individual and/or company such as selling and buying of products, rendering or providing services etc. The related transactions are only made out of necessary to run business operation of the Company and for the benefit of the Company. Regarding this, the Audit Committee would monitor whether the transactions are complied with the rules and give opinions on reasonableness of the transactions on quarterly basis.

For related transactions that are not in the ordinary course of business which may occur in the future, the Company would arrange the Audit Committee to review guidelines and give comments on appropriateness of the transactions before the Company enters into that transactions. The implementation shall be made in accordance with the measures and procedures as specified above. Nonetheless, related transactions may cause conflicts of interest in the future. Hence, the Board of Directors shall comply with the laws on securities and exchanges, regulations, announcements and notifications issued by the SEC as well as requirements on the disclosure of related party transactions, acquisition or disposition of important assets of the Company or its subsidiaries, and adhere to generally accepted accounting principles set by the Federation of Accounting Professions and Certified Public Accountant of Thailand.

Management Discussion and Analysis

An overview of operating results

The total revenue of the company in the past 2 years increased from 2,219.92 million Baht in 2011 to 2,520.08 million Baht in 2012, representing a growth of 13.52%. In 2012, 99.37% of total revenue is product sale, the remaining 0.09% is from service. In 2013 the total revenue is 2,304.85 million Baht, a decrease from 2012 by 215.23 million Baht, or 8.54%. Total revenue in 2013, 98.80% of total revenue comes from product sales, 0.85% from service and the remaining 0.35% is from other sources.

Revenues	2011		2012		2013	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenues from Apple Products	1,994.97	89.87	2,318.51	92.00	2,081.01	90.29
Revenues from Non-Apple Products	212.28	9.56	185.68	7.37	196.04	8.51
Total Revenues from Sales	2,207.25	99.43	2,504.19	99.37	2,277.05	98.79
Service Income	12.21	0.55	13.55	0.54	19.62	0.85
Other Income	0.45	0.02	2.34	0.09	8.18	0.35
Total Revenues	2,219.91	100.00	2,520.08	100.00	2,304.85	100.00

In 2011 and 2012, revenue from Apple products was 1,994.97 and 2,318.51 millions Baht accordingly, a 16.22% growth from 2011. Revenues from iPhone 5 and iPad mini significantly contributed in the growth. In 2013, revenue from Apple products declined to 2,081.01 millions Baht, a decrease by 10.24% from previous year due to the market trends, where computers are being replaced with mobile devices. As a result, the Company turns to focus on Corporate customers, which accounted up to 17.48% and 21.98% of total revenue in 2012 and 2013 accordingly.

The revenue from selling non-Apple branded products was 212.28 and 185.68 millions Baht in 2011 and 2012, a decrease of 12.53% year-over-year. This is due to the Company focuses on selling high price and quality products. In addition, the decreased in sales is also due to weaker purchase from the digital-graphics product segment. In year 2012 and 2013, revenue from non-Apple branded products increased from 185.68 millions Baht to 196.04 millions Baht, which is a 5.58% increase. The growth in sales is due to new product launched such as, Epson printers, promotions on existing Epson printer models, and new software for printers. Furthermore, sales of computer products to corporate customers were also increased.

Revenues from Sales	2011		2012		2013	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Revenues from Apple Products						
- Computer	1,298.19	58.48	846.65	33.60	640.11	27.77
- iOS Devices	621.69	28.01	1,380.08	54.76	1,315.11	57.06
- Apple Accessories	75.09	3.38	91.78	3.64	125.79	5.46
Total	1,994.97	89.87	2,318.50	92.00	2,081.01	90.29
Total Revenues from Non-Apple Products						
- Accessories	159.22	7.17	133.90	5.31	134.52	5.84
- Professional Graphics	44.70	2.01	29.47	1.17	44.51	1.93
- Software	7.60	0.34	20.35	0.81	15.25	0.66
- Compute	0.76	0.03	1.96	0.08	1.76	0.08
Total	212.28	9.56	185.68	7.37	196.04	8.51
Total Revenues from Sales	2,207.25	99.43	2,504.19	99.37	2,277.05	98.79

Revenue from services grows 10.95% from year 2011 and 2013, from 12.21 to 13.55 millions Baht.

Revenue from services was 12.21 and 13.55 millions Baht in 2011 and 2013, a 10.95% increase. Majority of services revenue comes from SmartBar, an authorized Apple product service center. Revenue from service increased by 44.80% from year 2012 to 2013 with total revenue of 13.55 and 19.62 millions Baht accordingly.

