



DIGITAL LIFE SOLUTIONS

ANNUAL REPORT 2018

SPVi Public Company Limited

LIFE LONG LEARNING



SOLUTIONS FOR ALL
GENERATIONS



CREATIVE
LIFE LONG LEARNING





IN-STORE ACTIVITIES
Workshop@iStudio by SPVI



SOLUTIONS FOR ALL
GENERATIONS



Eduivity



MESSAGE FROM CHAIRMAN OF THE BOARD AND EXECUTIVE CHAIRMAN



Dear Shareholders,

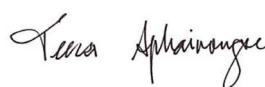
During the year 2018, the global trade and economy has continuously slowed down, creating unavoidable impact to Thailand's economy which is not conducive to the general business expansion. Fortunately Thai government set up a clear cut policy to focus on the adjustment of the business by applying technology to improve the efficiency in every aspect-of work to move towards Thailand 4.0. This policy creates the major expansion in the use of technology both in terms of the number of users, awareness, understanding and can apply to the work-place and daily lives. Resulting in the boom in electronic commerce, electronic payments, big data analytic, information searching and gathering , communication between group of persons social media , transactions between public, private, governments , healthcare and educations etc. As the number of users and electronic transaction rate of growth is very high , the market then has high demand for products and services. During this year, our company has a range of products that satist the customer's need and can speedily acquire the products from our supplier resulting in the satisfactory growth in business turn-over and profit.


Apart From the above, the company has adjusted the strategies in the area of marketing, outlets selection, branches renovation and products lay-out so that they can attract the customer's attention and can closely communicate with the customers. We have improved the after sale and services, in term of speed and

convenient, train our front-line staff to have an in – depth understanding of our products so they can explain and demonstrate products capability clearly and correctly. The main objective is for our customers to be able to maximize benefit of using our products.

Another important aspects that enable the improvement in the company's performance is the cost control and product investment, these are the policies and practices that the company has focussed in the past few years. All of the above initiatives are the major contributions to the company to achieve 2018 target as planned.

Finally the board of directors and Executive management would like to thank our shareholders, business partners and valuable customers for their continuous trust, support and provide valuable advises to the company. The directors and managements would like to assure that we shall conduct our business carefully with transparency and good governances, shall play an important role in supporting Thailand social and economic development for the maximum benefit to our customers and shareholders, to ensure the solid and continuous growth of the company in the future.


