



**SPVI**  
S P V I Public Company Limited

SOLUTIONS  
FOR ALL  
GENERATIONS

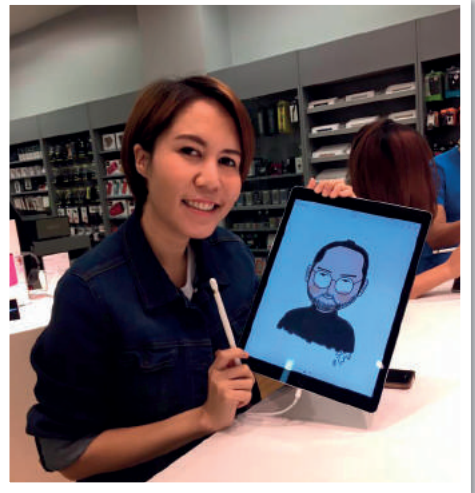
ANNUAL REPORT 2016  
S P V I PUBLIC COMPANY LIMITED



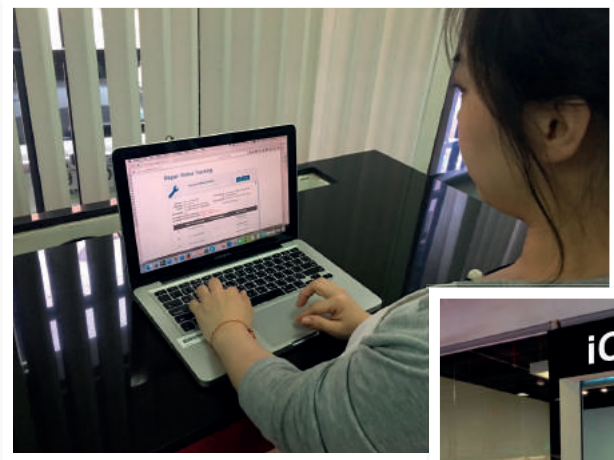
LIFE LONG LEARNING



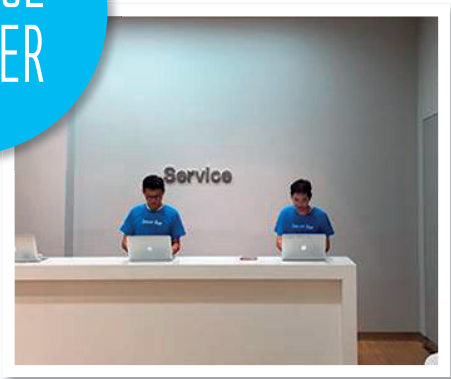
IN-STORE  
ACTIVITIES



CREATIVE  
LIFE LONG  
LEARNING



SERVICE  
iCENTER





## MESSAGE FROM CHAIRMAN OF THE BOARD AND EXECUTIVE CHAIRMAN



### Dear Shareholders,

During the year 2016. There were many important events both overseas and in Thailand that caused uncertainty in the trading and economy in general that has just gradually improved. The slow economy growth, coupled with the rapid technology changes caused the consumers to be cautious in investment and spending. Also the highly competitive environment among the operators in the country has affected in the lower sale turnover of the company by 4%. During the unfavorable environmental period, the company has strictly controlled the expenses and continuously analyses the marketing data, revising all the outlet's performance and searching for potential areas resulting in the new opening of 5 branches which had high potential and the close down of 3 branches of low-performances, so that at present, the company has 33 branches with satisfactory performance.

Apart from this, the company has started to co-operate with a business partner who has extensive network to improve the sale and services efficiency, which will be the major drive for business expansion in 2017, including additional channel to cope with expansion of e-commerce business. To be in-line with the government policy of the Thailand 4.0, which have to rely on the business and management adoption of Information and Telecommunication technology.

The company has a strong intention to provide the high quality products with the best before and after sale and services. To provide the advice and recommendations to suit the customer's need, to provide education and training to enable our customers to receive the most benefits of their investments that will lead us to be the best services organization.

The board of directors would like to thank our shareholders, business partner, associates and customers for their continuous support and would like to assure that the directors and all executives will continue to enforce the company to conduct the business carefully with transparency and good business governance to deliver the maximum benefits to our customers and shareholder to achieve continuous future growth.

Mr. Teera Aphaiwongse  
Chairman of the Board

Mr. Min Intanate  
Executive Chairman



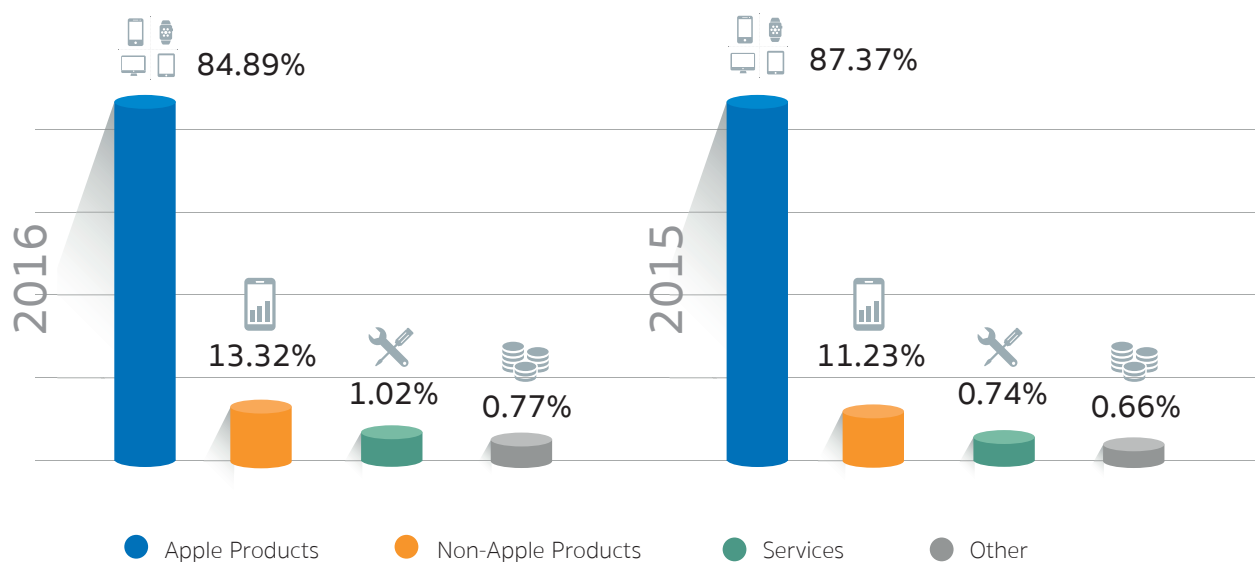
## SUMMARY OF FINANCIAL INFORMATION

(Unit : Thousand Baht)

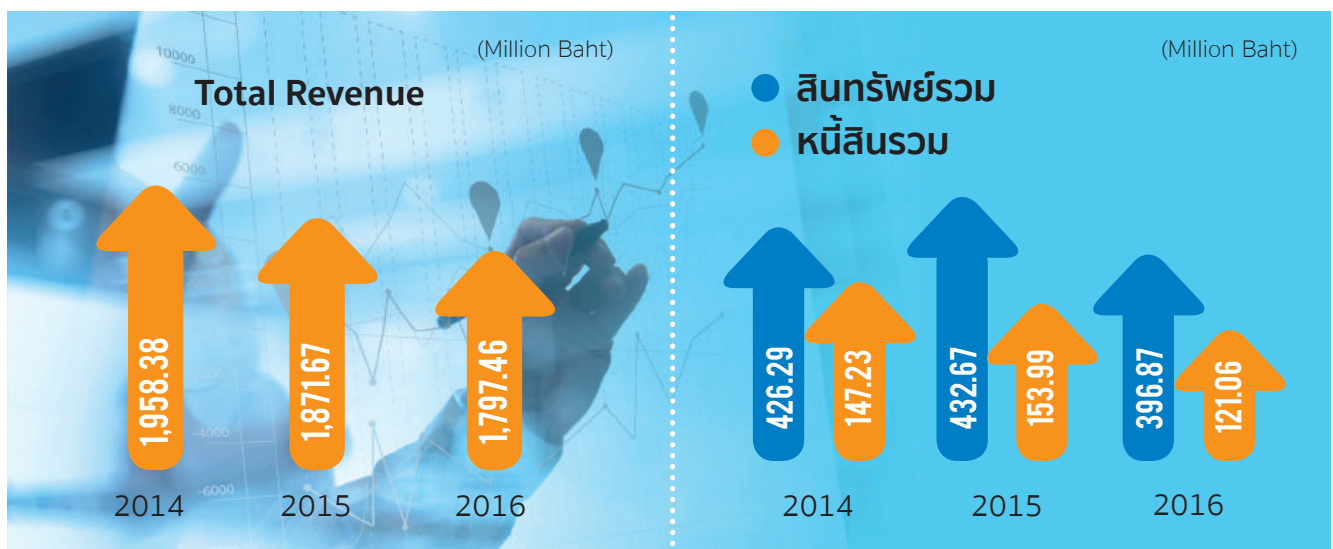
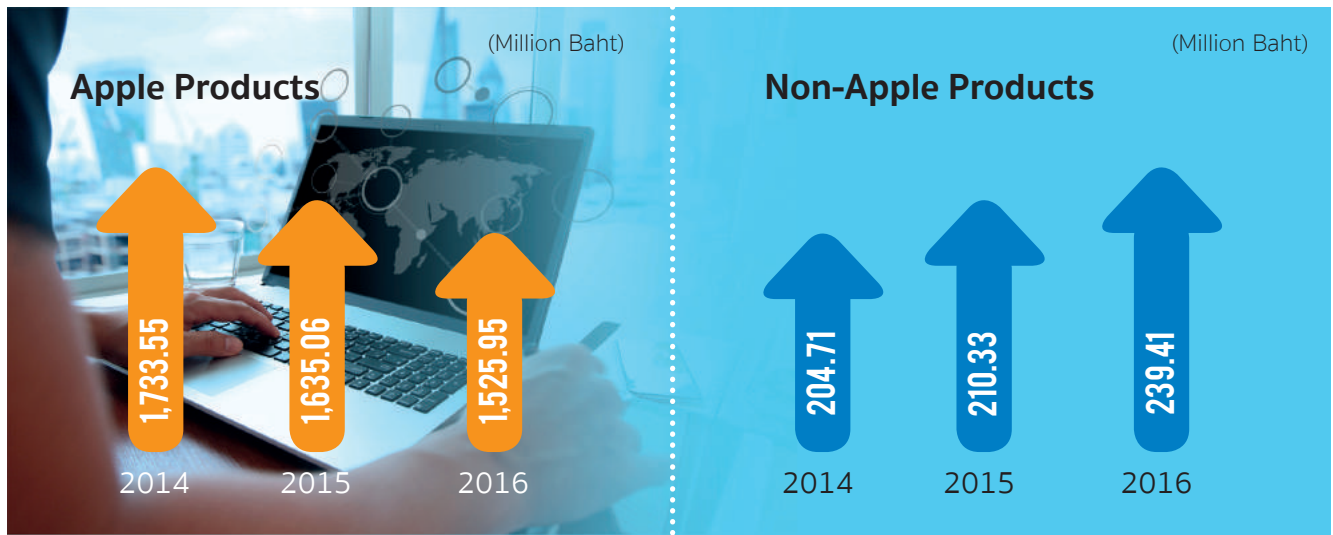
For the year ended December 31,	2016	2015	2014
Total Assets	396.87	432.67	426.29
Total Liabilities	121.06	153.99	147.23
Shareholders' Equity	275.81	278.68	279.06
Total Revenue	1,797.46	1,871.67	1,958.38
Total Expenses	1,792.32	1,862.98	1,942.66
Net Profit	5.14	8.69	15.72
<hr/>			
Financial Ratio			
Net Profit Margin (%)	0.29	0.46	0.80
Debt to Equity Ratio (times)	0.44	0.55	0.53
Return on Assets (%)	1.77	3.55	5.54
Return on Equity (%)	1.85	3.12	5.73
<hr/>			
Information per share			
<sup>(1)</sup> Basic Earnings per share (Baht)	0.01	0.02	0.04
Number of shares-Issued and paid up (share: Million)	400	400	400
Par value per share (Baht)	0.50	0.50	0.50

<sup>(1)</sup> 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.

## REVENUE COMPARISONS 2016



# SUMMARY OF FINANCIAL INFORMATION





## BOARD OF DIRECTORS



**Mr. Min Intanate**

Director (Authorized Directors)  
and Executive Chairman



**Mr. Teera Aphaiwongse**

Chairman of the Board / Independent Director  
and Chairman of Audit Committee



**Mr. Narathorn Wongvises**

Director (Authorized Directors) & Chairman  
of Risk Management Committee



**Mrs. Petcharat Volyarngosol**

Director (Authorized Directors),  
Executive Director,  
Member of Risk Management Committee  
and Vice President (Operations)



**Mr. Trisorn Volyarngosol**

Director (Authorized Directors),  
Executive Director,  
Member of Risk Management Committee  
and Managing Director



**Mr. Sujin Suwannagate**

Independent Director  
and Member of Audit Committee



**Mrs. Susama Rativanich**

Independent Director  
and Member of Audit Committee



**Mr. Sophon Intanate**

Director



## MANAGEMENT TEAM



**Mr. Trisorn Volyarngosol**

Director (Authorized Directors),  
Executive Director,  
Member of Risk Management Committee  
and Managing Director



**Mrs. Petcharat Volyarngosol**

Director (Authorized Directors),  
Executive Director,  
Member of Risk Management Committee  
and Vice President (Operations)



**Miss Utsanee Ratanaphaithun**

Executive Director,  
Member of Risk Management Committee  
and Vice President  
(Accounting and Finance)



**Mrs. Duangnapa Volyarngosol**

Assistant Vice President  
(Product Management)



**Mr. Pairoj Ulisnant**

Senior Manager - Retail1



**Mr. Pongsakorn Boonsrimuang**

Senior Manager-Engineering and Service





## SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



### Mr. Teera Aphaiwongse

70 years age

Chairman of the Board / Independent Director and Chairman of Audit Committee

Shareholding Percentage (as of 30 December 2016): 0.10%  
Appointment Date: 29 October 2012 / 4 Years

#### Educations

- Master of Engineering (Computer Science), University of New South Wales, Australia
- Certificate from Director Certification Program (DCP), 5/2001
- Certificate Nation Defence College, 377

#### Work Experience for the Past 5 Years

2012-Present	Chairman of the Board and Chairman of Audit Committee S P V I Public Company Limited
2017-Present	Advisor to the Board and Chairman of the Risk Sub-Committee Electronic Transactions Development Agency Ministry of Information and Communication Technology
2016-Present	Chairman of the Board Infomax System Solution and Services Ltd.
2016-2017	Director Electronic Transactions Development Agency Ministry of Information and Communication Technology
2014-2016	Member of Financial Institutions Policy Committee Bank of Thailand
2011-2014	Advisor to the Board National Credit Bureau Company Limited
2010-2013	Chairman of the Board Thai Digital ID Company Limited
1988-2013	Chairman of the Board Processing Center Company Limited
2010-2012	Member of the Electronic Transactions Committee Ministry of Information and Communication Technology
2005-2012	Chairman of the Board National ITMX Company Limited



### Mr. Min Intanate

62 years of age

Director (Authorized Directors) and Executive Chairman

Shareholding Percentage (as of 30 December 2016): 0.08%  
Appointment Date: 6 January 2011 / 5 Years

#### Educations

- Honorary Doctoral Degree in Law, Dominican University of California, USA
- Honorary Doctoral Degree in Science, Information Technology for Management, Mahasarakham University
- Honorary Bachelor Degree of Science, Computer Science, Engineering and Agricultural, Rajamangala University of Technology Thanyaburi
- Bachelor of Architecture, Fu Hsing Institute of Technology, Taiwan
- Thailand Insurance Leadership Program, Class 1/2011, Office of Insurance Commission(OIC)
- Certificate from Director Accreditation Program (DAP), 36/2005
- Certificate from Role of the Chairman Program (RCP), 12/2005

#### Work Experience for the Past 5 Years

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

## SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



### Mr. Narathorn Wongvises

**63 years of age**

Director (Authorized Directors) & Chairman of Risk Management Committee

Shareholding Percentage (as of 30 December 2016): 1.26%  
Appointment Date: 6 January 2011 / 5 Years

#### ● Educations

- Master of Science Industrial and Systems Engineering, San Jose State University, USA
- Certificate from Director Accreditation Program (DAP), 7/2004

#### ● Work Experience for the Past 5 Years

2011-Present	Director & Chairman of Risk Management Committee S P V I Public Company Limited
2016-Present	Director Deposit Protection Agency
2016-Present	Sub-Committee on Development Information Technology Office of the National Anti-Corruption Commission
2016-Present	Chairman of the Board Praxis Solution Co.,Ltd.
2015-Present	Advisor to the Board National Credit Bureau Company Limited
2012-Present	Chairman of the Board PCC International Company Limited
2011-Present	Advisor Advanced Research Group Company Limited
2007-2012	Director Krung Thai Card Public Company Limited
2006-2012	Managing Director KTB Computer Services Company Limited