In year 2011, the Company had net profit of 57.49 millions Baht (2.59%) and 45.87 million Baht (1.78%) in 2012. The decrease in net margin is due to increased cost of sales. These incremental are from increased advertising activities, sales promotions, outsourcing services, and space rental for product promotional sales. In year 2013, the Company obtained net profit of 16.25 million Baht, a 0.71% of total revenue. During the first three quarters of 2013, due to the popularity of iPad mini, the revenue from iPad mini is substantial hence yield the Company a lower profit margin than full-sized iPad models. Apple typically announce new products in the third and fourth quarter. However, in 2013, Apple product announcement only occurred in the fourth quarter; including iPhone 5s, iPhone 5c, and iPad Air. The supply for these models arrived Thailand in late October and November. This results in a lower net profit for year 2013 than the previous year.

Financial Position

As of end of December 2013, the Company posses total asset of 419.12 million Baht, comprise of 11.95% are cash or cash equivalents, 29.25% are trade and other receivables, 37.42% are inventory, 9.46% are equipment. Total liabilities is 149.25 million Baht, in which 96.19% of total liabilities are current liabilities. Equity shares valued at 269.87 million Baht, an increase of 48.07 million Baht compared to 2012. This is due to the 88 million Baht dividend paid and the Company increased its capital from 120 to 200 millions Baht in 2013. The premium on ordinary shares was 39.91 million Baht, obtained from IPO sold to the public. Debt to equity of shareholder, as of 31 December 2013, was decreased from 1.37 to 0.55 per share due to payments made to Apple in order to purchase new products in the end of year period. As a result, the significant decrease in debt to equity of shareholder reflects a strong capital structure.

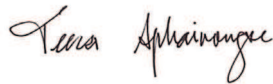


Report of the Board of Directors' Responsibility for Financial Reporting

The Board of Directors is aware of their duties and responsibilities as directors of a company listed on the Stock Exchange of Thailand, which are: to supervise the financial reporting, prepared in accordance with generally accepted accounting practices, to create appropriate accounting policies, and to exercise caution in the preparation of financial reports, including the disclosure of sensitive information.

The Board of Directors appointed the Audit Committee to review financial reports, internal control systems, internal audits, as well as the creation and distribution of interim reports. The opinions of the Audit committee have been included in this annual report.

The Board of Directors is of the opinion that the internal control systems of the Company are at the appropriate level. The Board is confident that the financial statements of the Company are reliable, that they conform to generally accepted accounting practices, and comply with all appropriate rules and regulations.



(Mr. Teera Aphaiwongse)
Chairman of the Board



(Mr. Min Intanate)
Executive Chairman

Audit Committee's Report

The Audit Committee of SPVI Public Company Limited is appointed by the Board of Directors, consists of three independent board members, whose knowledge and qualifications are complied with the directive issued by The Office of The Securities and Exchange Commission. The current committee members are:

Mr. Teera Aphaiwongse ; Chairman of the Audit Committee
Mr. Sujin Suwannagate ; Member of the Audit Committee
Mrs. Susama Rativanich ; Member of the Audit Committee

Ms. Yupa Benchawikai ; Manager of the Internal Audit Department, serves as secretary of the Audit Committee

The Audit Committee has performed the duty as assigned by the Board of Director, in compliance with the charter of auditing. In 2013, there are 4 committee meetings, attended by all members together with the management, internal auditors, and external auditors as required. The details of meetings summarized below, were reported quarterly to the Board of Directors.

Quarterly, Half Yearly and Annually reviews of financial reports with the external auditors and account management team, including information disclosure and accounting policies, as well as the notes and suggestion by the auditors to ensure that the company financial statements and reports are prepared under the general accepted accounting procedure and that the disclosure statements are sufficient and reliable, which the auditor has stated in the report submitted to the Board of Directors and Shareholders. The auditors have audited and freely expressed their opinions.

The Committee considered, suggested and reviewed the plan and results of the internal control audited to assess the adequacy, appropriateness, and effectiveness of the internal control systems. Recommendations were issued to improve the efficiency of internal control and adherence to the rules and regulations set forth by the Company. It is our opinion that the Company internal controls and audit procedures are adequate and continuing to improve.

The Committee reviewed the related parties transactions that might cause a conflict of interest to ensure that they conform with the normal business practices and that there are no items that will have a significant impact on the Company, based on the accepted principles of transparency, including the sufficient disclosure of those transactions in compliance with the requirements of the Stock Exchange of Thailand and the Company's guideline.

The Committee monitored progress on the company practices based on the principle of good corporate governance, to ensure that the internal control system is effective, adequate, and appropriate to the changing business environment.