(Mr. Teera Aphaiwongse)
Chairman of the Board


(Mr. Min Intanate)
Executive Chairman

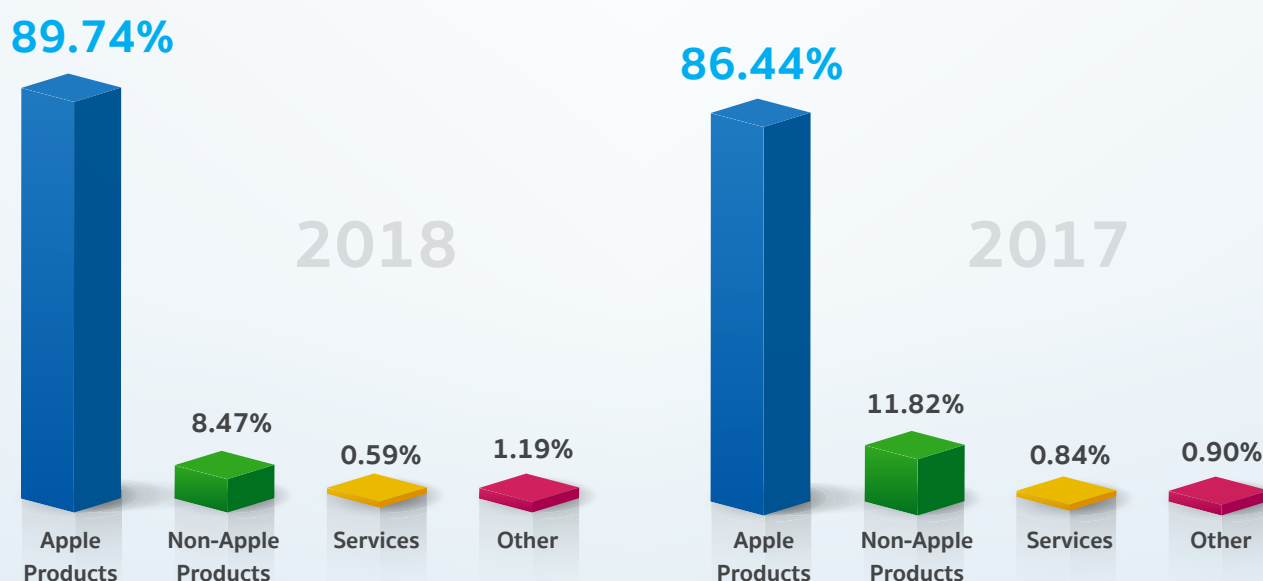
SUMMARY OF FINANCIAL INFORMATION

(Unit : Million Baht)

For the year ended December 31	2018	2017	2016
Total Assets	601.65	492.91	396.87
Total Liabilities	272.93	191.43	121.06
Shareholders' Equity	328.72	301.48	275.81
Total Revenue	2,591.46	2,096.19	1,797.46
Total Expenses	2,546.24	2,065.72	1,792.32
Net Profit	45.22	30.47	5.14
Financial Ratio			
Net Profit Margin (%)	1.74	1.45	0.29
Debt to Equity Ratio (times)	0.83	0.63	0.44
Return on Assets (%)	10.33	8.55	1.77
Return on Equity (%)	14.35	10.56	1.86
Information per share			
⁽¹⁾ (1) Basic Earnings per share (Baht)	0.11	0.08	0.01
Number of shares-Issued and paid up (share: Million)	400	400	400
Par value per share (Baht)	0.50	0.50	0.50

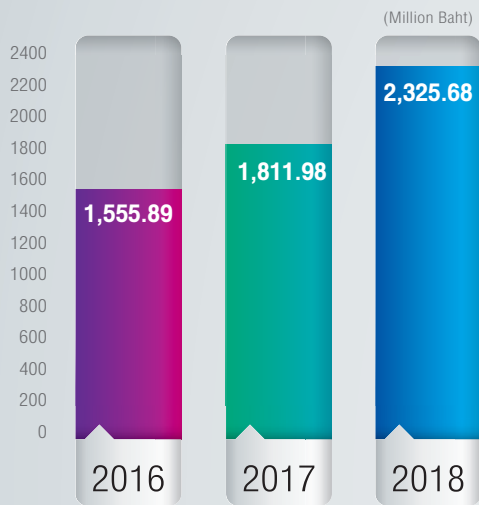
⁽¹⁾ Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year