### Mr. Trisorn Volyarngosol

**55 years of age**

Director (Authorized Directors), Executive Director, Member of Risk Management Committee and Managing Director

Shareholding Percentage (as of 30 December 2016): 6.33%  
Appointment Date: 6 January 2011 / 5 Years

#### ● Educations

- Master of Business Administration, University of New Haven, USA
- Certificate from Director Accreditation Program (DAP), SET 2012

#### ● Work Experience for the Past 5 Years

2011-Present	Director S P V I Public Company Limited
1996-Present	Director SPV Digital Service Company Limited
1994-Present	Director SPV Advance Corporation Limited



### **Mrs. Petcharat Volyarngosol**

**56 years of age**

Director (Authorized Directors), Executive Director,  
Member of Risk Management Committee and Vice President  
(Operations)

Shareholding Percentage (as of 30 December 2016): 8.32%  
Appointment Date: 6 January 2011 / 5 Years

#### **● Educations**

- Master of Business Administration, Major in Finance, University of New Haven, USA
- Master of Computer Information System, University of New Haven, USA
- Certificate from Director Accreditation Program (DAP), SET 2012

#### **● Work Experience for the Past 5 Years**

2011-Present     Director, Executive Director, Member of Risk Management Committee and Vice President (Operations)  
S P V I Public Company Limited

1996-Present     Director  
SPV Digital Service Company Limited

1994-Present     Director  
SPV Advance Corporation Limited



### **Mr. Sujin Suwannagate**

**66 years of age**

Independent Director and Member of Audit Committee

Shareholding Percentage (as of 30 December 2016): 0.08%  
Appointment Date: 29 October 2012 / 4 Years

#### **● Educations**

- Master of Business Administration, Long Island University, USA
- Certificate from Director Accreditation Program (DAP), SET 2012

#### **● Work Experience for the Past 5 Years**

2012-Present     Independent Director and Member of Audit Committee  
S P V I Public Company Limited

2008-2014         Director  
Siam City Leasing - Factoring Public Company Limited

1999-2011         Director and Member of Audit Committee  
National Credit Bureau Company Limited

2008-2010         Director and Chairman of Audit Committee  
Siam City Securities Company Limited

1984-2010         Last Position - Executive Vice President,  
Internal Audit and Compliance  
Siam City Bank Public Company Limited

## SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



### Mrs. Susama Rativanich

**39 years of age**

Independent Director and Member of Audit Committee

Shareholding Percentage (as of 30 December 2016): 0.08%  
Appointment Date: 29 October 2012 / 4 Years

#### ● Educations

- Master of Science in Information Systems, American University, USA
- Certificate Director Accreditation Program (DAP), SET 2012

#### ● Work Experience for the Past 5 Years

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



### Mr. Sophon Intanate

**34 years of age**

Director

Shareholding Percentage (as of 30 December 2016): - None -  
Appointment Date: 31 March 2015 / 1Year 9 Months

#### ● Educations

- Master of Commerce (Economics & Banking) The University of Sydney NSW, Australia
- Bachelor of Commerce (Economics & Finance) The University of Sydney NSW, Australia
- Certificate from Director Certification Program (DCP), 2013

#### ● Work Experience for the Past 5 Years

2015-Present	Director S P V I Public Company Limited
2016-Present	Director UITOX (Thailand) Co.,Ltd.
2014	Director ARIP Public Company Limited
2010-Present	Product Manager IT City Public Company Limited



### **Miss Utsanee Ratanaphaithun**

**56 years of age**

Executive Director,  
Member of Risk Management Committee and Vice President  
(Accounting and Finance)

Shareholding Percentage (as of 30 December 2016): - None -  
Appointment Date: 3 November 2015 / 1 Year

#### **● Educations**

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

#### **● Work Experience for the Past 5 Years**

2015-Present	Executive Director and Vice President (Accounting and Finance) S P V I Public Company Limited
2012-2014	Financial Controller ABACUS C Co., Limited
2010-2011	Financial Controller Star 360 (Thailand) Limited.



### **Mrs. Duangnapa Volyarngosol**

**50 years of age**

Assistant Vice President (Product Management)

Shareholding Percentage (as of 30 December 2016): 0.39%  
Appointment Date: 1 March 2011 / 5 Years

#### **● Educations**

- Bachelor Degree of Science, Computer Science,  
Chiang Mai University

#### **● Work Experience for the Past 5 Years**

2012-Present	Assistant Vice President S P V I Public Company Limited
2011-2012	Purchasing Manager S P V I Company Limited
1994-Present	Director SPV Advance Corporation Limited

## SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



### Mr. Pongsakorn Boonsrimuang

46 years of age

Senior Manager-Engineering and Service

Shareholding Percentage (as of 30 December 2016): 0.21%  
Appointment Date: 1 March 2011 / 5 Years

#### ● Educations

- Master of Telecommunications Engineering, King Mongkut's Institute of Technology Ladkrabang

#### ● Work Experience for the Past 5 Years

2012-Present	Senior Manager-Engineering and Service S P V I Public Company Limited
2011-2012	Manager-Engineering and Service S P V I Company Limited
1994-Present	Manager-Engineering and Service SPV Advance Corporation Limited



### Mr. Pairoj Ulisnant

48 years of age

Senior Manager - Retail1

Shareholding Percentage (as of 30 December 2016): - None -  
Appointment Date: 1 March 2011 / 5 Years

#### ● Educations

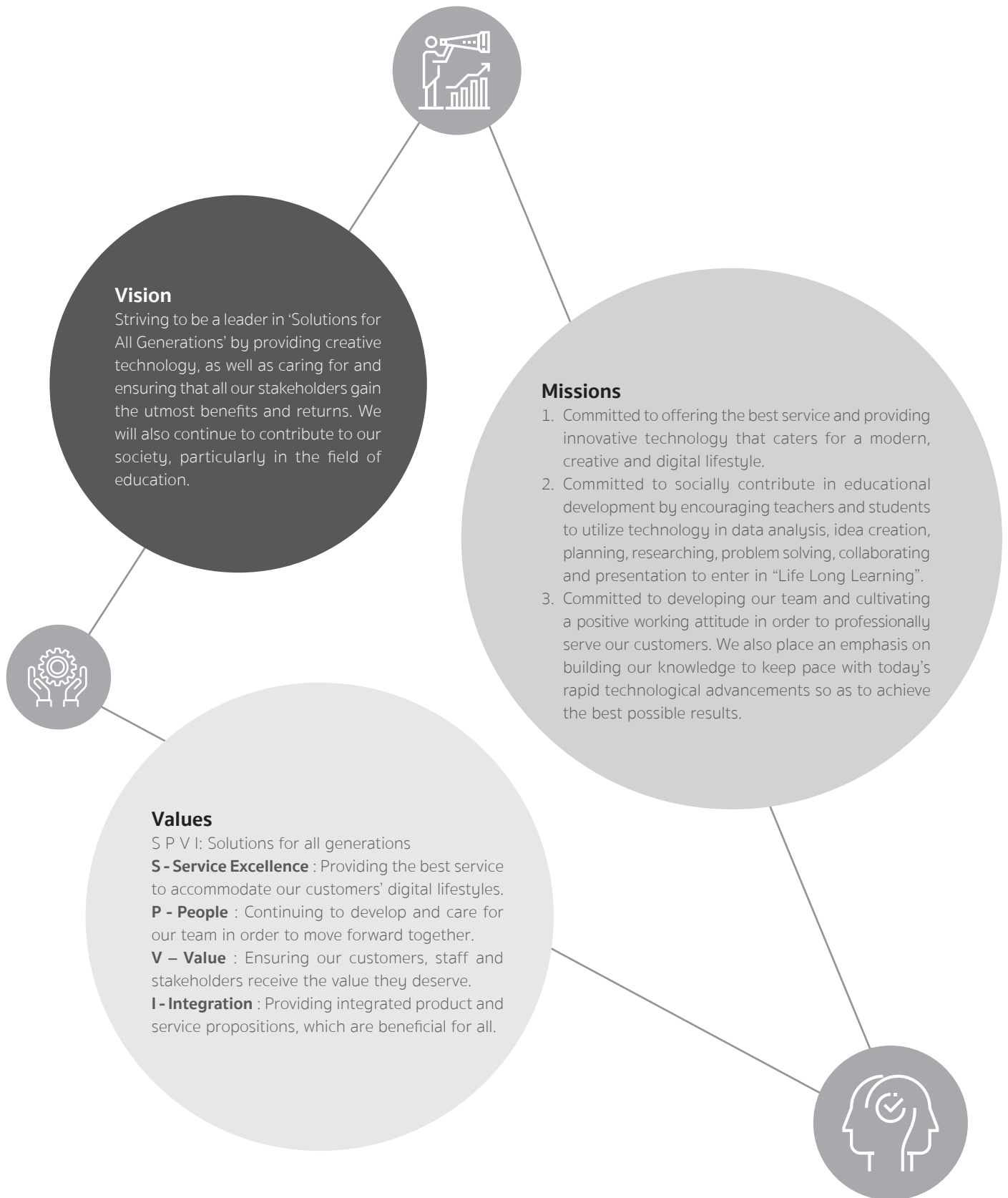
- Vocational Certificate in Electrical Power

#### ● Work Experience for the Past 5 Years

2012-Present	Senior Manager-Retail S P V I Public Company Limited
2011-2012	Manager-Retail S P V I Company Limited
1994-Present	Manager-Retail SPV Advance Corporation Limited



084	Message from Chairman of the Board and Executive Chairman	118	Corporate Governance
085	summary of financial information	125	Corporate Social Responsibility
087	Board of Directors	126	Risk Management and Internal Control
089	Summary Profile of The Director and Management	127	Related Transactions
096	Vision Mission	129	Management Discussion and Analysis
097	General Information	130	Board of Directors' responsibility for financial reporting
098	Business Overview	131	Report of the Audit Committee
101	Nature of Business	132	Report of the Risk Management Committee
103	Risk Factors	133	Report and financial statements
105	Shareholder Structure		
106	Management Structure		







## GENERAL INFORMATION

Company	S P V I Public Company Limited
Type of business	S P V I Public Company Limited's core business is a reseller of Apple products, including computers, iOS devices (iPod, iPad, iPhone) and various other accessories. It also distributes products compatible with Apple, such as hard drives for video storage, portable hard drives, printed and graphic products. SPVI also distributes products associated with iOS devices, such as speakers, headphones, protective cases and screen protectors.
Address	213/58-59 Soi Ladprao 94, Sriwara Road, Phlaphla, 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
Registered capital	200,000,000 Baht
Paid-up capital	200,000,000 Baht
Par value	0.50Baht
Amount and type of Outstanding Shares	400,000,000 Ordinary shares
Investor Relations	Mr. Trisorn Volyarngosol Managing Director Miss Sunsanee Horanikom Company Secretary
Other Relevant Information	
1.Share Registrar	Thailand Securities Depository Co., Ltd. 93 Stock Exchange of Thailand Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel : +66(0)2009-9000 Fax: +66(0)2009-9991
2.Auditor	Mr. Wichart Lokatekrawee Certified Public Accountant No. 4451 EY Office Limited 33rd Floor, Lake Ratchada Office Complex 193/136-137 Ratchadapisek Road, Bangkok 10110 Tel : +66 (0) 2264-0777 Fax : +66 (0) 2264-0789-90



S P V I Public Company Limited's core business is a reseller of Apple products, including computers, iOS devices (iPod, iPad, iPhone) and various other accessories. Also distributed are other brands compatible with Apple products, such as hard drives for video storage, portable hard drives, printers, and graphic products. SPVI also distributes products associated with iOS devices, such as speakers, headphones, protective cases, and screen protectors. We provide products and services that cater for all the needs of our end consumers through variety retail channels through iStudio by SPVi, iBeat by SPVi, U•Store by SPVi and mobi. We also provide total solutions for organizations, as well as educational institutions and state enterprises.

Furthermore, SPVi operate service center which is certified to the Authorized Apple Service Provider under the name of "Smart Bars" and later in the 3rd quarter of 2016 is renamed to "iCenter". At all branches of iCenter, the after sales service and consulting service will be performed by Apple Authorized Technicians.

### Policy and Business Direction

SPVI's business strategy is focused on maintaining sustainable growth by providing integrated products and services that add value to both our customers and society. We also support a learning culture and develop our staff to uphold the following corporate values, vision and missions:

### Values

S P V I : Solution for all generations

S - Service Excellence : Providing the best service to accommodate our customers' digital lifestyles.

P - People : Continuing to develop and care for our team in order to move forward together.

V – Value : Ensuring our customers, staff and stakeholders receive the value they deserve.

I - Integration : Providing integrated product and service propositions, which are beneficial for all.

### Vision

Striving to be a leader in 'Solutions for All Generations' by providing creative technology, as well as caring for and ensuring that all our stakeholders gain the utmost benefits and returns. We will also continue to contribute to our society, particularly in the field of education.

### Missions

1. Committed to offering the best service and providing innovative technology that caters for a modern, creative and digital lifestyle.

2. Committed to socially contribute in educational development by encouraging teachers and students to utilize technology in data analysis, idea creation, planning, researching, problem solving, collaborating and presentation to enter in "Life Long Learning".

3. Committed to developing our team and cultivating a positive working attitude in order to professionally serve our customers. We also place an emphasis on building our knowledge to keep pace with today's rapid technological advancements so as to achieve the best possible results.

### Business Objectives

Our company aims to lead and improve comprehensive aspects of IT education with the Apple Education Solution in order to promote Creative Learning; emphasis will be placed on Edutivity which is the educational activities that lead the life-long learning to new generations. Our experienced management team, sales team, solution engineer team as well as the quality services from U•Store in leading universities in Thailand are able to approach our target groups, which range from students, university professors, private enterprises to the general public. SPVI will also strengthen leadership image among our target groups of all professions, as such market channels have growing potential in the context of today's global economy. Furthermore, we aim for this focus to be supportive for the

spread of internet network and the trend of Internet of Everything (IoE) in Thailand which lead to the demand in connectable devices such as laptop computer, tablet, smartphone, wearable devices, security system and etc. in order to enable an easy and fast access to any source of information on internet anywhere anytime. All our target groups on both individual and business levels are constantly looking to develop their potential; most notably those with professions that rely on technology and individuals that use technology creatively throughout their lives (Creative Life Long Learning). As a result, SPVI also intends to expand its customer base to include more business groups, with the use of more diversifeid products and solutions such as a Color Management System, Smart Class Room Solution and Smart Meeting Room Solution.

Additionally SPVI aims to drive sales growth through store expansion, including new outlets of iBeat, mobi, and also expand its service center called iCenter. As well as, SPVI became another licensee of Advance Wireless Network Company and be authorized to open and manage the AIS Shop.

In 2016, SPVI has a total 33 branches, which can be classified accordingly: 4 iStudio branches, 6 iBeat branches, 9 U•Store branches , 1 iShop branch and 4 mobi branches. , 6 iCenter branches and 3 AIS shops by Partner.