The Committee proposed that appointment and remuneration of the Auditors, based on their knowledges, experiences and integrity, to the Board of Directors, for approval by the shareholders during the annual general meeting.

The Audit Committee has performed their duties as stated in the charter of audit, approved by The Board of Directors with prudence and independence and has confirmed that the Board of Directors and Executives of the company are committed to achieve company goals with the highest quality of work, emphasizing the important of operating under the effective internal control systems with good corporate governance and transparency in accordance to the guideline of the Stock Exchange of Thailand.



(Mr. Teera Aphaiwongse)
Chairman of Audit Committee

Independent Auditor's Report

To the Shareholders of S P V I Public Company Limited

I have audited the accompanying financial statements of S P V I Public Company Limited, which comprise the statements of financial position as at 31 December 2013, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of S P V I Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My conclusion is not qualified in respect of this matter.

Other matter

The financial statements of S P V I Public Company Limited for the year ended 31 December 2012 (before restatement) were audited by another auditor of our firm who expressed an unqualified opinion under her report dated 1 March 2013.



Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

Ernst & Young Office Limited

Bangkok: 10 February 2014

SPVI Public Company Limited

Statement of financial position as at 31 December 2013

(Unit: Baht)

	Note	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Assets			(Restated)	
Current assets				
Cash and cash equivalents	8	50,084,434	127,058,827	154,566,526
Current investments		2,000,000	-	-
Trade and other receivables	9	122,577,787	122,168,517	55,539,545
Inventories	10	156,844,986	184,068,133	141,426,765
Other current assets	11	18,678,850	28,830,379	33,336,429
Total current assets		350,186,057	462,125,856	384,869,265
Non-current assets				
Restricted bank deposits	12	160,000	160,000	160,000
Equipments	13	39,638,191	40,467,931	33,449,913
Intangible asset - computer software	14	8,097,945	1,978,219	1,075,712
Leasehold right	15	8,052,675	8,512,059	8,971,262
Other non-current assets	16	9,302,324	9,010,035	11,545,066
Deferred tax assets	4	3,685,426	2,458,354	1,428,209
Total non-current assets		68,936,561	62,586,598	56,630,162
Total assets		419,122,618	524,712,454	441,499,427

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

SPVI Public Company Limited

Statement of financial position (continued)

as at 31 December 2013

(Unit: Baht)

	Note	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Liabilities and shareholders' equity			(Restated)	
Current liabilities				
Trade and other payables	17	141,477,877	291,171,851	228,705,503
Income tax payable		-	6,059,046	26,376,736
Other current liabilities		2,080,516	625,088	1,393,467
Total current liabilities		143,558,393	297,855,985	256,475,706
Non-current liabilities				
Provision for long-term employee benefits	18	5,695,444	5,054,135	6,102,201
Total non-current liabilities		5,695,444	5,054,135	6,102,201
Total liabilities		149,253,837	302,910,120	262,577,907
Shareholders' equity				
Share capital	19			
Registered				
400,000,000 ordinary shares of Baht 0.50 each (31 December 2012 and 1 January 2012: 12,000,000 ordinary shares of Baht 10 each)		200,000,000	120,000,000	120,000,000
Issued and fully paid up				
400,000,000 ordinary shares of Baht 0.50 each (31 December 2012 and 1 January 2012: 12,000,000 ordinary shares of Baht 10 each)		200,000,000	120,000,000	120,000,000
Share premium		39,809,592	-	-
Retained earnings				
Appropriated - statutory reserve	20	9,288,685	3,685,775	-
Unappropriated		20,770,504	98,116,559	58,921,520
Total shareholders' equity		269,868,781	221,802,334	178,921,520
Total liabilities and shareholders' equity		419,122,618	524,712,454	441,499,427
		-	-	-

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

SPVI Public Company Limited

Statement of comprehensive income For the year ended 31 December 2013

(Unit: Baht)

	Note	2013	2012
Profit or loss			(Restated)
Revenues			
Sales		2,277,049,642	2,504,189,498
Service income		19,623,951	13,550,612
Other income	21	8,179,487	2,343,632
Total revenues		2,304,853,080	2,520,083,742
Expenses			
Costs of sales		2,075,062,052	2,258,632,666
Costs of services		8,410,254	10,617,059
Selling expenses		116,401,192	115,949,927
Administrative expenses		79,476,612	69,836,058
Total expenses		2,279,350,110	2,455,035,710
Profit before finance cost and income tax expenses		25,502,970	65,048,032
Finance cost		(4,866,302)	(5,160,541)
Profit before income tax expenses		20,636,668	59,887,491
Income tax expenses	23	(4,379,813)	(14,006,677)
Profit for the year		16,256,855	45,880,814
Other comprehensive income for the year		-	-
Total comprehensive income for the year		16,256,855	45,880,814
Basic earnings per share	24		
Profit		0.06	0.19
Weighted average number of ordinary shares (shares)		278,520,548	240,000,000