REVENUE COMPARISONS 2018

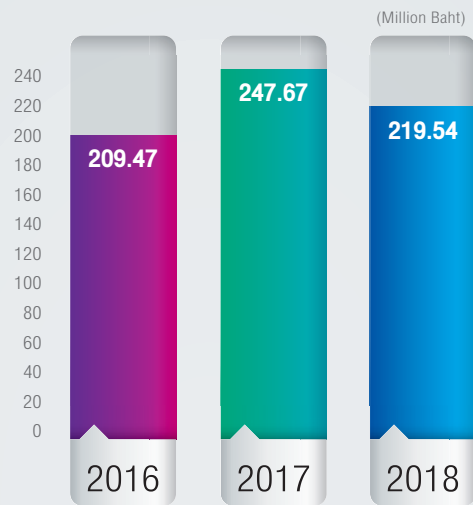


SUMMARY OF FINANCIAL INFORMATION

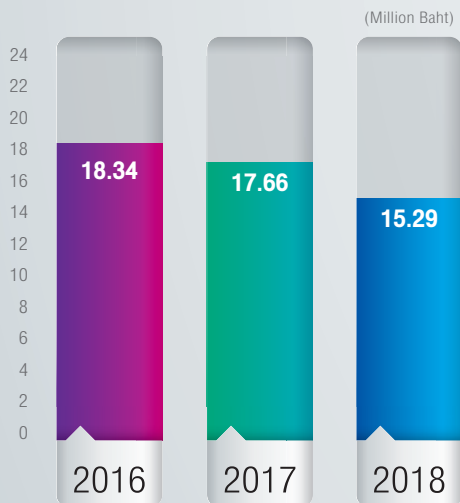
Apple Products



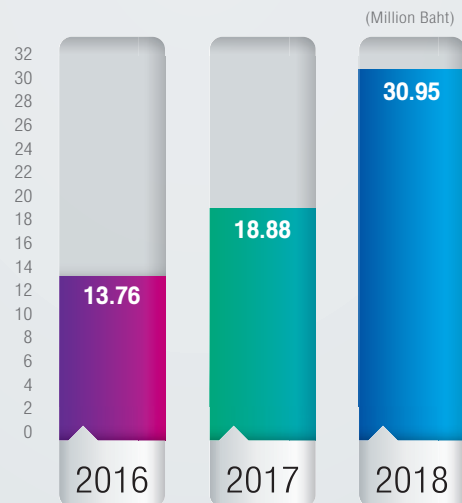
Non-Apple Products



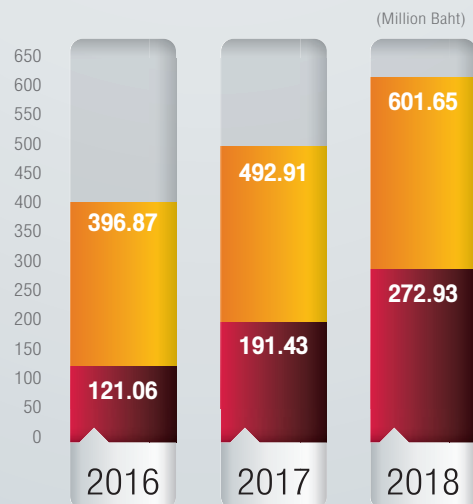
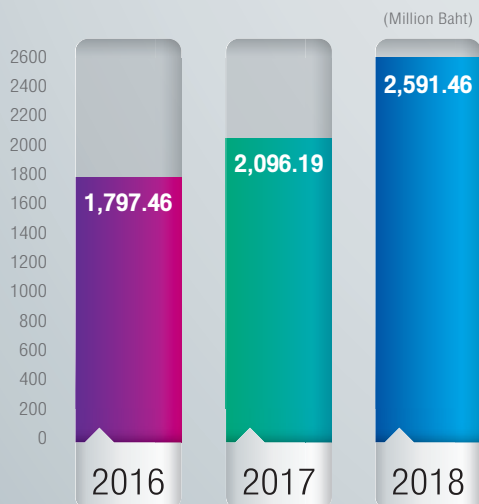
Services



Other



Total Revenue



■ Total Assets
■ Total Liabilities

BOARD OF DIRECTORS



1.



2.

1. Mr. Teera Aphaiwongse

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

2. Mr. Min Intanate

Director (Authorized Directors)
Executive Chairman



3. Mr. Narathorn Wongvises

Director (Authorized Directors)
Chairman of Risk Management Committee

4. Mr. Sujin Suwannagate

Independent Director
Member of Audit Committee
Member of Nomination and Remuneration Committee



3.



4.



5.



6.

5. Mrs. Susama Rativanich

Independent Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

6. Mr. Trisorn Volyarngosol

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



7. Mrs. Petcharat Volyarngosol

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

8. Mr. Sophon Intanate

Director



7.



8.

MANAGEMENT TEAM



1. Mr. Trisorn Volyarngosol

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

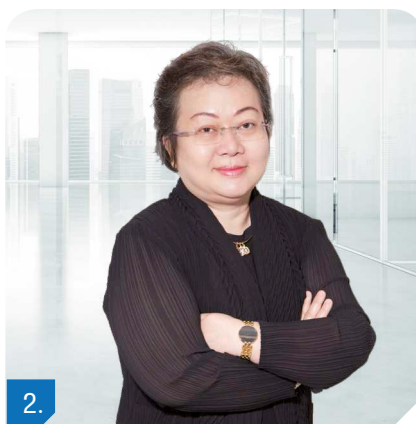


2. Mrs. Petcharat Volyarngosol

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

3. Mrs. Utsanee Ratanaphaithun

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



6. Mr. Pairoj Ullisnant

Senior Manager - Retail 1

SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



Mr. Teera Aphaiwongse

72 years of age

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

Appointment Date : 29 October 2012 / 6 Years
Shareholding Percentage (as of 28 December 2018) : 0.10%
Relationship with Directors and Management : - None -