## SPVI's Significant Events

2011

- SPVI Company Limited was established with a registered capital of 120,000,000 baht from the joint venture between SPV Advance Company Limited and IT City Public Company
- Acquired all assets and employees related to Apple from SPV Advance Company Limited
- Acquired all 15 stores including 4 iStudio, 1 iShop, 1 iBeat, 7 U•Stores and 2 Smart Bars
- Opened Apple corners in IT City
- Opened U•Stores at Mahidol University Salaya Campus
- Opened U•Stores at Dhurakij Pundit University
- Opened the first Apple Corner at Big C
- Opened iStudio at Central Plaza Grand Rama 9

2012

- Opened U•Store at Burapha University.
- Opened Smart Bar at Cental Chaengwattana Plaza
- Opened iStudio at Gateway Ekamai and remodel to iBeat afterward

2013

- Converted to S P V I Public Company Limited and started its first trading in MAI Stock Exchange in December 19, 2013

2014

- Opened iBeat at Tesco Lotus Mahachai 2
- Opened iBeat at Central Chiangrai Plaza
- Cancelled Smart Bar at Head Office
- Cancelled all Apple corners in Big C
- Opened Mobi at Season Square
- Opened Mobi at The Mall Ramkhamhang
- Opened Mobi at The Mall Bangkok
- Opened Mobi at Asawann Shopping Complex 2 Nongkhai

2015

- Opened Smart Bar at Central Chiangrai Plaza
- Opened Smart Bar at Central Plaza Grand Rama 9
- Opened iBeat at Central Rayong Plaza
- Opened Mobi at Central Festival Westgate
- Cancelled all Apple corner in IT City
- Opened the first Authorized AIS Shop at Tesco Lotus Rayong
- Opened authorized AIS Shop at MM Mega Market in Aranyaprathet district

2016

- Opened Smart Bar at Passion Shopping Destination Center in Rayong
- Closed Mobi at Asawann Shopping Complex 2 Nongkhai
- Opened Mobi at Charoenphan Department Store in Phayao
- Closed Mobi at The Mall Ramkhamhaeng Shopping Center
- Closed Mobi at Central Plaza Westgate
- Opened Mobi at Big C in Lamphun
- Renamed Authorized Service Center called Smart Bar to iCenter
- Opened iCenter at Home Pro Center in Nakorn Prathom
- Opened AIS Shop by partner at Robinson in Chantaburi



## Revenue Structure

Revenue Classification	2014		2015		2016	
	Million baht	%	Million baht	%	Million baht	%
Revenue from Apple Products						
• MAC OS Computers (MAC Operating System)	587.90	30.02	587.43	31.39	470.74	26.19
• iOS Devices	1,004.88	51.31	927.36	49.55	897.35	49.92
• Apple Accessories	140.77	7.19	120.27	6.43	157.86	8.78
Total Revenue from Apple Products	1,733.55	88.52	1,635.06	87.37	1,525.95	84.89
Revenue from Non-Apple Products	204.71	10.45	210.33	11.23	239.41	13.32
Total Revenue from Sales	1,938.26	98.97	1,845.39	98.60	1,765.36	98.21
Service Income	8.11	0.42	13.77	0.74	18.34	1.02
Other Income	12.01	0.61	12.51	0.66	13.76	0.77
Total Revenue	1,958.38	100.00	1,871.67	100.00	1,797.46	100.00

## Product Characteristics & Services

SPVI is one of the authorized resellers of Apple products, of which include Apple computers, iOS devices and Apple accessories. It is also a reseller of other Non-Apple brands that can be associated with Apple products in order to accommodate customers' needs. As well as, SPVI provides service centers called "Smart Bars" which has been renamed to iCenter in 3<sup>rd</sup> quarter of 2016 in order to offer after-sales services for all Apple products.

The Company's products and services can be divided into the following three categories:

### (1) Apple Products

SPVI was granted authorization from Apple South Asia (Thailand) Limited to be a reseller of Apple products. SPVI purchased most of Apple products from Apple's Authorized Distributors. The products were categorized as below:

- Apple Computers with MAC OS (MAC Operating System), which consist of iMac, Mac Pro, Mac Mini, MacBook Pro and MacBook Air.

- iOS Devices, which consist of the iPod, the iPad, and Apple Watch. Since Apple appointed mobile operators to be the resellers of the iPhone, SPVI will purchase iPhones from those resellers.
- Apple Accessories such as battery chargers, headphones, mouse devices, extension cords, Internet routers and AppleCare Protection plan.

### (2) Non-Apple Products

In order to accommodate customers' needs, SPVI was also granted authorization to be a reseller of Non-Apple products, as categorized below;

- Accessories such as hard drives for video storage, external hard disks, headphones, Bluetooth devices, iPhone/iPad cases and wireless loudspeakers
- Graphic products including Inkjet Printer (Pro Series) from the brand "Epson", imported paper for printing from the Japanese brand "iPaper", Digital Imaging and Graphics Art from the brand "X-rite"
- Software products such as Adobe and EFI (Colorproof XF Program)

### (3) Services

SPVI was granted authorization to be an Authorized Apple Service Provider from Apple South Asia (Thailand) Limited. Thus, SPVI was eligible to operate service center called “Smart Bar” which was renamed to “iCenter” in 3<sup>rd</sup> quarter of 2016, to provide after-sale-service for all Apple products to all customers and was qualified to purchase all spare parts directly from Apple. Currently, there are 6 “iCenter” which are located on 3<sup>rd</sup> floor of IT Mall Fortune Town, G floor of Central Chaengwattana Department Store, 4<sup>th</sup> floor of Central Grand Rama 9, 1<sup>st</sup> floor of Central Plaza Chiangrai, 2<sup>nd</sup> floor of Passion Shopping Destination Center Rayong and Home Pro Center in Nakorn Prathom.

## Sales and Distribution Channel

SPVI distributed the product through 2 main channels, which were consist of

1. Retail Stores, the distribution channel to individual customers

- 15 branches of iStudio / iBeat / iShop /Mobi by SPVi located in shopping center, and office building. The main service in iStudio was to provide demonstration and encourage customers to have direct experience with the Apple products and accessories in order to reassure the customers before making decision
- 3 branches of AIS Shop by SPVi which was granted the authorization from Advance Wireless Network Company to operate AIS Shop in order to sell products and services with the same quality standard as provided by AIS
- 9 branches of U•Store located in leading universities and offered Apple products in exclusive price for education purposes to university students, professors and officers.

2. Corporate sales channel, the direct sales channel to business customers to offer diversified products and solutions for example the solution of Color Management System, Smart Class Room Solution and Smart Meeting Room Solution.

For academic institutions, SPVI has set dedicated sales team and provide demonstration and training to reassure management team as well as professors on the application for educational aid

SPVI also joined the universities' academic days to provide demonstration and encourage students to have direct experience for Apple's advance technology. This activity was to strengthen SPVI's leadership image as the leader in educational technology endorsed by Apple technology.

SPVI initiated the “One to One Project” which was co-project with educational institutions that aimed to support computer to individual students at school. SPVI also support academic institution to service computer lab at school for example, SPVI support Bangkok University's Film Laboratory with the application of file transferring and storage. The company was responsible for system and equipment delivery, installation and maintenance for the academic institution. SPVI focused to service academic institution customers in order to increase its market share and increase its reputation in the market.



### **1. Risk from depending on major distributors**

SPVI was appointed by Apple South Asia (Thailand) Limited to be a reseller of Apple products and to open service centers in order to provide after sales services for Apple customers. In 2014, 2015 and 2016, the company purchased Apple products in the proportion of 87.96%, 88.76% and 89.49% of the total products purchased by the company respectively. The contract with Apple is a year-to-year contract, which could be terminated at any time. If it happens, it will have a significant adverse impact on the company's business. However, SPVI have experience as an Apple reseller for more than 20 years as well as have obtained many awards from Apple. In addition, the company has generated a sizeable sale figure and has strictly complied with the terms and conditions of the contract. The management is confident that the company will continue to gain credibility and support from Apple.

### **2. Risk associate with the product obsolescence**

Apple products are those with fast-paced technological changes. Driven by rapid ICT changes, new Apple products are developed and launched into the market with an increasing speed to meet customers' demands, just like other IT products. Therefore, the company may encounter problems with inventory management for the outdated or obsolete models, which can not be sold in the market.

However, since the management team has a long-time experience in the business, it has a good understanding of customers' needs. The company has dedicated personnel to implement product management. They will closely monitor product inventory, product selection and submit appropriate amount of order to prevent the risk of outdated products. For the order of products, product managers will regularly conduct surveys on customers' requirements through salespersons and branch managers. Furthermore, the company follows new product information, technology and

other trend updates from Apple and other resellers, which help the company to select products that best fit its customers' demands. Moreover, SPVI has an efficient inventory management by implementing an online inventory system to link inventory data from all branches. At the end of each day, the company will perform a random check on the inventory of each branch and compare to the report generated by the company's inventory system. For branches with low inventory turnover, the products will be transferred to the other branches as well as organize sales promotional activities to help boost the sales. On the other hand, branches with inventory shortage will be able to check inventory of other branches real-time. As a result, products are normally sold before their popularity decline. Besides, when Apple launches new products to replace the old models, the company will be compensated for price difference according to agreed models, conditions and timing. This will enable the company to reduce old products' prices in order to be able to compete in the market.

### **3. Risk associated with the competition**

The rapid growth of Information and Communication Technology (ICT) industry, particularly smartphone and tablet PC, has made the competition among vendors such as Apple, Samsung, Nokia and Oppo more intense. The vendors have to develop and launch new products frequently to increase their market shares. However, Apple has unique product propositions such as Mac OSX for Apple Computer, iOS for smartphones and tablets, Cloud System and Retina Display for laptop, which gives higher resolution display performance. In addition, it has a wide variety of applications as well as safety system with modern design and user-friendliness. All these qualities have made Apple continue to gain popularity among consumers. Nevertheless, the company may face risk associated with competitors who may become Apple's reseller in Thailand and are authorized to open iStudio, iBeat, U•Store or Apple outlets in their retail stores or department stores. However, there is a restriction

that each department store or office building or community mall can have only one type of Apple store in the same location (except for outlets that sell Apple products i.e. in Power Buy or Power Mall). Consequently, to be successful, each reseller has to efficiently manage their own distribution channels in order to access a wide range of customers as well as providing better quality services.

#### **4. Risk associated with lease agreements**

The company currently provides Apple and Apple related products and services to retail customers through its 33 branches (4 iStudios, 1 iShop, 6 iBeat, 9 U•Stores and 4 mobi) 6 service centers and 3 AIS shops. Since they are located either in shopping malls, office buildings and universities, the company has to rent and enter into either short-term or long-term lease agreements with landlords. There are risks that the company might not be able to renew the contracts or encounter changes in terms of agreements that could result in increasing costs to the company. As of December 31, 2016, SPVI has a branch with a long-term lease agreement, which has the remaining contractual term of 14 years. Others are short-term contracts, which are usually no longer than 3 years. However, the management of the company has been a good tenant for an average of more than 10 years. Therefore, the non-renewal risk remains low.

#### **5. Risk associated with fraud (Operational risk)**

The company needs to distribute various products to branches. Those products are usually valuable, mobile and in demand. There are risks that the company may face fraudulent actions in the level of operational staff. Therefore, the company has set a tight internal control and auditing system. It also deploys information technology system to support the inventory management. Moreover, the company makes it a responsibility of branch managers to conduct a daily random check on products, especially those high-value products. Moreover, accounting officers will

check the inventory of each branch once a month. Staff in each branch will be obliged to be jointly responsible for lost items. The company believes that the introduced policy measures would limit possible damages within the scope that has insignificant impact on the company's performance.

6. Risk from relying on the management team who are major shareholders of the company

The company relies on the management team who has experiences as Apple reseller and has a good relationship with Apple for more than 20 years. There is a risk associating with such reliance. However, the fact that the management team is also a major shareholder should alleviate the risk, as it would be in the management's interest to grow the business. Moreover, the company has a policy to encourage a teamwork culture and will promote the hiring of more external professional individuals to join the team mainly to enhance the company's efficiency and potential. Furthermore, the company clearly defines the division of duties and responsibilities to prevent a situation where any single party can assert a total influence.



**TOP TEN MAJOR SHAREHOLDERS AS OF 30 DECEMBER 2016 INCLUDE:**

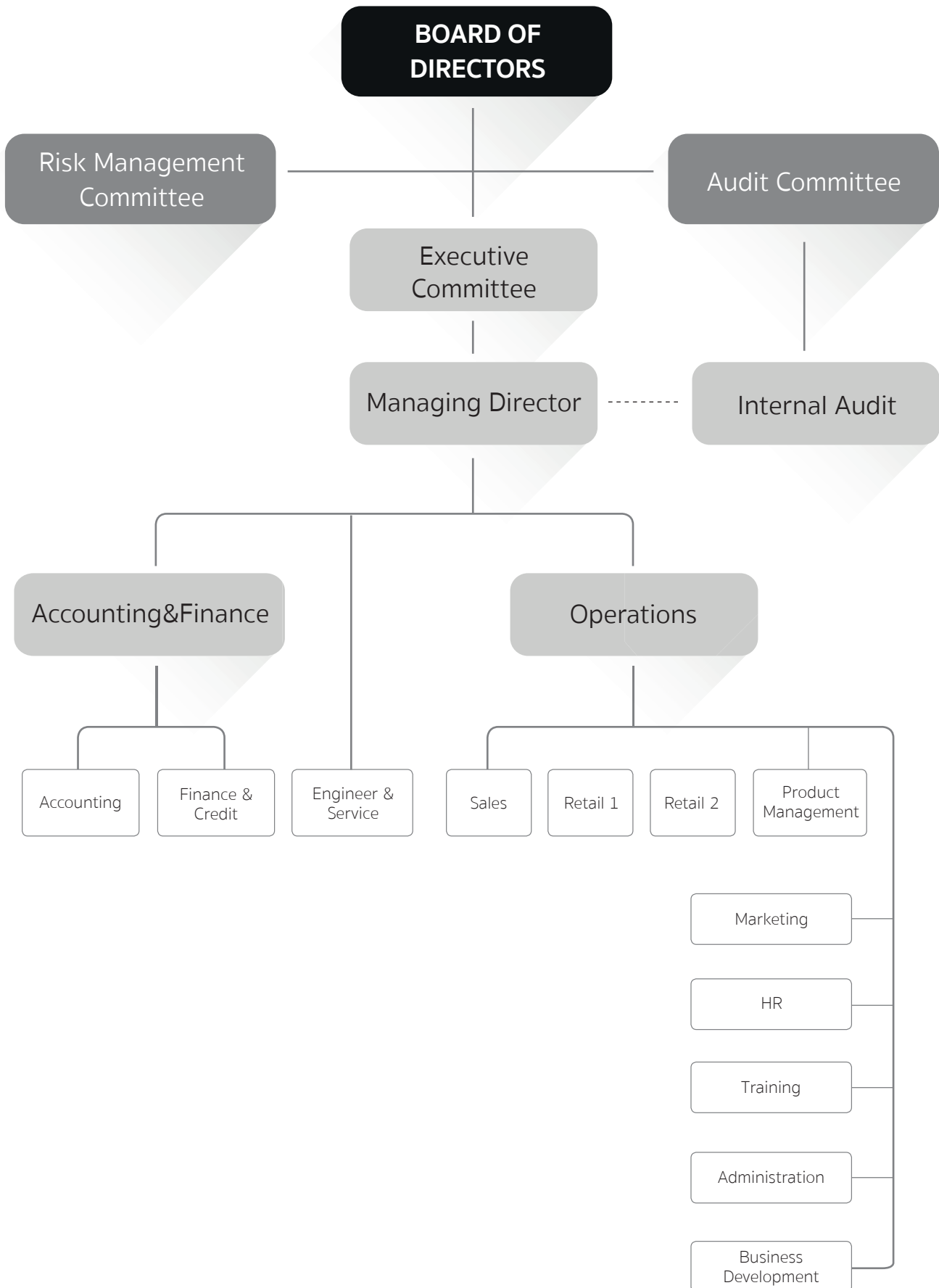
Name of Shareholders	No. of Shares	% of shareholding
1. IT City Public Company Limited	116,000,000	29.00
2. Mrs. Petcharat Volyarngosol	33,294,000	8.32
3. Mr. Trisorn Volyarngosol	25,311,050	6.33
4. Mrs. Pattra Pongpianskul	6,483,900	1.62
5. Ms. Patchara Kiatnuntavimon	5,880,400	1.47
6. Mr. Somchai Volyarngosol	5,678,400	1.42
7. Mr. Veerasak Volyarngosol	5,352,834	1.34
8. Mr. Narathorn Wongvises	5,050,000	1.26
9. Veerapan Volyarngosol	4,882,710	1.22
10. Mr. Peerapat Volyarngosol	4,359,668	1.09
11. Other Shareholders	187,707,038	46.43
Total	400,000,000	100.00

**DIVIDEND POLICY**

The company's dividend policy is to pay shareholders at least 40 percent of its net profit after tax. However, the payout ratio may be lower if the company plans to expand its operations.



## MANAGEMENT STRUCTURE



## Board of Directors and Sub-Committee

The company's management structure consists of the Board of Directors and 3 groups of Sub-Committee which are Audit Committee, Management Committee and Risk Management Committee. The list of Committee with their tenure and details of meeting attendance in 2016 are as following:

### Board of Directors

The company's Board of Directors consists of the committees who are knowledgeable and experienced in various fields of business. As of December 31, 2016, the board of directors are consists of 8 committees.

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. Sopon Intanate	Director
7. Mr. Sujin Suwannagate	Independent Director and Member of Audit Committee
8. Mrs. Susama Rativanich	Independent Director and Member of Audit Committee

### Company Secretary

Miss Sunsanee Horanikom

### Authorized Directors

Mr. Narathorn Wongvises or Mr. Min Intanate co-signs with either Mr. Trisorn Volyarngosol or Mrs. Petcharat Volyarngosol and the company's official seal is appended.