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

SPVI Public Company Limited

Cash flow statement

For the year ended 31 December 2013

(Unit: Baht)

	2013	2012
		(Restated)
Cash flows from operating activities		
Profit before tax	20,636,668	59,887,491
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	13,995,814	11,151,654
Increase in allowance for doubtful accounts	354,833	146,228
Increase in reduction of inventory to net realisable value	5,139,217	6,188,063
Gain on disposals of equipment	(206,353)	(303,761)
Loss on write-off of equipment	5,445	-
Provision for long-term employee benefits	641,309	600,403
Reversal of provision for long-term employee benefits	-	(1,648,469)
Unrealised gain on exchange	(51,936)	-
Interest income	(845,778)	(718,140)
Interest expenses	2,105,198	1,059,072
Profit from operating activities before changes in operating assets and liabilities	41,774,417	76,362,541
Operating assets (increase) decrease:		
Trade and other receivables	(644,903)	(66,775,200)
Inventories	22,083,930	(48,829,431)
Other current assets	10,619,115	4,506,050
Other non-current assets	(292,289)	2,535,031
Operating liabilities increase (decrease):		
Trade and other payables	(149,642,038)	62,466,348
Other current liabilities	1,455,428	(768,379)
Cash flows from (used in) operating activities	(74,646,340)	29,496,960
Cash received from interest income	726,578	718,140
Cash paid for income tax	(11,085,915)	(35,354,512)
Net cash flows used in operating activities	(85,005,677)	(5,139,412)

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

SPVi Public Company Limited

Cash flow statement (continued)

For the year ended 31 December 2013

(Unit: Baht)

	2013	2012
		(Restated)
Cash flows from investing activities		
Increase in current investments	(2,000,000)	-
Proceeds from disposals of equipment	1,492,285	401,262
Acquisitions of equipment	(13,452,085)	(17,438,847)
Increase in intangible assets	(6,665,708)	(1,271,630)
Net cash flows used in investing activities	(20,625,508)	(18,309,215)
Cash flows from financing activities		
Cash paid for interest expenses	(2,105,198)	(1,059,072)
Cash received from issuance of ordinary shares	118,761,990	-
Dividend paid	(88,000,000)	(3,000,000)
Net cash flows from (used in) financing activities	28,656,792	(4,059,072)
Net decrease in cash and cash equivalents	(76,974,393)	(27,507,699)
Cash and cash equivalents at beginning of year	127,058,827	154,566,526
Cash and cash equivalents at end of year	50,084,434	127,058,827

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

SPVI Public Company Limited

Statement of changes in shareholders' equity For the year ended 31 December 2013

(Unit: Baht)

	Note	Issued and paid up share capital	Share premium	Retained earnings		Total
				Appropriated	Unappropriated	
Balance as at 31 December 2011 - as previously reported		120,000,000	-	-	57,493,311	177,493,311
Cumulative effect of change in accounting policy for income taxes	4	-	-	-	1,428,209	1,428,209
Balance as at 31 December 2011 - as restated		120,000,000	-	-	58,921,520	178,921,520
Dividend paid	26	-	-	-	(3,000,000)	(3,000,000)
Unappropriated retained earnings transferred to statutory reserve	20	-	-	3,685,775	(3,685,775)	-
Total comprehensive income for the year (restated)		-	-	-	45,880,814	45,880,814
Balance as at 31 December 2012		120,000,000	-	3,685,775	98,116,559	221,802,334
Balance as at 31 December 2012 - as previously reported		120,000,000	-	3,685,775	95,658,205	219,343,980
Cumulative effect of change in accounting policy for income taxes	4	-	-	-	2,458,354	2,458,354
Balance as at 31 December 2012 - as restated		120,000,000	-	3,685,775	98,116,559	221,802,334
Share capital issued	19	80,000,000	39,809,592	-	-	119,809,592
Dividend paid	26	-	-	-	(88,000,000)	(88,000,000)
Unappropriated retained earnings transferred to statutory reserve	20	-	-	5,602,910	(5,602,910)	-
Total comprehensive income for the year		-	-	-	16,256,855	16,256,855
Balance as at 31 December 2013		200,000,000	39,809,592	9,288,685	20,770,504	269,868,781

SPVI Public Company Limited

Notes to financial statements

For the year ended 31 December 2013

1. General information

S P V I Public Company Limited (“the Company”) is a limited company incorporated under Thai laws on 6 January 2011 and registered the change of its status to a public limited company under the Public Limited companies Act on 10 April 2013 and domiciled in Thailand. Its major shareholder is IT City Public Company Limited, a company incorporated in Thailand. The Company is principally engaged in the distribution of computers and related accessories. Its registered address is No. 1213/58-59 Soi Ladprao 94 Sriwara Road, Phlapphla, Wangthonglang, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company has changed this accounting policy in this current period and restated the prior year’s financial statements, presented as comparative information, as though the Company had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		Effective date
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2016
TSIC 32	Intangible Assets – Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2016
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
Statements of financial position			
Increase in deferred tax assets	3,685	2,458	1,428
Increase in unappropriated retained earnings	3,685	2,458	1,428

(Unit: Thousand Baht)

	For the year ended 31 December 2013	For the year ended 31 December 2012
Statements of comprehensive income		
Decrease in income tax expenses	(1,227)	(1,030)
Increase in basic earnings per share (Baht)	0.0044	0.0043

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value. The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale. Allowance for diminution in inventory value will be set up for obsolete, slow moving or deteriorated inventories.

5.5 Equipment/Depreciation

Equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	-	5 years
Computer	-	3 years
Office equipment	-	5 years
Furniture and fixtures	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on construction in progress.

5.6 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss (if any). Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives are as follows:

	Useful lives
Computer software	5 years

5.7 Leasehold rights

Leasehold right is amortised on the straight-line basis over the lease period.

5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include company and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.9 Long-term lease agreements

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the Projected Unit Credit Method by an independent actuarial company.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income. The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

5.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.13 Income Tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, debt collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowances for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less the estimated costs to complete the sales; and provision for obsolete, slow-moving and deteriorated inventories that is estimated based on the approximate aging of each type of inventory.

Equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2013	2012	Pricing policy
Transactions with major shareholder (IT City Public Company Limited)			
Sales of goods	305	406	Approximate wholesale market price
Purchases of goods	-	2	Approximate market price
Service fee expenses	2	2	Prices agreed by the parties
Dividends	35	1	At the declared rate
Transactions with related companies			
Sales of goods	4	20	Market price
Purchases of goods	4	9	Market price
Purchases of fixed assets	1	-	Market price
Purchases of intangible assets	6	-	Market price
Management fee	4	7	Prices agreed by the parties
Service expenses	7	5	Prices agreed by the parties
Logistics and distribution fee	6	1	Prices agreed by the parties
Interest expenses	-	1	Interest rate as stipulated in the agreement

As at 31 December 2013 and 2012, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	2013	2012
Trade and other receivables - related parties (Note 9)		
Major shareholder	26,901	57,528
Related companies (related by common shareholders and common directors)	117	639
Total trade and other receivables - related parties	27,018	58,167
Other current assets - prepaid management fee (Note 11)		
Related company (related by common shareholders and common directors)	-	4,000
Total other current assets - prepaid management fee	-	4,000
Trade and other payables - related parties (Note 17)		
Major shareholder	546	1,179
Related companies (related by common shareholders and common directors)	9,221	4,541
Total trade and other payables - related parties	9,767	5,720

Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	2013	2012
Short-term employee benefits	21.4	16.1
Post-employment benefits	0.4	(0.1)
Total	21.8	16.0

Guarantee obligations with related parties

As at 31 December 2013, a total of Baht 200 million (2012: Baht 200 million) of credit facilities granted to the Company by a commercial bank is guaranteed by major shareholder, a related party and directors.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	2013	2012
Cash	896	1,397
Bank deposits	49,188	125,662
Total	50,084	127,059

As at 31 December 2013, bank deposits in savings accounts and fixed deposits carried interests between 0.50 and 1.75 percent per annum (2012: between 0.625 and 1.85 percent per annum).