### Director Meeting Attendance for the year 2016

During the year 2016, the regular Board Meeting were arranged and, in each Board Meeting, there was not less than two-third of total number of committee represented at the time of voting. The detail of meeting attendance of each board committee are as following:

## MANAGEMENT STRUCTURE

Director	Board Meeting Attendance / Total Meeting	Audit Committee Meeting Attendance / 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	4/4	-
6. Mr. Sopon Intanate	3/4	-
7. Mr. Sujin Suwannagate	4/4	4/4
8. Mrs. Susama Rativanich	4/4	4/4

### Authorities and Duties of the Board of Directors

1. To carry out its duties in compliance with all relevant laws, regulations, the company's objectives and Articles of Association as well as the resolutions of shareholder meetings. It shall carefully act in the company's best interest with integrity and discretion.
2. To elect an Executive Committee to perform a task, or multiple tasks as assigned by the Board. The Board also has the authority to appoint a Chief Executive Officer and other members of various committees such as the Audit Committee, the Nomination and Remuneration Committee.
3. To determine the company's direction, policies, business plan and budget as well as supervise the Executive Committee or any assigned person to ensure that they act in compliance with the policies set by the Board.
4. To review and approve the company's policies, directions, strategies, business plans, annual budget for the business, annual expenditure budget and large investment projects that have been proposed by the Executive Committee.
5. To monitor the company's performance according to the business plan and budget
6. To review and approve other important matters related to the company as deemed appropriate, for the greater benefit of the company. However, the following transactions can proceed only after receiving approvals from a shareholder meeting. It is further stipulated that if there is a transaction, in which a director or a party has a conflict of interest, such director or party must refrain from casting a vote on the said transaction.
  - (a) Transactions that are legally require a resolution from a shareholders' meeting
  - (b) Transactions in which directors may have a conflict of interest and are required by the law or the Stock Exchange of Thailand's regulations to be approved by a shareholders' meeting

Each of the following transactions can proceed only after receiving consent from a Board of Directors' meeting and at least an affirmative vote from three-fourth of shareholders who attend the shareholder meeting:

- (a) The sales or transfer of all or a substantial part of the company
- (b) The purchase or acquisition of another business or a private company
- (c) The entering, amendment or termination of any agreement relating to the lease of all or a substantial part of the company's business
- (d) The assignment for a third party to manage the company's business or merging with a third party with an aim to share revenues
- (e) The amendment in the company's Memorandum of Association or Articles of Association
- (f) The increase, or decrease in capital, bond issuance, mergers or dissolutions of the company

### The Important Issues Reserved for the Board's Approval

Although the board committee has assigned the authorize to Sub-committee, Managing Director and Senior Management, the board committee reserved the right of approval on the important issues to the Board of Directors in order to protect the interests of company and shareholders. For example:

- Business strategy, business plan and budget
- Capital expenditure and the cost exceeded the Sub-committee or management's approval limit
- Organization structure and designation of Managing Director

### **Executive Committee**

<b>Name-Surname</b>	<b>Position</b>
Mr. Min Intanate	Executive Chairman
Mr. Trisorn Volyarngosol	Executive Director
Mrs. Petcharat Volyarngosol	Executive Director
Miss Utsanee Ratanaphaithun	Executive Director

### Authorities and Duties of the Executive Committee

1. To propose the company's targets, policies, business plans and strategies, annual budget, to the Board of Directors for consideration
2. To monitor business operations of the company to be in accordance with policies, plans and budgets as approved by the Board of Directors
3. To consider and approve the company's normal business transactions under budget or investment approved by the Board of Directors. Each transaction must be approved within the given authority approved by the Board of Directors
4. To present the company's organizational structure, number of required human resources and management authority for the Board of Directors' approval

## MANAGEMENT STRUCTURE

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5. To consider and adjust remuneration and bonuses for employees that are ranking below Managing Directors, including manpower not accounted for in the annual budget
6. To appoint or hire a consultant regarding the administration of the company, in order to achieve highest efficiency
7. To consider profit and loss of the company and propose both interim and annual dividends for the Board of Directors' approval
8. To assign any person(s) to perform a task under the Executive Committee's supervision or to delegate authority to the person(s) and within a period as deemed appropriate by the Executive Committee. The Executive Committee may dismiss, withdraw, change or reassign the authorized person(s) or the delegation of authority as it sees fit.
9. To perform other duties as assigned by the Board of Directors

The Executive Committee must not assign its power to a person or a party to perform activities that may have a conflict of interest with the company, subsidiaries or related companies (as defined by announcements from the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or other related agencies). The Executive Committee would not have authority to approve such transaction and must propose to a Board of Directors' Meeting and/or a shareholders' meeting (as the case may be) for their consideration and approval. Exceptions can be made for transactions that conform to normal courses of business as defined 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: \* Mr. Teera Aphaiwongse and Mr. Sujin Suwannagate are directors with sufficient knowledge and experience to review financial statements

### Secretary of the Audit Committee

Ms. Yupa Benchawikai

### Authorities and Duties of the Audit Committee

1. To review the company's financial report and ensure its reliability and adequacy
2. To review that the company has appropriate and effective internal control and internal audit systems and to determine an internal audit unit's independence as well as to consider the appointment, transfer or dismissal of the chief of an internal audit unit or any other positions responsible for the internal audit
3. To review the company's compliance with the Securities and Exchange Act, the regulations of the Stock Exchange and the laws relating to the company's business

4. To consider, select, nominate and recommend an independent individual to be the company's auditor and to propose the remuneration for the said individual, as well as attend a non-executive meeting with the company's auditor at least once a year
5. To review connected transactions and transactions that may lead to a conflict of interest to ensure they conform with all relevant laws and regulations of the Stock Exchange, reasonable and are for the best interest of the company
6. To prepare an Audit Committee report and disclose it in the company's annual report. Such report must be signed by the Chairman of the Audit Committee and must include 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 and the regulations of the Stock Exchange and any 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 conflict of interest
  - (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member
  - (g) Opinions or remarks received by the Audit Committee through the performance of its duties as defined in the Committee's charter
  - (h) Other transactions, which the Audit Committee views appropriate to disclose to the shareholders and general investors, within the scope of duties assigned by the Board of Directors
7. To perform any other tasks assigned by the Board of Directors, with the consent of the Audit Committee

## Risk Management Committee

Name-Surname	Position
1. Mr. Narathorn Wongvises	Chairman of the Risk Management Committee
2. Mr. Trisorn Volyarngosol	Member of the Risk Management Committee
3. Mrs. Petcharat Volyarngosol	Member of the Risk Management Committee
4. Miss Utsanee Ratanaphaithun	Member of the Risk Management Committee

### Authorities and Duties of the Risk Management Committee

1. To propose risk management policies in various areas to the Board of Directors for consideration and approval
2. To control, oversee and review risk management process in various aspects of the company to ensure that there is a proper and acceptable level of risk management and in line with the risk management policy
3. To report the progress of operational development and improvement to reduce the company risk exposure, to the Board of Directors for acknowledgement on a quarterly basis

## MANAGEMENT STRUCTURE

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4. Consider and review the suitability of the risk management policy at least once a year or when the company's risk factors are significantly changed. In the event that there is a change to the risk management policy, the Committee must propose the Board of Directors for approval
5. To perform other risk management related tasks assigned by the Board of Directors

### Management Team

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

### Authorities and Duties of the Managing Director

1. To supervise, administer and manage normal business operations in the company's best interest in compliance with the company objectives and Articles of Association as well as regulations, resolutions, policies, plans and budgets approved by the Board of Directors Meeting and / or the Shareholders' Meeting and are under the relevant laws and authorities prescribed by the Board of Directors
2. To supervise and/or manage daily business operations of the company
3. To prepare and present business policies, business plans, objectives, operation plans, business strategies, annual expenditure budgets for business operations, and annual expenditure budget and determine management authorities, to the Executive Committee and the Board of Directors
4. To adopt policies from the Board of Directors in order to determine the direction, strategies and business goals and set missions for the company's management and operation teams.
5. To supervise, monitor and follow up on the performance of the company's management and operation team as well as provide solutions to solve the problems so that the executives and management team can move forward in accordance with the set strategic and business plans, in accordance with the company's policies
6. To monitor and evaluate the performance of the management and operation teams; to report progress their progress to the Executive Committee, the Audit Committee and the Board of Directors on a regular basis
7. To issue orders, regulations, notifications and memorandum of understandings in order to ensure that the operations conform with the company's policies and are for the company's best interest as well as to maintain discipline within the organization



8. To determine management plans including details of the selection, training, hiring and dismissal of employees as well as the rates of wages, salaries, commissions, bonuses and welfares for employees, all within a framework approved by the Board of Directors;
9. The Managing Director has the power to appoint and dismiss employees of the company in positions below an executive director
10. The Managing Director has the authority to approve expenses for normal business operations such as purchasing assets, making important investments and authorizing other transactions in the company's best interest. The Managing Director is only authorized to approve transactions under normal courses of business and according to the budget prescribed in the Authority Table, which has been approved by the Board of Directors.

## **Selection of Directors**

The company has not set up a nominating committee to nominate appropriate individuals to be elected as director(s) of the company. Thus, when the Director position is vacant, the Board of Directors shall select directors according to the experience, knowledge, skills and attributes required by the law. The Board of Directors shall select directors by using the criteria which takes into account the benefit of diversity. Whether the experience, knowledge, abilities, gender and seniority.

and propose the selected candidates individually to a shareholders' meeting for their approval. Attendees of the meeting will then elect the company's directors as prescribed in the Articles of Association.

## **Composition and Appointment of the Directors**

The compositions, selection, appointment, dismissal and 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 include at least 5 members. No fewer than half of the directors must reside in Thailand and all members must possess qualifications prescribed by the law
2. Shareholders' meetings shall elect Directors according to the following rules and procedures:
  1. Each shareholder shall be entitled to one vote per one share
  2. Each shareholder may cast his/her vote for one or more candidates for the Board membership but may not differentiate his/her voting rights amongst the candidates
  3. Nominees with the largest number of votes shall be elected to fill the available positions Board in respective order. In the event that a number of nominees receive an equal votes, resulting in the number of Directors being more than is required at such time, the Chairman of the meeting shall cast the deciding vote
3. In each annual general shareholders' meeting, one-third of the directors shall vacate their positions. If the number of directors cannot be divided equally into thirds, the number closest thereto will be applicable. In the first and second years following the registration of the company, the directors shall conduct a random draw to decide which members are to vacate their positions. In subsequent years, the directors who have been in their positions longest shall vacate their posts. Directors, whose term in office has thus ended, may be re-elected as a director 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 of which the company receives the letter.

Directors, who wish to resign as above, may notify the Registrar of his resignation.

5. In the event that director's position becomes vacant for any reason other than the end of the office term, the Board of Directors shall, during the next board meeting, appoint a person to be a new director, with all the necessary qualifications according to the Public Limited Companies Act and / or Securities and Stock Exchange Laws. This is not applicable if the remaining office term is less than 2 months. The appointed person shall remain a director only for the remaining term of the person whom they are replacing. This resolution must be approved by at least three-fourth of the number of remaining directors.
6. A shareholders' meeting may also remove a director from office before the end of term, but only if such resolution is made with at least three-fourth of eligible votes from shareholders who attend the meeting. Such voters must hold at least one-half of the total number of all shares owned by all eligible shareholders that attend that particular meeting.

### **Compositions and Appointment of Independent Director**

The Board of Directors shall collectively consider the qualifications of a candidate to be filled in a position of Independent Director basing on the qualifications and prohibited attributes prescribed in the Public Limited Companies Act, Securities and Stock Exchange Laws, Notifications of the SEC and/or other related rules and regulations. In addition, the Board of Directors shall determine candidates with qualified work experience and suitable skills for the position of Independent Director and then propose these candidates to a shareholders' meeting for their consideration and appointment. The company has a policy that at least a third of the Board of Directors (consisting of at least three people) must be an Independent Director.

### Qualifications of Independent Directors

1. Not hold shares exceeding one-half (0.5) percent of the total number of voting shares of the company including the shares held by related persons of the independent director
2. Not be or have been a member of Management Committee, employee, officers, consultant who receives a salary, or the authorized person of the company unless they are clear from the foregoing status not less two (2) years before being appointed as Director
3. Not be a person related by blood or registration under law with management, major shareholders, authorized person, or a person to be nominated as executives or authorized person of the company. Neither being parents, spouse, sibling, child nor spouses of children.
4. Not be or have had a business relationship with the company or its conflict of interest companies in the manner that inhibit their independent judgment unless they are clear from the foregoing status not less than two (2) years before being appointed as Director
5. Not be or have been an auditor of the company, its conflict of interest companies, major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company or corporate that may have conflict of interest unless they are clear from the foregoing status not less than two (2) years before being appointed as Director
6. Not be or have been any kind of professional advisor including a legal or financial advisor who receives an annual service fee exceeding two (2) million baht from the company or its conflict of interest companies, including major shareholder, non-independent directors, executives or partner of the professional advisor unless they are clear from the foregoing status not less than two (2) years before being appointed as Director

7. Not be a director who has been appointed to be a representative of the Board of Directors, major shareholder or shareholder who related to major shareholder of the company
8. Not be in other characteristics which will inhibit the independent opinion toward the operation of the company

## 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. The Board of Directors also establishes the qualifications and the scope of responsibilities of the Audit Committee from the previously mentioned rules. Other than being an Independent Director, members of the Audit Committee shall also possess the following additional qualifications:

1. A member of the Audit Committee shall not be a Director appointed by the Board to make decision on any business operations of the company, the company's subsidiaries, any joint ventures, its subsidiaries, affiliates or entities that may lead to a conflict of interest

2. A member of the Audit Committee shall not be a Director of a mother company, a subsidiary or an affiliate of the same level that is a listed company

3. A member of the Audit Committee should possess sufficient knowledge and experience to carry out the responsibilities that are required by the Audit Committee. There must be at least member in the Audit Committee with enough knowledgeable and experience to review the reliability of financial statements.

The positions of the Chairman and the members of the Audit Committee shall remain valid until end of their responsibility as Directors of the company.

Upon completing their term, the Chairman and the members of the Audit Committee can be re-elected into the Audit Committee by shareholders.

## Remuneration of Directors and Management Team

### Monetary Remuneration

#### Remuneration of Directors

Name-Surname	Year 2015		Year 2016	
	Remuneration	Meeting Allowance	Remuneration	Meeting Allowance
1. Mr. Teera Aphaiwongse	1,800,000	20,000	1,800,000	20,000
2. Mr. Min Intanate	480,000	20,000	480,000	20,000
3. Mr. Narathorn Wongvises	480,000	20,000	480,000	20,000
4. Mr. Trisorn Volyarngosol	-	20,000	-	20,000
5. Mrs. Petcharat Volyarngosol	-	15,000	-	20,000
6. Mr. Sujin Suwannagate	600,000	20,000	600,000	20,000
7. Mrs. Susama Rativanich	600,000	20,000	600,000	20,000
8. Mr. Sopon Intanate	360,000	15,000	480,000	15,000
Total	4,320,000	150,000	4,440,000	155,000

## MANAGEMENT STRUCTURE

### Remuneration of Management Team

The company paid remuneration of 15.16 million baht and 15.53 million baht to the management team in 2015 and 2016 respectively. The remuneration includes salary, bonus and other welfares.

	Year 2015		Year 2016	
	No. of the Executives (Person)	Remuneration (Baht)	No. of the Executives (Person)	Remuneration (Baht)
Salary	6	11,293,789.00	6	11,501,884.00
Bonus	6	108,435.00	6	181,515.00
Other Welfares	6	3,761,937.56	6	3,852,152.34
Total		15,164,161.56		15,535,551.34

### Employees

As at 31 December 2016, the company employs a total of 320 employees (exclusive of 6 executives), which can be divided into 314 full time employees and 6 part time employees with the details as follows:

Department	Full Time Employee (Person)	Part Time Employee (Person)	SOJ (AU)
1. Accounting	12	-	12
2. Finance	10	-	10
3. Marketing	7	-	7
4. Sales	30	-	30
5. Retail 1 , 2	158	6	164
6. Engineering & Service	46	-	46
7. Product Management	26	-	26
8. Business Development	7	-	7
9. Human Resource	6	-	6
10. Training	3	-	3
11. Administration	6	-	6
12. Internal Audit	3	-	3
Total	314	6	320

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## Human Resource Development Policy

The company places great emphasis on the training and development of employees and has established a training division created specifically to instruct employees. This training division has the objectives of developing the specialized and technical knowledge, skills and experience of employees. Stimulating these qualities is vital to the development of our employees as it helps them to accomplish their assignments effectively as well as support and prepare them towards fulfilling their own career goals. These process will, in turn, strengthen the operations of the company as well.

The company is providing the following trainings to employees:

Training Course for New Employees: to prepare employees for their new job

- Leading an orientation to inform new employees about the company;
- Providing sales skills training that covers customer service techniques and techniques for creating better customer experiences
- Presenting knowledge and demonstrations regarding the company's products and their innovation;
- Providing work-experience in real-life situations

Advanced Training Course: to review knowledge the of employees in every position

- Providing training for the staff operating the training division
- Providing training for cashiers
- Providing training for staff making demonstrations

Furthermore, the company also encourages employees to take training courses outside the company and also take certification exams held by brand owners such as Apple. This would allow employees to develop their own professional, specific skills and also improve the company's competitiveness.