9. Trade and other receivables

(Unit: Thousand Baht)

	2013	2012
Trade receivables - related parties		
Aged on the basis of due dates		
Not yet due	27,018	57,698
Past due		
Up to 3 months	-	375
Total trade receivables - related parties	27,018	58,073
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	74,558	41,048
Past due		
Up to 3 months	21,061	22,141
3 - 6 months	299	428
6 - 12 months	23	292
Over 12 months	59	186
Total	96,000	64,095
Less: Allowance for doubtful debts	(694)	(339)
Total trade receivables - unrelated parties, net	95,306	63,756
Total trade receivable - net	122,324	121,829
Other receivables		
Other receivables - related parties	-	94
Other receivables - unrelated parties	254	246
Total other receivables	254	340
Total trade and other receivables - net	122,578	122,169

10. Inventories

(Unit: Thousand Baht)

	2013	2012
Finished goods	168,883	190,967
Less: Reduce cost to net realisable value	(12,038)	(6,899)
Inventories - net	156,845	184,068

11. Other current assets

The outstanding balance of other current assets as at 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	2013	2012
Prepaid management fee - related party	-	4,000
Value added tax refundable	15,130	23,406
Others	3,549	1,424
Total other current liabilities	18,679	28,830

12. Restricted bank deposits

The Company pledged fixed deposits at bank totaling approximately Baht 0.2 million (31 December 2012: Baht 0.2 million) with a bank to secure the credit facilities of the Company.



13. Equipment

(Unit: Thousand Baht)

	Leasehold improvement	Computer	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost:							
1 January 2012	-	4,669	3,825	27,604	431	1,513	38,042
Additions	-	1,811	2,173	4,825	493	8,137	17,439
Disposals	-	(52)	-	-	(79)	-	(131)
Transfers in (out)	-	-	-	9,098	-	(9,098)	-
31 December 2012	-	6,428	5,998	41,527	845	552	55,350
Additions	-	1,965	1,035	5,753	-	4,699	13,452
Disposals	-	(27)	(10)	(926)	-	(552)	(1,515)
Transfers in (out)	2,000	-	-	2,699	-	(4,699)	-
31 December 2013	2,000	8,366	7,023	49,053	845	-	67,287
Accumulated depreciation:							
1 January 2012	-	978	553	3,024	37	-	4,592
Depreciation for the year	-	1,940	988	7,246	149	-	10,323
Depreciation on disposals	-	(16)	-	-	(17)	-	(33)
31 December 2012	-	2,902	1,541	10,270	169	-	14,882
Depreciation for the year	56	2,395	1,350	9,021	169	-	12,991
Depreciation on disposals	-	(3)	(5)	(216)	-	-	(224)
31 December 2013	56	5,294	2,886	19,075	338	-	27,649
Net book value:							
31 December 2012	-	3,526	4,457	31,257	676	552	40,468
31 December 2013	1,944	3,072	4,137	29,978	507	-	39,638
Depreciation for the year:							
2012 (included in administrative expenses)							<u>10,323</u>
2013 (included in administrative expenses)							<u>12,991</u>

14. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	2013	2012
Cost	9,129	2,463
Less: Accumulated amortisation	(1,031)	(485)
Net book value	<u>8,098</u>	<u>1,978</u>

A reconciliation of the net book value of intangible assets for the years 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	2013	2012
Net book value at beginning of year	1,978	1,076
Acquisition of computer software	6,666	1,272
Amortisation for the year	(546)	(370)
Net book value at end of year	<u>8,098</u>	<u>1,978</u>

15. Leasehold right

On 9 February 2011, the Company entered into a leasehold agreement for lease of space in Esplanade Cineplex from S P V Com Retail Co., Ltd. The agreement is in force as from 11 February 2011 to August 2031, or a total of 20 years, 5 months and 24 days. The Company paid for the leasehold rights for the entire agreement period amounting to Baht 9.4 million and amortised leasehold rights using the straight line basis throughout the agreement period.

(Unit: Thousand Baht)

	2013	2012
Leasehold right - cost	9,377	9,377
Less: Accumulated amortisation	(1,324)	(865)
Net book value	<u>8,053</u>	<u>8,512</u>

A reconciliation of the net book value of leasehold right for the years 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	2013	2012
Net book value at beginning of year	8,512	8,971
Amortisation for the year	(459)	(459)
Net book value at end of year	<u>8,053</u>	<u>8,512</u>

16. Other non-current assets

The outstanding balance of other non-current assets as at 31 December 2013 and 2012 are dispoits.

17. Trade and other payables

(Unit: Thousand Baht)

	2013	2012
Trade payables - related parties	-	530
Trade payables - unrelated parties	122,484	271,640
Other payables - related parties	9,767	5,190
Other payables - unrelated parties	9,227	13,812
Total trade and other payables	141,478	291,172

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	2013	2012
Defined benefit obligation at beginning of year	5,054	6,102
Reversal of provision for long-term employee benefits	-	(1,648)
Current service cost	439	422
Interest cost	202	178
Defined benefit obligation at end of year	5,695	5,054

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	2013	2012
Current service cost	439	422
Interest cost	202	178
Total expense recognised in profit and loss	641	600
Line items under which such expenses are included in profit and loss		
Selling expenses	19	18
Administrative expenses	622	582