The company also foreseen and gave priority to personnel succession plan especially for top management in order to give confidence to the company for the readiness of personnel replacement when necessary and to support business expansion in the future. For the position of top management, senior manager and above, the company will identify the successor for immediately replacement. In case there is no one qualify for the position, the company will provide development plan to the subordinate as well as recruit from outside the company.

In 2016, the company provided both internal and outsource training course to executives and officers. The participation rate was reported at 53 percent to average total number of employees in 2016. This participation rate was in line with the regulation of not less than 50 percent to average total number of employee. The total training hours was counted at 2,148 hours per year or 13.51 hours per person per year.



The company realizes the importance of good corporate governance with corporate transparency and equitable treatment to all concerned parties. Consequently, the company has established a “Good Corporate Governance Policy” in writing. The company had followed and conformed to the policy since 2013. The content of the policy covers 5 chapters as follows: 1) the Rights of Shareholders, 2) the Equitable Treatment of Shareholders, 3) the Company’s Conduct Towards Relevant Stakeholders, 4) Disclosure and Transparency and 5) Responsibilities of the Board of Directors. The company has already disclosed the content of “Good Corporate Governance Policy” in its website: [www.spvi.co.th/investor-relations/](http://www.spvi.co.th/investor-relations/). The Board of Directors has reviewed the corporate governance policy to be appropriate and comply with the requirements of the Stock Exchange of Thailand.

In 2016, the company conformed to the Good Corporate Governance Policy, which can be summarized as follows:

### Chapter 1: The Rights of Shareholders

The company realizes and gives importance to various basic rights of the shareholders, such as the rights 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 the company’s Memorandum of Association and Articles of Association and increase or decrease capital etc.

Apart from various basic rights of the shareholders mentioned above, the company takes various actions to promote and facilitate the exercise of the shareholders’ rights, as follows

#### Before the Meeting

1. The company invited minority shareholders to propose agenda and nominate a person to be a director during 1-31 December 2016. The rules and procedures for proposal was announced and published in the website of Stock Exchange of Thailand and company website. Nevertheless, none of minority shareholder presented the proposal.
2. The invitation notice of the meeting was prepared and sent along with support documents to shareholders prior to the meeting date and also was published on the company website [www.spvi.co.th/investor-relations/](http://www.spvi.co.th/investor-relations/) 30 days prior to the meeting date. The supported document was

submitted to shareholders 21 days prior the meeting date. So that, shareholders would have enough time to study the information beforehand.

An invitation notice provided correct, clear and adequate information as follows:

- Invitation notice of each agenda clearly stated that it was for acknowledgement or consideration including facts, reason and the comments from the Board of Directors.
- Registration form with printed barcode was attached with the invitation notice to accommodate faster registration process for shareholders.
- Attached 3 proxy forms so that shareholders who were unable to attend the meeting might appoint any person as their proxies by using one of the three proxy forms enclosed with the notice of the meeting.
- A copy of previous minutes of meeting.
- Information of those who had been nominated for election as directors. The details included the name, age, education, work experiences, training organized by the Thailand Institute of Directors (IOD), number of companies that each director maintained directorship, type of the proposed directorship, directorship commencement date.
- Details of 3 directors who can act as shareholders’ proxies. All of the proposed directors are independent directors. A shareholder may appoint one of them as a proxy to attend and vote on the shareholder’s behalf.
- Articles of Association in connection with shareholder meeting.
- Map of the location of the meeting for travelling by car or public transportation.
- Each agenda clearly stated that it was for acknowledgement or consideration including facts, reasoning and the comments from the Board of Directors.

#### On the day of the Meeting

1. The company organized the Annual General Meeting of Shareholders on 11 April 2016 at the ASIC Meeting Room, 34<sup>th</sup> Floor, SVOA Tower, Rama III Road, Bangpongpan, Yannawa, Bangkok where provided the appropriate size of meeting room and able to adequately accommodate attendees. The registration process began

2 hours in advance of the meeting so that staff would get enough time to check documents of shareholders presented at the meeting in person and a large number of proxies appointed by shareholders. For the accuracy and to speed up the registration process, the company had prepared sufficient officers and registration desks. Once registration was completed, shareholders would receive a ballot to vote on each agenda of the meeting.

2. Before the meeting started, the Secretary of the meeting would inform shareholders on how to vote according to the Articles of Association. Holders of the company's common shares were entitled to cast one vote per one share. The casting of votes would be conducted openly. The company used a barcode system to count the votes for accuracy and speed. After the vote counting on each agenda was completed, the company would display the outcome on a screen to inform shareholders by dividing the vote scores into approve, disapprove and abstain.

3. Chairman of the Audit Committee, Audit Committee, Independent Directors, Board of Directors, Executive Chairman and Managing Director of the company all gave priority and attended the general meeting to provide clarifications or answers inquiries from shareholders in the meeting.

4. For those shareholders who attended the meeting after it started, they could still attend the meeting and vote on agendas, which were being considered, or those had not been voted.

5. The shareholder meeting proceeded according to the specified agendas. The meeting would not consider additional agenda(s) not specified in the invitation notice.

6. Chairman of the meeting assigned the secretary to announce the vote result of each agenda to shareholders immediately and no shareholders raised any objections.

#### **After the Meeting**

1. The company disclosed resolutions from the shareholder meeting with the outcome of votes count within the same day through media channels of SET.
2. The company secretary prepared minutes of the meeting and submitted to SET within 14 days as specified by the laws.

## **Chapter 2: The Equitable Treatment of Shareholders**

The company recognized the importance and values the right of every individual shareholder, whether executive or non-executive, major or minor shareholders. Thus, the company would not engage in any discriminatory act or cause any unfair treatment to shareholders under the provisions of the relevant laws. In 2016, the company practiced the following procedures:

### **1. The Shareholder Meeting**

- The company delivered all three proxy forms to holders of all shares so that shareholders could choose the form that best fitted their needs.
- In the case where a shareholder was unable to attend the meeting, the company had nominated 3 independent directors. A shareholder might appoint one of them as a proxy to attend and vote on the shareholder's behalf.

### **2. The Directors and Executives.**

The company had written measures to strictly prevent wrongful use of inside information (Insider Trading) according to the following procedures:

- Defined a policy to prevent wrongful use of inside information (Insider Trading) and notified directors and executives to refrain from perform any transaction on the shares, 1 month prior to the publish of the company's financial statements. As for the previous year, the Board of Directors and Management of the company had strictly conformed to the policy.
- Connected transactions that occurred in the year 2016 were all transparent and were carried out in a fair manner in accordance with ordinary courses of business.

## **Chapter 3: The Role of Stakeholders**

The company respected the rights of relevant stakeholders and treated them fairly as follows:

- Employees: The company aimed to provide both skill development and on-the-job training to employees of all levels. It did that on a continuous basis either by organizing in-house and outside trainings by respective suppliers.

For welfare & benefits, the company focused on quality of working life for employees and treat employees equally. The company provided life and health insurance, provident fund and annual physical check up for all employees. The company cooperated with commercial banks to offer low-interest personal loan to employees as a company

welfare program. As well as, the company managed the good work environment to ensure safety workplace. These safety policy brought zero rate of accident case and employee absent from injury and sickness at work in 2016.

- **Partners and Creditors:** The company adhered to good business practice and strictly complied with commercial terms and/or agreements with business partners and creditors. It maintained the relationship with its partners based on the principle of equality and mutual benefits in order to develop a long-term relationship with partners.
- **Customers:** The Company strived to achieve customers' satisfaction and confidence by keeping on improving products and services as well as maintaining good relationships, integrity and fairness. In 2016, the company evaluate the service quality through various method as per following;
  - a. **U•Store by SPVi :** the company evaluated a customer satisfaction toward a service quality through survey research with 4 indicators consists of "Need Improvement", "Moderate", "Good" and "Very Good". The sample group was students from the university where U•Store by SPVi was located. The customers gave "Good" and "Very Good" score which are 67.86 and 22.40 percent accordingly.
  - b. **iStudio and iBeat by SPVi :** the company regularly evaluate the service quality through outsourcing "Mystery Shopper"
  - c. **iCenter :** the service quality was evaluated by Apple on monthly basis and found that the over all satisfaction rate of each branch is not less than 83 percent. The company acknowledged the shortcoming and considered to improve service quality to enhance customer satisfaction level.
- **Competitors:** The company treated competitors in accordance with international standard under legal frameworks on fair trade competition. It observed the rules of fairness when competing and would not acquire information from competitors illegally or against its ethics.
- **Communities and Society:** The company realizes its responsibilities towards the communities and society. It participated in charitable activities and public services, for example, activities to promote education.

Furthermore, the company assigned the best practice and internal control system in order to prevent frauds and corruptions in the organization. As well as, the company emphasized the participation of the relevant stakeholders to determine business transparency, compliance with corporate good governance policy, as well as the best practice to anti-corruptions in organizations. Those who witness the violation can report to the board of director through company secretary or internal audit department. The report of violation will be investigated and the whistle-blower will be well protected by company.

### Measure of Witness Protection

1. The company will keep the information of corruptions, whistle-blowers, petitioners, and suspects as confidential.
2. The company will disclose the information as necessary by concern on safety of the source of information and relevant persons.
3. The company will appropriately and fairly mitigates the loss of injured person.
4. The company will not conduct any unfair action toward the whistle-blowers and petitioners whether change job position, job description, workplace, suspend or terminate job, or any other unfair action toward the whistle-blowers, petitioners, and any person who cooperative to the investigation.

### Channel to report the offense

1. Report to the company secretary at  
S P V I Public Company Limited  
1213/58-59 Soi Ladprao 94, Sriwara Road, Plubpla, Wang Thong Lang, Bangkok 10310 or email to [companysecretary@spvi.co.th](mailto:companysecretary@spvi.co.th)
2. Report to internal audit department at  
Miss Yupa Benjawikrai  
S P V I Public Company Limited  
1213/58-59 Soi Ladprao 94, Sriwara Road, Plubpla, Wang Thong Lang, Bangkok 10310 or email to [yupa@spvi.co.th](mailto:yupa@spvi.co.th)

### **Chapter 4: Disclosure and Transparency**

The Board of Directors recognized 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. It also disclosed other significant information that might affect the price of the company's



securities, and might have an impact on investors and stakeholders' decision. This was carried out to ensure that related parties obtain equal information. The company disseminated information of the company to shareholders, investors and general public through various channels provided by the Stock Exchange of Thailand and the company's website: [www.spvi.co.th/investor-relations/](http://www.spvi.co.th/investor-relations/)

The Board of Directors was responsible to review and ensure the reliability, completeness and rationality of the company's financial statements. The company's financial statements must be prepared in accordance with generally accepted accounting principles and use appropriate

accounting policy with consistency and careful judgment. The responsibility of the Board of Directors to the financial statements together with the report of the auditor must be included in the Annual Report Form (56-1) and Annual Report (56-2). The roles of the Board of Directors and the Audit Committee, number of board meetings, and the number of meetings each director attended during the past year, must be clearly reported. In addition, the company was appointed to report the change of stockholding of board of director and management in every board meeting. The stockholding of board of director in 2016 was reported as following.

## Securities holding information of the directors and management in 2016

Director / Management	Ordinary Share (shares)		
	31/12/2015	Buy (+) / Disposal (-)	31/12/2016
1. Mr. Teera Aphaiwongse Chairman of the Board and Chairman of Audit Committee Spouse and minor children	400,000 -	- -	400,000 -
2. Mr. Min Intanate Director and Executive Chairman Spouse and minor children	300,000 -	- -	300,000 -
3. Mr. Narathorn Wongvises Director and Chairman of Risk Management Committee Spouse and minor children	5,050,000 -	- -	5,050,000 -
4. Mr. Trisorn Volyarngosol Director, Executive Director, Member of Risk Management Committee and Managing Director Spouse and minor children	25,311,050 -	- -	25,311,050 -
5. Mrs. Petcharat Volyarngosol Director, Executive Director, Member of Risk Management Committee and Managing Director Spouse and minor children	33,294,000 25,311,050	- -	33,294,000 25,311,050
6. Mr. Sujin Suwannagate Independent Director and Member of Audit Committee Spouse and minor children	300,000 -	- -	300,000 -
7. Mrs. Susama Rativanich Independent Director and Member of Audit Committee Spouse and minor children	300,000 -	- -	300,000 -
8. Mr. Sophon Intanate Director Spouse and minor children	- -	- -	- -
9. Miss Utsanee Ratanaphaitun Executive Director, Member of Risk Management Committee and Vice President (Accounting and Finance) Spouse and minor children	- -	- -	- -
10. Mrs. Duangnapa Volyarngosol Assistant Vice President – Product Management Spouse and minor children	1,570,480 5,352,834	- -	1,570,480 5,352,834
11. Mr. Pongsakorn Boonsrimuang Senior Manager – Engineering and Service Spouse and minor children	831,186 -	- -	831,186 -
12. Mr. Pairoj Ullisnant Senior Manager – Retail Spouse and minor children	- -	- -	- -

The company set up an Investor Relations Department to handle information and communication with shareholders. Investors and securities analysts could reach the company via the following contact details:

- Telephone: 0 2559 2901-9
- Email: [ir@spvi.co.th](mailto:ir@spvi.co.th)
- Correspondence: Investor Relations

In addition, investors could also study the company's information on the website: [www.spvi.co.th](http://www.spvi.co.th).

**Chapter 5: Responsibilities of the Board of Directors**

Although the company had not yet appointed Nomination and Remuneration Committee to nominate the company's directors, it was confident that the current Board of Directors comprised highly qualified individuals with knowledge, capabilities, skill sets and experience. They were well recognized and had a good understanding of the roles and responsibilities of the Board of Directors.

**1. Structure of the Board of Directors**

1.1 Currently, the company's Board of Directors consisted of 8 members comprising:

- a) 2 Executive Directors
- b) 6 Non-Executive Directors, including among others, the Chairman. Of all the Non-Executive directors, there were 3 Independent Directors (The number of Independent Directors was more than one-third of the total number of directors.)

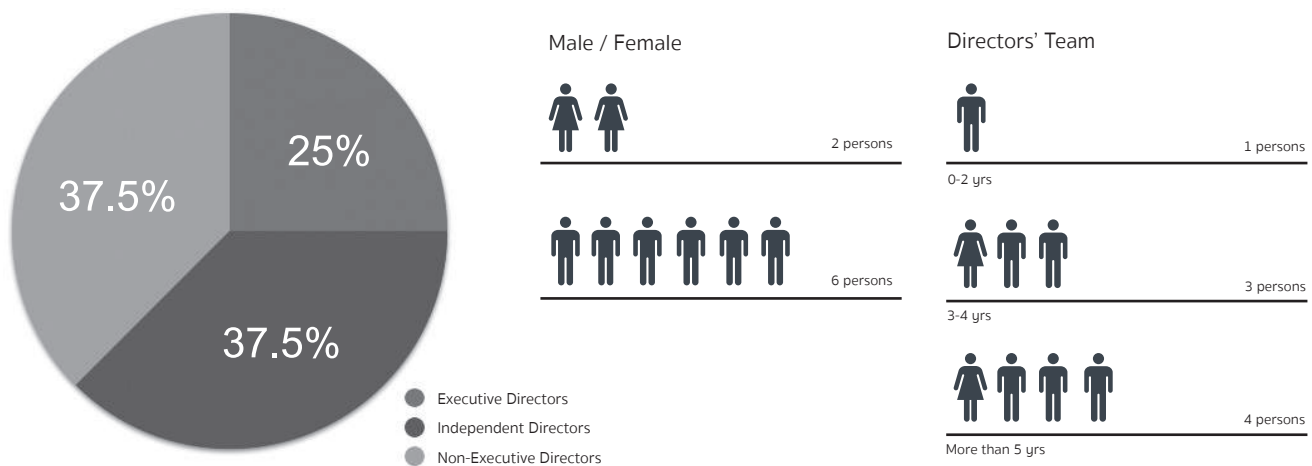
In addition, the Board of Directors also appointed the following committees to assist in overseeing the overall operations of the company.

1.1 The Executive Committee: responsible for determining business operation directions and strategies to be in accordance with the objectives set by the Board of Directors and to facilitate the management and operation of the company.

1.2 The Audit Committee: responsible for specific duties and proposing issues to the Board of Directors for consideration and acknowledgement. The Audit Committee had 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 review the reliability of the company's financial statements

The Board of Directors had established a policy that a person might not hold the position as the Chairman and the Managing Director at the same time. This was to clearly segregate duties and responsibilities between policy setting & supervision duties and daily operation management duties. The Board of Directors would be responsible for setting policies and supervising the performance of the management. Meanwhile, the management would be responsible for managing the company's day-to-day business operations to be in line with approved policies.

**Portion and Structure of Directors**



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

The company stipulated that the Board of Directors complied with “the Code of Best Practices” for directors of listed companies under the guidelines of SET. The Board must understand and be aware of their roles and responsibilities as well as carry out their assignments in accordance with relevant laws, the company’s objectives and Articles of Association. They should direct the company in accordance with resolutions of the shareholders’ meeting with honesty, integrity, while seriously taking into consideration the interests of the company and shareholders. The Board of Directors would act as the policymaker who determined business targets, operating plans and budgets of the company as well as supervise the management team to operate the business according to specified policies, plans and budgets. It should also ensure that the plan be effectively and efficiently executed for the best benefits of the company and shareholders.

## 3. Board of Directors’ Meetings

The company had set a policy that the Board of Directors would hold a meeting at least once every 3 months and had been scheduled in advance throughout the year. In addition, a special meeting could be called if it was deemed necessary. Agendas would be clearly defined, and the meeting documents would be sent 7 days in advance to allow sufficient time for the directors to review prior to the meeting. Each meeting would be recorded, and minutes of meeting would be prepared in writing. All approved documents must be properly stored for future reference and inspection.

## 4. Remuneration of Directors and Management Team

The company had a policy to provide reasonable remuneration for the company’s directors and management team, which should be sufficient to attract and retain the directors and the management team. The remuneration would be justified with their responsibilities and competitive with 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 the management team must comply with the principles and policies set by the Board of Directors, which was also based on obligations, responsibilities and performance of each executive as well as the operating results of the company.

## 5. Development of Directors and Management Team

The Board of Directors had set a policy to promote and support training and education for corporate governance to related parties, including directors, Audit Committee, management team and corporate secretary. This was to encourage and continuously enhance their efficiency and effectiveness. The company gave priority to training courses provided by Thai Institute of Directors Association (IOD).

## 6. Self-assessment of Board of Directors and Managing Director Evaluation

The Board of Directors has set a self-assessment of Board of Directors in order to evaluate the performance of Board of Directors as well as to review and evaluate the comments toward any issues related to company’s operations and performance of Board of Directors. This process will improve corporate governance

The Board of Directors has set a 2016 performance review of the Board of Directors in the Board meeting 1/2017 in February 16, 2017. The assessment covered following issues:

1. Structure of the Board of Directors
2. Corporate strategies and business direction
3. Responsibilities of the Board of Directors
4. Corporate Governance
5. Relationship between the Board of Directors and Management

The Directors evaluated “excellent” with 90.24 percent to these 5 issues in 2016 performance appraisal of the Board of Directors.

The Board of Directors also set a performance review of Managing Directors. The assessment covered following issues:

1. Leadership skill
2. Strategic planning and implementation
3. Financial planning and financial performance
4. Relationship to Directors

5. Management skill and relationship to personnel
6. The succession
7. Product and Service Knowledge

The Directors evaluated “excellent” with 80.94 percent to these 7 issues in 2016 Performance appraisal of the Managing Director

### Controls on the Use of Inside Information

Directors, management and employees were not allowed 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.

Directors, management and employees of the company as well as their spouses and dependent children were prohibited from using internal information of the company. Internal information was defined as information that had or might have an impact on the price of the company’s securities and which had not been disclosed to the public. Directors, management and employees of the company were restricted to use the internal information to buy, sell, offer for sale, or persuade others to buy, sell or offer for sale the company’s securities, whether directly or indirectly before the information was revealed to the public. They were also prohibited to do so for their own or others’ benefits, or to knowingly allow others to do so for their benefits. Those who violate such rules would be punished according to disciplinary guidelines specified by the company.

The company had taken measures to ensure that its executives understand and acknowledge their obligations to report the holding of the company’s securities by themselves, their spouses and dependent children. This includes the report of any change in the holding of such securities to the SEC according to Section 59 of Securities and Exchange Act B.E. 2535.

The company notified its directors, management and employees as well as their spouses and dependent children to refrain from making any transaction on the company’s securities, 1 month prior to the public disclosure of the company’s financial statements.

The company had duly notified its directors, management team and employees of the above-mentioned requirements.

### The Appointment and Compensation of Auditor

The Audit Committee considered the qualifications and performances of auditors and proposed the Board of Directors to appoint company’s auditors every year. As well as, considered the compensation of auditors and propose in shareholders’ meeting for approval.

The compensation of auditors in 2016 was consist of:

1. Audit fee

In 2016, the company has paid audit fee of 900,000 baht to company’s auditor, Mr. Wichart Lokatekrawee who possessed audit license no. 4451 of EY Company Limited

2. Non-audit service

In 2016, the company has paid the fee of 20,000 baht to company’s auditor for observation in product write-off process.

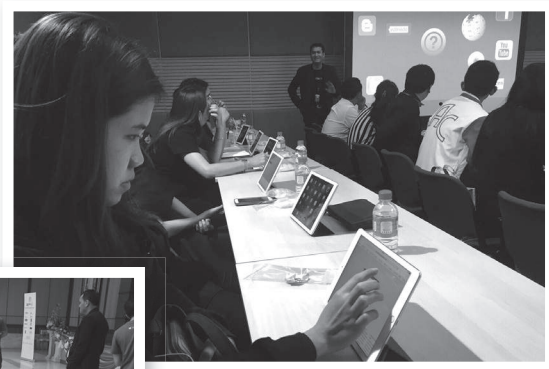


The company places a great emphasis on operating business under an ethical corporate governance and being fully aware of its social responsibility towards people both inside and outside the company, which would lead to the development of a sustainable business. We would take into consideration the interest of all stakeholders both inside and outside the company, stockholders, employees, customers and those in general society, among others.

In 2016, the company has provided its continual support for multiple educational projects, including projects for university instructors, educational staff, students and youths such as:

- “Learning with iPad” project which aim to educate teachers to apply iPad device in teaching. The project was implemented to Assumption College, Assumption College Thonburi, Thanyaburi School, and Siam Technology College.
- “T-Camp” project which aim to educate teachers to apply iPad and MAC OS computer in photography and VDO editing to create their instruction media. The project was implemented to Tubthong School
- “iCamp” and “yCamp” the computer camp project which aim to develop the skill of photography and VDO editing to students and apply in daily life for the effective learning . The project was implemented to Donmuang Thahan Argard Bamrung School, Rittiyawannalai School and Nawaminthrachinuthit Triam Udomsuksa Pattanakarn School.

The company also participated in “Active Aging “, the volunteer activity with “Baan Sudthavas Chalerm Phra Kiatr” charity home for destitue elderly women. This project aim to educate elderly people how to use social media on iPhone and iPad.





### **Risk Management**

The company realized that risk management is an integral part of the company's operations and appointed a Risk Management Committee in the Board of Directors meeting No. 2/2014, on the 6th of May 2014. This Committee would have the responsibility to prepare policies, control, supervise and review the risk management process. The Risk Management Committee would ensure that the company performed risk management at an acceptable level. The Committee shall then report their findings to the Board of Directors on a regular basis, for their consideration and acknowledgement.

### **Internal Control**

The company places great importance on internal control, as it is a vital tool in preventing possible damages happened because of wrongful, misconduct or fraudulent actions by executives and employees. During the Board of Directors meeting no. 1/2017 on 16th February 2016, the Board of Directors together the Audit Committee, reviewed and evaluated the internal control systems according to evaluation guidelines recommended by the Capital Market Supervisory Board. There were five following areas: Control Environment, Risk Assessment, Control Activities, Information Technology and Communication and Monitoring and Evaluation. It is in the opinion of the Board that the company has an adequate and effective internal control system. It did not find any significant flaws regarding the company's internal control system.

### **Internal Audit**

The company has designated an internal audit department as an independent entity of the company reporting to the Audit Committee. This department is responsible for providing administrative recommendations to the managing director. It advises, audits and assesses the internal control system, the risk management system and oversees operations to ensure that the company has an efficient internal control system.

### **Anti-Corruption Policy**

The company is committed to conducting its business with honesty, integrity, transparency, equitable and responsibility for society and all the company's stakeholders according to the principle of good governance. The company realizes that bribery or corruption is threatening to destroy free and fair trade practice and is causing damage to economic and social development. The company has established policies and guidelines to prevent corruption. Details have been disclosed on our website: [www.spvi.co.th](http://www.spvi.co.th)



A list of related parties with nature of relationship and related transactions together with pricing policy was disclosed in the Notes to the Annual Financial Statements ended 31<sup>st</sup> December 2016. It was listed under Item 6 of the Notes: "List of Related Parties and Transactions". The company set up the following policy measures with regards to related transactions:

### The Need and Reasonableness of the Related Transactions

The Audit Committee of the company reviewed information about related transactions and acknowledged that the transactions were necessary and reasonable. They were transacted for the best interest of the company and in line with normal courses of business.

### The Related-Transaction Approving Process

The company set up policy measures to govern any transaction with an entity that might have conflict of interest. It had assigned the Audit Committee to review and give opinions regarding the necessity, justification and pricing appropriateness of the transactions. The Audit Committee would judge if conditions associated with the transactions were in line with normal courses of business and competitive with market prices and offers from other independent suppliers. In the event that the Audit Committee did not have specific expertise to consider a related transaction, the company would engage an advisor with relevant knowledge to comment on such transactions. The advisor must be independent from the company or those who might have conflict of interests with the company. Independent advisors might include, for instance, auditors, appraisers or legal officers. The Audit Committee might rely on advice given by independent advisors when considering the appropriateness of a related transaction before proposing to the Board of Directors or the Shareholders' Meeting, as the case may be.

In addition, the company had stipulated that an executive or any person be refrained from participating in the approval process of any transaction he or she might have conflicts of interest, either directly or indirectly. The Board of Directors would ensure that the company comply with securities and exchanges laws and regulations as well as announcements and notifications issued by the SEC and SET. It had to also ascertain that the company complied with

requirements on the disclosure of related transactions, acquisition or disposal of important assets of the company or its subsidiaries. Furthermore, the Board would oversee that the company applied generally accepted accounting principles as stipulated by the Federation of Accounting Professions and Certified Public Accountant of Thailand. Related transactions would be disclosed in the notes to financial statements, audited or reviewed by the auditors of the company.

### Related Transactions in the Future

The company might continue to have related transactions in the future, that were in line with normal courses of business. It would set a clear policy on related transactions particularly on pricing and conditions, which have to be in line with normal courses of business and competitive with offers from other independent suppliers. Related transactions might cover, for example, selling and buying of products, rendering or providing services etc. Related transactions would be carried out if they were required to support the business operation and for the best interest of the company. The Audit Committee would monitor whether related transactions complied with the set policy measures and give opinions on the reasonableness of the transactions on a quarterly basis.

For any possible related transactions that were not in accordance with ordinary courses of business, the company would arrange for the Audit Committee to review and give comments on the appropriateness of the transactions before the company entered into the transactions. The consideration would be made in accordance with the measures and procedures as specified above. For any possible related transactions that might have conflicts of interest, the Board of Directors would ensure that the company comply with securities and exchanges laws and regulations as well as announcements and notifications issued by the SEC and SET. It had to also ascertain that the company complied with requirements on the disclosure of related transactions, acquisition or disposal of important assets of the company or its subsidiaries. Furthermore, the Board would oversee that the company applied generally accepted accounting principles as stipulated by the Federation of Accounting Professions and Certified Public Accountant of Thailand.



## LIST OF DIRECTORS AND CONTROLLING PERSONS IN THE COMPANY

Name	SPVI	Related Company																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Mr. Teera Aphaiwongse	X,AC																				
Mr. Min Intanate	/,C			/	/,C	/	X	/	/,C	/	/	/		/	/	/	/,C	/,C			
Mr. Narathorn Wongvises	/									X				/							
Mr. Trisorn Volyarngosol	/,//,///	/	/																		
Mrs. Petcharat Volyarngosol	/,//,*	/	/																		
Mr. Sujin Suwannagate	/,AC																				
Mrs. Susama Rativanich	/,AC																				
Mr. Sophon Intanate	/																		/	/	
Miss Utsanee Ratanaphaithun	//,*																				
Mrs. Duangnapa Volyarngosol	**	/																			
Mr. Pongsakorn Boonsrimuang	***																				
Mr. Pairoj Ulisnant	***																				

### Note

X = Chairman of the Board

C = Executive ChairmanA

C = 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. National Credit Bureau Company Limited
8. Business Online Public Company Limited
9. PCC International Co.,LTD.
10. Venture Profile Co.,LTD.
11. ANET Co.,LTD.
12. ABIKS Development Co.,LTD.
13. S.P.N. Enterprises Co.,LTD.
14. SVOA Public Company Limited
15. A.R. Accounting Consultant Co.,LTD.
16. ARIT Co.,LTD.
17. ARIP Public Company Limited
18. IT City Public Company Limited
19. UITOX (Thailand) Company Limited
20. Touch Printing Republic Company Limited





### Results of operations

Total revenue of the company in 2016 was 1,797.46 million baht. It was 74.21 million baht or 3.96 percent decreased from 1,871.67 million baht in 2015. The total revenue consists of sales revenue, service revenue and other revenues, which were 98.21 percent, 1.02 percent and 0.77 percent respectively. The sales revenue can be divided into the sales revenue from Apple products and non-Apple products. The sales revenue from Apple products in 2016 were 1,525.95 million baht which were 109.11 million baht or 6.67 percent decrease from 1,635.06 million baht of sales revenue in 2015 due to the less number of distribution channels and the change in customers' behavior trend. The consumption demands shift from computer products to iOS devices.

The service revenue in 2016 was increased for 4.57 million baht or 33.19 percent from 2015.

The company has increased the sales contribution from non-Apple products either computer products or accessories. The sales revenue of non-Apple products in 2016 was 239.41 million baht, which was 29.08 million baht or 13.83 percent increased from the revenue of 210.33 million baht in 2015.

The sales and administration expenditure of the company was 220.14 million baht in 2016 which was 9.53 million baht increased from 210.61 million baht in 2015 due to the increasing of rental and service fee of both existing and the new expansion stores.

The net profit after income tax in 2016 was 5.14 million baht or 0.29 percent to sales revenue, which was 3.55 million baht decreased from 8.69 million baht or 0.46 percent to sales revenue in 2015.

### Financial status

#### **Total Assets**

As of December 31, 2016, the company reported the total asset of 396.87 million baht, which was 35.80 million baht or 8.27 percent decreased from 432.67 million baht in 2015 due to the company's cash and cash equivalents was decreased for 14.14 million baht. The operating cash flow

increased by 6.68 million baht while the investing cash flow and financing cash flow decreased by 12.83 and 7.99 million baht respectively due to the investment in various activities. The company invested 15.27 million baht in shop renovation and expansion. The 3.67 million baht was invested to develop new information technology system. The 7.99 million baht was also attributed to dividend payments during 2016. As well as, the investment in inventory management and stock level control which resulted in significantly decrease of stock inventory. At the end of 2016, the company stock value was 153.23 million baht which was 15.27 million baht or 9.06 percent decreased from 168.50 million baht in 2015.

#### **Total Liabilities**

As of December 31, 2016, the company reported the total liabilities of 121.06 million baht, which was 32.93 million baht or 21.39 percent decreased from 153.99 million baht in 2015 due to the decrease of trade payable and other payable. At the end of 2016, trade payable and other payable was 110.73 million baht which was 32.72 million baht or 22.81 percent decreased from 143.45 million baht in 2015 due to the purchasing with cash payment in order to get cash discount.

#### **Shareholders' Equity**

Company has 200 million baht registered capital via issuance of 400 million shares of ordinary shares at par value of 0.50 baht per share, fully paid-up. As of December 31, 2016, the company reported the total shareholders' equity of 275.81 million baht, which was 2.87 million baht or 1.03 percent decreased from 278.68 million baht in 2015. Book value was 0.69 baht per share. Company has no capital increased during the year 2016.

#### **Debt to Equity ratio**

Debt to Equity ratio decreased from 0.55 times in 2015 to 0.44 times in 2016, mainly contributed by a decrease of total liabilities.



The Board of Directors is responsible for S P V I Public Company Limited's financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimations. Important information is adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

The Board of Directors has provided and maintained a risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weaknesses that may be presented in order to prevent fraud or materially irregular operations.

The Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an external auditor, EY Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to S P V I Company Limited's financial statements for the year ended 31 December 2016. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.

Mr. Teera Aphaiwongse  
Chairman of the Board

Mr. Min Intanate  
Executive Chairman



### To the Shareholders of S P V I Public Company Limited

The Audit Committee of S P V I 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 members of committee 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 performed the duty as assigned by the Board of Directors, in compliance with the charter of auditing.

In 2016, the Audit Committee held 4 meetings with the management, internal auditors, and external auditors. The Committee reported its activities to the Board of Directors on a quarterly basis as summarized below.

**To Review Financial Statements:** The Committee reviewed quarterly and annual financial report, together with information disclosure and accounting policies, with the management and the external auditors, including the notes and suggestion by the auditors stated in the report submitted to the Board of Directors and Shareholders, The Committee assessed the adequacy and reliability of information disclosure and external auditor's discretion and determined that the company financial statements and reports had complied with accounting standard requirements under generally accepted accounting principles.