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	2013 (% per annum)	2012 (% per annum)
Discount rate	4.00	4.00
Future salary increase rate (depending on age)	4.00 - 6.50	4.00 - 6.50
Staff turnover rate	10.00 - 40.00	10.00 - 40.00

Amounts of defined benefit obligation for the current and previous year are as follows

	Retirement benefits plan
Year 2013	5,695
Year 2012	5,054

19. Share capital

On 26 March 2013, the Annual General Meeting of Shareholders of the Company passed resolutions as the follows:

- 19.1 To transform the Company into a public limited company and list the Company on the MAI. The Company registered its transformation with the Ministry of Commerce on 10 April 2013.
- 19.2 To change the par value of the Company's ordinary shares from Baht 10 per share to Baht 0.50 per share, resulting in an increase in the number of ordinary shares from 12,000,000 shares to 240,000,000 shares. The Company registered the change in the par value of the Company's ordinary shares with the Ministry of Commerce on 10 April 2013.
- 19.3 To increase the Company's registered share capital from Baht 120 million (240 million ordinary shares of Baht 0.50 per share after the par value is changed as discussed in Note 19.2) to Baht 200 million (400 million ordinary shares of Baht 0.50 per share) by issuing 160,000,000 new ordinary shares with a par value of Baht 0.50 each. The Company registered the increase of its registered share capital with the Ministry of Commerce on 10 April 2013.
- 19.4 To allocate 160,000,000 new ordinary shares as follows:
- 1) 50,000,000 ordinary shares to be offered to existing shareholders in proportion to their shareholding in the Company (rights offering) with a subscription ratio of 1 new share for every 4.8 existing shares with an offer price of Baht 0.50 per share. In April 2013, the Company received payment amounting to Baht 25,000,000 for 50,000,000 shares of additional share capital. As a result, issued and paid-up share capital of the Company equaled Baht 145 million (290 million ordinary shares of Baht 0.50 each). The Company registered the increase in its paid-up share capital with the Ministry of Commerce on 30 April 2013.
 - 2) 104,500,000 ordinary shares reserved for initial public offering and assign an executive committee or a person who was authorised by the executive committee to determine conditions and other details relevant to the allocation of shares and to take any actions deemed necessary or incidental to the offering of shares in all respects, as well as to appoint a distributor and underwriter. The executive committee is also responsible for the preparation of requests and supporting documents that are to be submitted to the Securities and Exchange Commission and other related agencies as well as other agreements that are relevant to such operations.
 - 3) 5,500,000 ordinary shares reserved to be offered to directors and/or employees of the Company.
- 19.5 During 11 - 13 December 2013, the Company offered 110 million ordinary shares, with a par value of Baht 0.50 each, at a price of Baht 0.90 each through the Initial Public Offering and directors and employees of the Company. The Company registered the increase of its issued and paid-up share capital from Baht 145 million (290 million ordinary shares with a par value of Baht 0.50 each) to Baht 200 million (400 million ordinary shares with a par value of Baht 0.50 each) with the Ministry of Commerce on 16 December 2013, and the Stock Exchange of Thailand approved the 400 million ordinary shares with a par value of Baht 0.50 each as listed securities for trading, effective from 19 December 2013. The Company incurred expenses relating to the share offering totaling Baht 4.2 million (net of income tax of Baht 1 million), which were presented as a deduction from the share premium.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2013, the Company set aside an additional statutory reserve of its net profit for 2012 and 2013 totalling Baht 5.6 million (2012: the Company set aside statutory reserve of its net profit of Baht 3.7 million).

21. Other income

(Unit: Thousand Baht)

	2013	2012
Income from selling of database	4,673	-
Gain on exchange	1,047	229
Interest income	846	718
Others	1,613	1,397
Total	8,179	2,344

22. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	2013	2012
Salary, wages and other employee benefits	106,460	98,551
Rental and service center expenses from operating lease agreements	24,553	20,260
Change in inventories of finished goods	22,084	(48,830)
Credit card fee	17,843	21,051
Depreciation and amortization	13,996	11,152
Logistics and distribution fee	6,390	1,350
Utilities expenses	5,274	4,644
Office supply expenses	2,708	2,436
Transportation	63	1,255

23. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	2013	2012
		(Restated)
Current income tax:		
Current income tax charge	5,607	15,037
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,227)	(1,030)
Income tax expense reported in the statement of comprehensive income	<u>4,380</u>	<u>14,007</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

(Unit: Thousand Baht)

	2013	2012
		(Restated)
Accounting profit before tax	<u>20,637</u>	<u>59,887</u>
Applicable tax rate	20%	23%
Accounting profit before tax multiplied by applicable tax rate	4,127	13,774
Effects of:		
Non-deductible expenses	279	233
Additional expense deductions allowed	(26)	-
Total	<u>253</u>	<u>233</u>
Income tax expenses reported in the statement of comprehensive income	<u>4,380</u>	<u>14,007</u>

(Unit: Thousand Baht)

	Statements of financial position		
	As at 31 December 2013	As at 31 December 2012	As at 1 January 2012 (Restated)
Deferred tax assets			
Allowance for doubtful accounts	139	68	44
Allowance for diminution in value of inventories	2,407	1,379	164
Provision for long-term employee benefits	1,139	1,011	1,220
Total	3,685	2,458	1,428

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2013, and then to 20 percent from 2014. In addition, in order to comply with the resolution of the cabinet, in December 2012, the decreases in tax rates for 2013 - 2014 were enacted through a royal decree. The Company has reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

24. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in par value from Baht 10 each to Baht 0.50 each as discussed in Note 19.2 to the financial statements. The number of ordinary shares is adjusted as if the changes in number of shares and par value had occurred at the beginning of the earliest period reported.

(Unit: Thousand Baht)

	2013	2012
Profit for the year (Thousand Baht)	16,257	45,881
Number of ordinary shares after reflecting the result of change in par value (Thousand shares)	400,000	240,000
Weighted average number of ordinary shares (Thousand shares)	278,521	240,000
Earnings per share (Baht/share)	0.06	0.169

25. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The one main reportable operating segment of the Company is the distribution of computers and related accessories and the single geographical area of its operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

26. Dividend

On 11 September 2012, the meeting of the Company's Board of Directors approved the payment of an interim dividend from the Company's profit for the six-month period ended 30 June 2012 of Baht 0.25 per share, or a total sum of Baht 3 million. The Company paid such interim dividend on 11 October 2012.

On 26 March 2013, the Annual General Meeting of Shareholders of the Company passed a resolution to approve a final dividend for 2012 of Baht 7.3334 per share, or a total of Baht 88 million. The Company paid such dividend in April 2013.

27. Commitments and contingent liabilities

27.1 Operating lease commitments

27.1.1 The Company has entered into a logistics and distribution services agreement with a related company whereby the Company was obliged to pay for the service fee on a basis and at a rate as stipulated in the agreement. The term of agreement is 1 year and 3 months and shall be renewal for another year each time, unless cancelled by either party.

27.1.2 The Company has entered into several operating lease contracts and service contracts in respect of the lease of office building, warehouse and branch areas. The terms of the agreements are generally between 1 and 18 years.

Future minimum lease payments required under these non-cancellable operating lease contracts and service contracts were as follows.

(Unit: Thousand Baht)

	As at 31 December	
	2013	2012
Payable within:		
Less than 1 year	21.9	23.0
1 to 5 years	15.1	26.1
More than 5 years	6.9	7.2

27.2 Guarantees

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 327.2 million (2012: Baht 377 million) issued by bank on behalf of the Company in respect of the purchase of goods and services as required in the ordinary course of business of the Company.

28. Financial instruments

28.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks. However, since most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate. Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

	As at 31 December				
	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% per annum)
Financial Assets					
Cash and cash equivalent	17	23	10	50	0.50 - 1.75
Current investments	2	-	-	2	2.00
Trade and other receivables	-	-	123	123	-
	19	23	133	175	
Financial liabilities					
Trade and other payables	-	-	141	141	-
	-	-	141	141	
Financial Assets					
Cash and cash equivalent	22	91	14	127	0.625 - 1.85
Trade and other receivables	-	-	122	122	-
	22	91	136	249	
Financial liabilities					
Trade and other payables	-	-	291	291	-
	-	-	291	291	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from purchasing transactions that are denominated in foreign currencies.

The balances of financial liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial liabilities as at 31 December 2013	Average selling rate as at 31 December 2013
	(Thousand)	(Baht per 1 foreign currency unit)
US dollar	24	32.9494

28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Company's debt-to-equity ratio was 0.55:1 (2012: 1.37:1).

30. Reclassification

Certain amounts in the statement of comprehensive income for the year ended 31 December 2012 have been reclassified to conform to the current year's classification.

(Unit: Thousand Baht)

	As reclassified	As previously reported
Cost of services	10,617	10,192
Selling expenses	115,950	94,513
Administrative expenses	69,836	91,698

The reclassification had no effect to previously reported profit or shareholders' equity.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2014.



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