**To Review Internal Control System:** The Committee reviewed the Company's internal audit plan and reports to assess the sufficiency and efficiency of internal control system and found that the internal control system was sufficient, appropriate and effective for the Company's business. The Committee provided recommendations for continuous improvement in the efficiency of internal control system and adherence to the rules and regulations set forth by the Company.

**To Review Related Transaction:** The Committee reviewed the related transactions that might cause a conflict of interest to ensure that they conform with the normal business practices and there were 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 requirement of the Stock Exchange of Thailand and Company's guideline.

**To Review Corporate Governance:** The Committee reviewed the Company's adherence to Good Corporate Governance principle, to ensure that the internal control system is effective, adequate, and appropriate to the changing business environment.

**Appointment of External Auditor:** The Committee proposed the appointment and remuneration of the Auditors, based on their knowledge's, experiences and integrity, to the Board of Directors, for shareholders' approval at the Annual General Meeting.

In summary, the Audit Committee performed its duties as specified in the Board-approved charter with prudence and independence, and confirmed that the Board of Director and Executives of company are committed to achieve company goals with the highest quality of work, emphasizing the important of operating under the effective internal control system, with good corporate governance and transparency in accordance to the guideline of the Stock Exchange of Thailand.

Mr. Teera Aphaiwongse  
Chairman of Audit Committee



### To the shareholders of S P V I

The Board of Directors has appointed the Directors and Top Executives as the Risk Management Committee, comprising Mr. Trisorn Volyamgosol, Mrs. Petcharat Volyamgosol and Miss Ussanee Rattanapaitoon. Miss Sunsanee Horanikom served as secretary.

In 2016, the Risk Management Committee conducted 4 meetings to monitor and make consideration on important matters assigned by the Board of Directors as follows:

1. Define the scope of obligation to the Risk Management Committee
2. Consider the risk factors that affect the company's goal by considering carefully both internal and external risk factors together with suggesting useful solutions to reduce risk to the acceptable level
3. Provide suggestions and monitor performance of management level of the Risk Management in order to bring into action to achieve the goal.
4. Schedule to report the performance to the Board of Directors on quarterly basis

The Risk Management Committee determined to make the Company perform business operations based on governance principles and have efficient risk management plan in place which can control risks from business operations to be within the specified scope. Additionally, the Company plans to have the appropriate and adequate internal controls for its business operations as well as well-prepared plans in all matters in advance, consequently the Company can achieve business goals as intended and with efficiency.

Mr. Narathorn Wongvises  
Chairman of the Risk Management Committee



## Independent Auditor's Report

To the Shareholders of S P V I Public Company Limited

### Opinion

I have audited the accompanying financial statements of S P V I Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2016, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

### Revenue recognition

The Company has many branches. In addition, the Company receives rebate and sales promotion from vendors. Moreover, the economic slowdown has directly resulted in more intense competition in the industry. There are therefore risks with respect to the amount and timing of revenue and rebate and sales promotion from vendors recognition.

I have examined the revenue recognition of the Company by assessing and testing its internal controls with respect to the revenue cycle. I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers. In addition, I have examined the revenue recognition of the Company by assessing and testing its internal controls with respect to rebate and sales promotion from vendors. I also applied a sampling method to select rebate and sales promotion transactions during the year to examine the supporting documents.

### **Inventory**

Computers and mobile phone are technology products and thus sensitive to develop in technology. The introduction of new technologies could affect inventories. Estimating the net realisable value of inventory, as disclosed in Note 5 and Note 10 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and gain an understanding of the internal controls of the Company relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives. In addition, I also assessed the method and the assumptions applied by management in determining such provision and reviewed the consistency of the application. Moreover, I compared the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover and compared proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory.

### **Other Information**

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge

obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the 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.

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

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

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

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wichart Lokatekrawee.



**Wichart Lokatekrawee**

Certified Public Accountant (Thailand) No. 4451

EY Office Limited  
Bangkok: 16 February 2017

**S P V I PUBLIC COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

(Unit: Baht)

	Note	2016	2015
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	16,067,192	30,210,914
Current investments	8	88,499,258	103,646,615
Trade and other receivables	9	33,342,065	33,097,668
Inventories	10	153,234,125	168,502,102
Other current assets	11	5,361,443	5,346,091
<b>Total current assets</b>		<b>296,504,083</b>	<b>340,803,390</b>
<b>Non-current assets</b>			
Restricted bank deposits	12	160,000	160,000
Other long-term investments	13	10,000,000	-
Equipment	14	42,375,288	43,595,543
Intangible assets	15	20,486,154	21,160,026
Leasehold right	16	6,678,653	7,137,496
Other non-current assets	17	15,785,432	15,214,294
Deferred tax assets	23	4,883,415	4,598,800
<b>Total non-current assets</b>		<b>100,368,942</b>	<b>91,866,159</b>
<b>Total assets</b>		<b>396,873,025</b>	<b>432,669,549</b>

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



S P V I PUBLIC COMPANY LIMITED  
 STATEMENT OF FINANCIAL POSITION (CONTINUED)  
 AS AT 31 DECEMBER 2016

(Unit: Baht)

	Note	2016	2015
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other payables	18	110,733,177	143,447,863
Dividend payable		53,389	38,638
Income tax payable		-	1,160,271
Other current liabilities		744,826	867,979
<b>Total current liabilities</b>		<b>111,531,392</b>	<b>145,514,751</b>
<b>Non-current liabilities</b>			
Provision for long-term employee benefits	19	9,526,872	8,476,473
<b>Total non-current liabilities</b>		<b>9,526,872</b>	<b>8,476,473</b>
<b>Total liabilities</b>		<b>121,058,264</b>	<b>153,991,224</b>
<b>Shareholders' equity</b>			
<b>Share capital</b>			
Registered			
400,000,000 ordinary shares of Baht 0.50 each		200,000,000	200,000,000
Issued and fully paid up			
400,000,000 ordinary shares of Baht 0.50 each		200,000,000	200,000,000
Share premium		39,809,592	39,809,592
<b>Retained earnings</b>			
Appropriated - statutory reserve	20	10,765,683	10,508,871
Unappropriated		25,239,486	28,359,862
<b>Total shareholders' equity</b>		<b>275,814,761</b>	<b>278,678,325</b>
<b>Total liabilities and shareholders' equity</b>		<b>396,873,025</b>	<b>432,669,549</b>

The accompanying notes are an integral part of the financial statements

**S P V I PUBLIC COMPANY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

(Unit: Baht)

	Note	2016	2015
<b>Profit or loss</b>			
<b>Revenues</b>			
Sales		1,765,355,232	1,845,387,392
Service income		18,341,029	13,774,168
Other income	21	13,763,688	12,507,448
<b>Total revenues</b>		<b>1,797,459,949</b>	<b>1,871,669,008</b>
<b>Expenses</b>			
Cost of sales		1,566,520,236	1,641,407,738
Cost of services		3,480,417	4,406,977
Selling expenses		162,011,608	150,591,615
Administrative expenses		58,125,166	60,022,404
<b>Total expenses</b>		<b>1,790,137,427</b>	<b>1,856,428,734</b>
<b>Profit before finance cost and income tax expenses</b>		<b>7,322,522</b>	<b>15,240,274</b>
Finance cost		(626,969)	(3,675,379)
<b>Profit before income tax expenses</b>		<b>6,695,553</b>	<b>11,564,895</b>
Income tax expenses	23	(1,559,315)	(2,877,534)
<b>Profit for the year</b>		<b>5,136,238</b>	<b>8,687,361</b>
<b>Other comprehensive income:</b>			
<i>Other comprehensive income to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Actuarial loss		-	(1,343,681)
Less: Income tax effect		-	268,736
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax		-	(1,074,945)
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>(1,074,945)</b>
<b>Total comprehensive income for the year</b>		<b>5,136,238</b>	<b>7,612,416</b>
<b>Basic earnings per share</b>	24		
Profit		0.01	0.02
Weighted average number of ordinary shares (shares)		400,000,000	400,000,000

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

S P V I PUBLIC COMPANY LIMITED  
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
 FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	Note	Issued and paid up share capital	Share premium	Retained earnings		Total
				Appropriated	Unappropriated	
<b>Balance as at 31 December 2014</b>		200,000,000	39,809,592	10,074,503	29,181,248	279,065,343
Profit for the year		-	-	-	8,687,361	8,687,361
Other comprehensive income for the year		-	-	-	(1,074,945)	(1,074,945)
Total comprehensive income for the year		-	-	-	7,612,416	7,612,416
Dividend paid	27	-	-	-	(7,999,434)	(7,999,434)
Unappropriated retained earnings transferred to statutory reserve	20	-	-	434,368	(434,368)	-
<b>Balance as at 31 December 2015</b>		<u>200,000,000</u>	<u>39,809,592</u>	<u>10,508,871</u>	<u>28,359,862</u>	<u>278,678,325</u>
<b>Balance as at 31 December 2015</b>		200,000,000	39,809,592	10,508,871	28,359,862	278,678,325
Profit for the year		-	-	-	5,136,238	5,136,238
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	5,136,238	5,136,238
Dividend paid	27	-	-	-	(7,999,802)	(7,999,802)
Unappropriated retained earnings transferred to statutory reserve	20	-	-	256,812	(256,812)	-
<b>Balance as at 31 December 2016</b>		<u>200,000,000</u>	<u>39,809,592</u>	<u>10,765,683</u>	<u>25,239,486</u>	<u>275,814,761</u>

The accompanying notes are an integral part of the financial statements

**S P V I PUBLIC COMPANY LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

(Unit: Baht)

	2016	2015
<b>Cash flows from operating activities</b>		
Profit before tax	6,695,553	11,564,895
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	19,998,835	18,877,809
Decrease in allowance for doubtful accounts	(56,327)	(395,272)
Increase (decrease) in reduction of inventory to net realisable value	(101,003)	4,426,713
Loss on disposals/write-off of equipment	1,266,565	1,514,473
Impairment loss of equipment	443,542	-
Provision for long-term employee benefits	1,050,399	744,544
Gain on disposals investmetns in trading securities	(915,973)	(556,428)
Loss (gain) on changes in value of investmetns in trading securities	(3,719)	(90,187)
Interest income	(981,634)	(399,370)
Interest expenses	3,099	4,877
Profit from operating activities before changes in operating assets and liabilities	27,399,337	35,692,054
Operating assets (increase) decrease:		
Trade and other receivables	384,965	333,218
Inventories	14,913,855	13,580,301
Other current assets	874,017	7,320,361
Other non-current assets	(571,138)	(2,674,349)
Operating liabilities increase (decrease):		
Trade and other payables	(32,714,686)	4,718,094
Other current liabilities	(123,153)	302,766
Cash flows from operating activities	10,163,197	59,272,445
Cash received from interest income	408,599	451,200
Cash paid for income tax	(3,893,570)	(4,199,828)
<b>Net cash flows from operating activities</b>	<b>6,678,226</b>	<b>55,523,817</b>

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

S P V I PUBLIC COMPANY LIMITED  
 CASH FLOW STATEMENT (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2016

(Unit: Baht)

	2016	2015
<b>Cash flows from investing activities</b>		
Decrease (increase) in current investments	16,067,049	(100,960,400)
Increase in other long-term investments	(10,000,000)	-
Proceeds from disposals of equipment	45,703	2,518,453
Acquisitions of equipment	(15,272,074)	(30,526,906)
Increase in intangible assets	(3,674,476)	(16,365,007)
<b>Net cash flows used in investing activities</b>	<b>(12,833,798)</b>	<b>(145,333,860)</b>
<b>Cash flows from financing activities</b>		
Cash paid for interest expenses	(3,099)	(4,877)
Dividend paid	(7,985,051)	(7,960,796)
<b>Net cash flows used in financing activities</b>	<b>(7,988,150)</b>	<b>(7,965,673)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(14,143,722)</b>	<b>(97,775,716)</b>
Cash and cash equivalents at beginning of year	30,210,914	127,986,630
<b>Cash and cash equivalents at end of year</b>	<b>16,067,192</b>	<b>30,210,914</b>
<b>Supplemental disclosures of cash flows information:</b>		
Non-cash related transaction		
Dividend payable	53,389	38,638
Transfer inventory to expense	455,125	-

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

## S P V I PUBLIC COMPANY LIMITED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

### 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, mobile phone, related accessories and related service. Its registered address is No. 1213/58-59 Soi Ladprao 94 Sriwara Road, Phlapphla, Wangthonglang, Bangkok.

Since 31 October 2015 the Company stopped operating 23 points of sale for Apple brand computers and tablets in shops belonging to IT City (related company). The related company operates the points of sale itself, in accordance with supplier policy.

As at 31 December 2016, the Company operates 33 branches (2015: 31 branches).

### 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 financial reporting standards

#### (a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

#### (b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company believes that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

## **4. Significant accounting policies**

### **4.1 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.

### **4.2 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.

### **4.3 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.

### **4.4 Investments**

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

### **4.5 Inventories**

Finished goods are valued at the lower of cost (under 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.

### **4.6 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.

#### 4.7 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:

	<u>Useful lives</u>
Computer software	5 years
Franchise fee	Agreement term (5 years)

#### 4.8 Leasehold rights

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

#### 4.9 Related party transactions

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

They also include individuals or enterprises 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.

#### 4.10 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.

#### 4.11 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.



#### 4.12 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 contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### *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.

#### 4.13 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.

#### 4.14 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.

### 4.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments 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 judgment 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 judgment 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 judgments 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 judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### Deferred tax assets

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 judgment 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.

## 6. 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)

	2016	2015	Pricing policy
<b>Transactions with major shareholder</b>			
<b>(IT City Public Company Limited)</b>			
Sales of goods	-	81	Approximate wholesale market price
Purchases of goods	1	-	Market price
Service income	-	1	Prices agreed by the parties
Service fee expenses	-	1	Prices agreed by the parties
Dividends	2	2	At the declared rate
Sales of fixed assets	-	2	Prices agreed by the parties
<b>Transactions with related companies</b>			
Sales of goods	2	1	Market price
Purchases of goods	3	2	Market price
Service expenses	6	8	Prices agreed by the parties
Logistics and distribution fee	5	6	Prices agreed by the parties

## REPORT AND FINANCIAL STATEMENTS

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2016	2015
<b>Trade and other receivables - related parties (Note 9)</b>		
Related companies (related by common shareholders and common directors)	354	258
Total trade and other receivables - related parties	354	258
<b>Trade and other payables - related parties (Note 18)</b>		
Major shareholder	15	92
Related companies (related by common shareholders and common directors)	1,353	2,149
Total trade and other payables - related parties	1,368	2,241

### Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)	
	2016	2015
Short-term employee benefits	20.1	19.6
Post-employment benefits	0.6	0.4
Total	20.7	20.0

## 7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2016	2015
Cash	2,345	1,217
Bank deposits	13,722	28,994
Total	16,067	30,211

As at 31 December 2016, bank deposits in savings accounts and fixed deposits carried interests between 0.10 and 0.88 percent per annum (2015: between 0.125 and 1.10 percent per annum).

## 8. Current investments

As at 31 December 2016 and 2015, current investments were as follows:

	(Unit: Thousand Baht)	
	2016	2015
Held for trade investments (Note 8.1)	56,410	103,647
Fixed deposit	32,089	-
Total	<u>88,499</u>	<u>103,647</u>

As at 31 December 2016, the Company had current investments in the form of fixed deposit account with maturity over three months carried interest at the rate between 0.90 and 2.00 percent per annum (2015: 1.70 percent per annum).

### 8.1 Current investments in held for trade investments

	(Unit: Thousand Baht)					
	2016		2015			
	Number of units (Thousand units)	Cost	Fair value	Number of units (Thousand units)	Cost	Fair value
Investments in Krungsri Star Plus Fund	2,787	56,406	56,410	3,456	68,979	68,992
Investments in TMB Aggregate Bond fund	-	-	-	2,394	25,000	25,077
Investments in TMB M Plus Fund	-	-	-	838	9,578	9,578
Total	<u>2,787</u>	<u>56,406</u>	<u>56,410</u>	<u>6,688</u>	<u>103,557</u>	<u>103,647</u>

Current investments in held for trade investments for which fair value is measured or disclosed in the financial statements are categorised within Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly.

## 9. Trade and other receivables

(Unit: Thousand Baht)

	2016	2015
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	260	258
Past due		
Up to 3 months	94	-
Total trade receivables - related parties	354	258
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	26,211	28,147
Past due		
Up to 3 months	4,605	4,296
3 - 6 months	3	437
6 - 12 months	557	41
Over 12 months	195	7
Total	31,571	32,928
Less: Allowance for doubtful debts	(213)	(269)
Total trade receivables - unrelated parties, net	31,358	32,659
Total trade receivable - net	31,712	32,917
<u>Other receivables</u>		
Other receivables - unrelated parties	1,630	181
Total other receivables	1,630	181
Total trade and other receivables - net	33,342	33,098

## 10. Inventories

(Unit: Thousand Baht)

	2016	2015
Finished goods	167,471	182,840
Less: Reduce cost to net realisable value	(14,237)	(14,338)
Inventories - net	153,234	168,502

During the current year, the Company reversed the write-down of cost of inventories by Baht 0.1 million (2015: reduced cost of inventories by Baht 4.4 million), to reflect the net realisable value. This was presented as cost of sales.

## 11. Other current assets

The outstanding balance of other current assets as at 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	2016	2015
Value added tax refundable	2,999	3,038
Deposit	92	411
Others	2,270	1,897
Total other current liabilities	5,361	5,346

## 12. Restricted bank deposits

The Company pledged fixed deposits at bank totaling approximately Baht 0.2 million (2015: Baht 0.2 million) with a bank to secure the credit facilities of the Company.

## 13. Other long-term investments

As at 31 December 2016, the Company had other long-term investments amount of Baht 10 million (2015: Nil) in the form of fixed deposit account with maturity over 1 year carried interest 2.25 percent per annum.

## 14. Equipment

(Unit: Thousand Baht)

	Leasehold improvement	Computer	Office equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
<b>Cost:</b>							
1 January 2015	2,000	9,925	8,359	52,688	845	-	73,817
Additions	-	1,551	3,819	13,404	-	15,773	34,547
Disposals and write-off	-	(183)	(80)	(14,192)	-	-	(14,455)
Transfers in (out)	-	-	-	10,683	-	(14,703)	(4,020)
31 December 2015	2,000	11,293	12,098	62,583	845	1,070	89,889
Additions	-	1,857	7,730	1,883	-	3,800	15,270
Disposals and write-off	-	(68)	(24)	(4,722)	-	-	(4,814)
Transfers in (out)	-	458	383	4,479	-	(4,865)	455
31 December 2016	2,000	13,540	20,187	64,223	845	5	100,800
<b>Accumulated depreciation:</b>							
1 January 2015	624	7,278	4,385	27,686	507	-	40,480
Depreciation for the year	400	1,605	1,989	12,071	169	-	16,234
Depreciation on disposals and write-off	-	(126)	(29)	(10,266)	-	-	(10,421)
31 December 2015	1,024	8,757	6,345	29,491	676	-	46,293
Depreciation for the year	401	1,760	2,321	10,565	145	-	15,192
Depreciation on disposals and write-off	-	(37)	(18)	(3,448)	-	-	(3,503)
31 December 2016	1,425	10,480	8,648	36,608	821	-	57,982
<b>Allowance for impairment loss:</b>							
1 January 2015	-	-	-	-	-	-	-
31 December 2015	-	-	-	-	-	-	-
Increase during the year	-	-	-	443	-	-	443
31 December 2016	-	-	-	443	-	-	443
<b>Net book value:</b>							
31 December 2015	976	2,536	5,753	33,092	169	1,070	43,596
31 December 2016	575	3,060	11,539	27,172	24	5	42,375
<b>Depreciation for the year:</b>							
2015 (Baht 12.3 million included in selling expenses, and the balance in administrative expenses)							16,234
2016 (Baht 12.7 million included in selling expenses, and the balance in administrative expenses)							15,192



## 15. Intangible assets

The net book value of intangible assets, as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Franchise fee	Computer software	Total
As at 31 December 2016			
Cost	7,000	22,970	22,970
Less: Accumulated amortisation	(870)	(8,614)	(8,614)
Net book value	6,130	14,356	14,356
As at 31 December 2015			
Cost	4,000	22,296	26,296
Less: Accumulated amortisation	(54)	(5,082)	(5,136)
Net book value	3,946	17,214	21,160

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	2016	2015
Net book value at beginning of year	21,160	6,980
Acquisition of computer software	674	12,365
Increase of franchise fee	3,000	4,000
Amortisation for the year	(4,348)	(2,185)
Net book value at end of year	20,486	21,160

## 16. Leasehold right

On 9 February 2011, the Company entered into a leasehold agreement for lease of space in Esplanade Cineplex from S P V Comretail Co., Ltd. The agreement is in force as from 11 February 2011 to 4 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)

	2016	2015
Leasehold right - cost	9,377	9,377
Less: Accumulated amortisation	(2,698)	(2,240)
Net book value	6,679	7,137

A reconciliation of the net book value of leasehold right for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	2016	2015
Net book value at beginning of year	7,137	7,595
Amortisation for the year	(458)	(458)
Net book value at end of year	6,679	7,137

## 17. Other non-current assets

The outstanding balance of other non-current assets as at 31 December 2016 and 2015 are deposits.

## 18. Trade and other payables

(Unit: Thousand Baht)

	2016	2015
Trade payables - related parties	225	525
Trade payables - unrelated parties	98,543	130,679
Other payables - related parties	1,143	1,716
Other payables - unrelated parties	10,822	10,528
Total trade and other payables	110,733	143,448

## 19. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	2016	2015
Defined benefit obligation at beginning of year	8,476	6,388
Included in profit or loss:		
Current service cost	822	489
Interest cost	229	255
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	-	86
Financial assumptions changes	-	(743)
Experience adjustments	-	2,001
Benefits paid during the year	-	-
Provision for long-term employee benefits at end of year	9,527	8,476

Line item in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	2016	2015
Selling expenses	22	22
Administrative expenses	1,029	722
Total expense recognised in profit or loss	1,051	744

The Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2015: 11 years).

## REPORT AND FINANCIAL STATEMENTS

Key actuarial assumptions used for the valuation are as follows:

	2016 (% per annum)	2015 (% per annum)
Discount rate	2.70	2.70
Future salary increase rate	4.00 - 6.50	4.00 - 6.50
Employee turnover rate (depending on age)	10.00 - 50.00	10.00 - 50.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below:

	Increase 1%	Decrease 1%
Discount rate	(0.6)	0.7
Salary increase rate	0.8	(0.7)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(0.7)	0.9

## 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 profit 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 2016, the Company set aside an additional statutory reserve of its net profit for 2016 of Baht 0.3 million (2015: the Company set aside statutory reserve of its net profit for 2015 totaling Baht 0.4 million).

## 21. Other income

(Unit: Thousand Baht)

	2016	2015
Selling support income	8,108	5,483
Commission income	995	2,931
Gain on exchange	1,276	1,493
Gain on disposal investments in trading securities	916	556
Interest income	982	399
Others	1,487	1,645
Total	<u>13,764</u>	<u>12,507</u>

## 22. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	2016	2015
Salaries and wages and other employee benefits	107,283	104,259
Rental and service center expenses from operating lease agreements	41,477	36,594
Change in inventories of finished goods	15,369	13,580
Credit card fee	21,881	19,732
Depreciation and amortisation	19,999	18,878
Logistics and distribution fee	5,067	5,893
Utilities expenses	4,915	4,690
Office supply expenses	1,867	2,497
Loss on disposals/write-off of equipment	1,267	1,514
Impairment loss of equipment	443	-

## 23. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	2016	2015
<b>Current income tax:</b>		
Current income tax charge	1,844	3,815
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(285)	(937)
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>1,559</b>	<b>2,878</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	2016	2015
Deferred tax relating to actuarial loss	-	(269)

## REPORT AND FINANCIAL STATEMENTS

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	2016	2015
Accounting profit before tax	6,696	11,655
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	1,339	2,313
Effects of:		
Non-deductible expenses	228	569
Additional expense deductions allowed	(8)	(4)
Total	220	565
Income tax expenses reported in the statement of comprehensive income	1,559	2,878

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

Statements of financial position		
	As at 31 December 2016	As at 31 December 2015
<b>Deferred tax assets</b>		
Allowance for doubtful accounts	43	54
Allowance for diminution in value of inventories	2,847	2,868
Allowance for impairment of equipment	89	-
Provision for long-term employee benefits	1,905	1,695
Total	4,884	4,617
<b>Deferred tax liabilities</b>		
Unrealised gain on held for trade investments	1	18
Total	1	18
Deferred tax assets - net	4,883	4,599

## 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.

	2016	2015
Profit for the year (Thousand Baht)	5,136	8,687
Weighted average number of ordinary shares (Thousand shares)	400,000	400,000
Earnings per share (Baht/share)	0.01	0.02

## 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, mobile phone, related accessories and related service, 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. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 1,359,836 (2015: Baht 1,394,885) were recognized as expenses.

## 27. Dividend

On 31 March 2015, the Annual General Meeting of Shareholders of the Company passed a resolution approving the payment of a dividend in respect of income for the year 2014 of Baht 0.02 per share, or a total of Baht 8 million. The Company paid such dividend in April 2015.

On 11 April 2016, the Annual General Meeting of Shareholders of the Company passed a resolution approving the payment of a dividend in respect of income for the year 2015 of Baht 0.02 per share, or a total of Baht 8 million. The Company paid such dividend in April 2016.

## 28. Commitments and contingent liabilities

### 28.1 Operating lease commitments

28.1.1 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 shall be renewal for another year each time, unless cancelled by either party.

28.1.2 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 21 years.

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

(Unit: Million Baht)

	<b>As at 31 December</b>	
	2016	2015
Payable within:		
Less than 1 year	37.7	32.9
1 to 5 years	30.4	31.7
More than 5 years	5.5	9.0

### 28.2 Guarantees

As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 29.8 million (2015: Baht 139.8 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.

## 29. Financial instruments

### 29.1 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: Million Baht)

**31 December 2016**

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	within 1 year	more than 1 year				
<b>Financial Assets</b>						
Cash and cash equivalent	-	-	11	5	16	0.10 - 0.88
Current investments	32	-	-	56	88	0.90 - 2.00
Trade and other receivables	-	-	-	33	33	-
Other long-term investments	-	10	-	-	10	2.25
	32	10	11	94	147	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	111	111	-
	-	-	-	111	111	

(Unit: Million Baht)

**31 December 2015**

	Fixed interest rates within 1 year	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<b>Financial Assets</b>					
Cash and cash equivalent	12	11	7	30	0.125 - 1.10
Current investments	-	-	104	104	-
Trade and other receivables	-	-	33	33	-
	12	11	144	167	
<b>Financial liabilities</b>					
Trade and other payables	-	-	143	143	-
	-	-	143	143	

## REPORT AND FINANCIAL STATEMENTS

### 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.

(Unit: Million Baht)

Foreign currency	Financial liabilities as at 31 December		Average selling rate as at 31 December	
	2016 (Thousand)	2015 (Thousand)	2016 (Baht per 1 foreign currency unit)	2015 (Baht per 1 foreign currency unit)
US dollar	1	2	36.0025	36.2538

### 29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and other long-term investments which carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

### 30. 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 2016, the Company's debt-to-equity ratio was 0.44:1 (2015: 0.55:1).

### 31. Reclassification

The Company has reclassified the following items in the statement of comprehensive income for the year ended 31 December 2015 to conform to the classification of current year.

(Unit: Baht)

	As reclassified	As previously reported
Selling expenses	150,591,615	123,815,696
Administrative expenses	60,022,404	86,762,323

The reclassifications had no effect to previously reported profit for the year or shareholders' equity.

### 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2017.

# SPVI BRANCHES

## iStudio by SPVi

ชั้น 3 อาคารฟอร์จูนทาวน์ (02-642-0826-7)	3rd Floor IT Mall Fortune Tower
ชั้น 4 ศูนย์การค้าเซ็นทรัล พลาซ่า แจ้งวัฒนะ (02-101-0890-1)	4th Floor Central Plaza Chaengwattana
ชั้น G อาคารซีคอนสแควร์ (02-720-2988-9)	G Floor Seacon Square
ชั้น 4 ศูนย์การค้าเซ็นทรัลพาราม 9 (02-108-3241-2)	4th Floor Central Plaza Grand Rama 9

## iBeat by SPVi

ชั้น 2 อาคารเอสพลานาด (02-660-9259-61)	2nd Floor Esplanade Cineplex Ratchadapisek
ชั้น 4 อาคารฟอร์จูนทาวน์ (02-642-0634-5)	4th Floor Fortune Tower
ชั้น 1 ศูนย์การค้าเกตเวย์ เอกมัย (02-108-2844-5)	1st Floor Gateway Ekamai
ชั้น 1 ศูนย์การค้าเซ็นทรัล พลาซ่า เชียงราย (052-020-822-3)	1st Floor Central Plaza Chiangrai
อาคารเทสโก้ โลตัส สาขา มหาชัย 2 (034-866-358-9)	Tesco Lotus Mahachai 2
ชั้น 2 ศูนย์การค้าเซ็นทรัล พลาซ่า ระยอง (038-942-676)	2nd Floor Central Plaza Rayong

## U•Store by SPVi

ศูนย์หนังสือ มหาวิทยาลัยธรรมศาสตร์รังสิต (095-372-5532)	Thammasat University Bookstore (Rangsit)
ศูนย์หนังสือ มหาวิทยาลัยธรรมศาสตร์ท่าพระจันทร์ (02-623-5800)	Thammasat University Bookstore (Thaprachan)
ชั้น G อาคาร ABAC Plaza มหาวิทยาลัยอัสสัมชัญ (02-705-5190)	Gth Floor, ABAC Plaza Assumption University (Suvarnaphumi Campus)
ชั้น 1 อาคารเซนต์ฟิลิปส์ มหาวิทยาลัยอัสสัมชัญ วิทยาเขตหัวหมาก (02-720-6800-1)	1th Floor, St. Philip & Bernard Hall Assumption University (HuaMark Campus)
ชั้น 1 อาคาร 10 คณะบริหารธุรกิจ มหาวิทยาลัยเกษตรศาสตร์ (02-955-1590-1)	1nd Floor Building 10, Faculty of Business Administration, Kasetsart University
อาคารหอสมุดและคลังความรู้ มหาวิทยาลัยมหิดล ศาลายา (02-800-2558-9)	Mahidol University Library and Knowledge Center (Saraya)
อาคารอเนกประสงค์ข้างอาคาร 10 มหาวิทยาลัยกรุงเทพ วิทยาเขตรังสิต (02-902-0606-7)	Anek Prasong Building (building10), Bangkok University (Rangsit)
ชั้น 1 อาคาร 7 มหาวิทยาลัยธุรกิจบัณฑิต (02-954-9878-9)	1nd Floor Building 7, Dhurakij Pundit University
ด้านหน้าอาคารศูนย์ปฏิบัติการโรงแรมเทวทอง มหาวิทยาลัยบูรพา (095-372-5542)	University in front of Tao-Tong Hotel Operation Center Burapha University

## iShop

ชั้น 3 พันธุ์ทิพย์พลาซ่า (02-256-0397-8)	3st Floor Pantip Plaza
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## mobi

ชั้น G อาคารซีคอนสแควร์ (02-721-8825)	G Floor, Seacon Square
ชั้น 3 ศูนย์การค้าเดอะมอลล์ บางกะปิ คอมเพล็กซ์ (02-734-1300)	1st Floor The Mall Shopping Center Bangkok
ชั้น 1 เจริญภัณฑ์ดีพาร์ตเมนต์ (095-372553)	1st Charoenphan Department Store
ชั้น 1 อาคารบิ๊กซีซูเปอร์เซ็นเตอร์ (096-8814318)	1st Big C Lamphun

## iCenter

ชั้น 3 อาคารฟอร์จูนทาวน์ (02-642-0826-8 ต่อ 11-14 , 095-372-5562 , 095-372-5563 )	3st Floor IT Mall Fortune Tower
ชั้น G ศูนย์การค้าเซ็นทรัลพลาซ่า แจ้งวัฒนะ (02-835-3993-4 , 095-372-5591, 095-372-5592)	Gth Floor Central Plaza Chaengwattana
ชั้น 4 ศูนย์การค้าเซ็นทรัลพาราม 9 (095-372-5556)	4 th Floor Central Plaza Grand Rama 9
ชั้น 2 Passione Shopping Destination (038-010-909)	2 th Floor Central Plaza Chiangrai
ชั้น 1 ศูนย์การค้าเซ็นทรัล พลาซ่า เชียงราย (052-020-866)	1 th Floor Central Plaza Chiangrai
ชั้น 1 ห้างโฮมโปรนครปฐม (034-900-815-6)	1 th Floor Homepro Nakornphatom

## AIS Shop by partner

อาคารเทสโก้ โลตัส สาขา ระยอง (098-819-9776)	Gth Floor Tesco Lotus Rayong
ชั้น 1 อาคารเอ็มเอ็ม เมก้ามาร์เก็ต อยุธยา (089-899-5395)	1th Floor MM Mega Market
ชั้น 1 ศูนย์การค้าโรบินสัน จันทบุรี	1th Floor Robinson Chantaburi



บริษัท เอส พี วี ไอ จำกัด (มหาชน)  
1213/58-59 ซอยลาดพร้าว 94 ถนนศรีวิภา แขวงพลับพลา  
เขตวังทองหลาง กรุงเทพมหานคร 10310