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

Listed company

2012-Present
Chairman of the Board, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee
S P V I Public Company Limited

Non-listed companies

2017-Present
Advisor to the Board
National Credit Bureau Company Limited

2017-Present
Advisor to the Board
Electronic Transactions Development Agency
Ministry of Information and Communication Technology
Chairman

2016-Present
Infomax System Solutions & Services Company Limited
Director

2016-2017
Electronic Transactions Development Agency
Ministry of Information and Communication Technology

2014-2016
Member of Financial Institutions Policy Committee
Bank of Thailand



Mr. Min Intanate

64 years of age

Director(Authorized Directors) and Executive Chairman

Shareholding Percentage (as of 28 December 2018) : 0.08%
Appointment Date: 6 January 2011 / 7 Years
Relationship with Directors and Management :
Father Mr.Sophon Intanate

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

Listed companies

2011-Present
Director & Executive Chairman
S P V I Public Company Limited

2013-2017
Director
SVOA Public Company Limited

1996-Present
Director & Executive Chairman
IT City Public Company Limited

1995-Present
Director & Executive Chairman
Business Online Public Company Limited

1989-Present
Director & Executive Chairman
ARIP Public Company Limited

Non-listed companies

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

1995-Present
Director & Chairman
Core & Peak Company Limited

1987-Present
Director
Advanced Research Group Company Limited

SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



Mr. Narathorn Wongvises

65 years of age

Director (Authorized Directors)
Chairman of Risk Management Committee

Shareholding Percentage (as of 28 December 2018) : 1.01%

Appointment Date : 6 January 2011 / 7 Years

Relationship with Directors and Management : - None -

Educations :

- Master of Science Industrial and Systems Engineering San Jose State University, USA
- Bachelor of Science Industrial Engineering and Operation Research University of California, Berkeley, California, U.S.A.
- Certificate from Director Accreditation Program (DAP) วันที่ 7/2004

Work Experience for the Past 5 Years :

Listed company

2011 - Present Director & Chairman of Risk Management Committee
S P V I Public Company Limited

Non-listed companies

2012-Present Chairman of the Board
PCC International Company Limited

2011-Present Advisor
Advanced Research Group Company Limited



Mr. Trisorn Volyarngosol

57 years of age

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

Shareholding Percentage (as of 28 December 2018) : 6.33%

Appointment Date : 6 January 2011 / 7 Years

Relationship with Directors and Management :

Spouse of Mrs. Petcharat Volyarngosol

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 :

Listed company

2011-Present Director, Executive Director, Member of Risk Management
Committee and Managing Director
S P V I Public Company Limited

Non-listed companies

1996-Present Director
SPV Digital Service Company Limited

1994-Present Director
SPV Advance Corporation Limited

บริษัท เอส พี วี แอดวานซ์ จำกัด



Mrs. Petcharat Volyarngosol

58 years of age

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

Shareholding Percentage (as of 28 December 2018): 8.32%

Appointment Date: 6 January 2011 / 7 Years

Relationship with Directors and Management :

Spouse of Mr.Trisorn Volyarngosol

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 :

Listed company

2011-Present

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

Non-listed companies

1996-Present

Director
SPV Digital Service Company Limited

1994-Present

Director
SPV Advance Corporation Limited



Mr. Sujin Suwannagate

68 years of age

Independent Director , Member of Audit Committee
Member of Nomination and Remuneration Committee

Shareholding Percentage (as of 28 December 2018) : 0.08%

Appointment Date : 29 October 2012 / 6 Years

Relationship with Directors and Management : - None -

Educations :

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

Work Experience for the Past 5 Years :

Listed company

2012-Present

Independent Director , Member of Audit Committee and
Member of Nomination and Remuneration Committee
S P V I Public Company Limited

Non-listed company

2008-2014

Director
Siam City Leasing - Factoring Public Company Limited

SUMMARY PROFILE OF THE DIRECTOR AND MANAGEMENT



Mrs. Susama Rativanich

41 years of age

Independent Director / Member of Audit Committee / Member of Nomination and Remuneration Committee

Shareholding Percentage (as of 28 December 2018) : 0.08%

Appointment Date : 29 October 2012 / 6 Years

Relationship with Directors and Management : - None -

Educations :

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

Work Experience for the Past 5 Years :

Listed companies

2012-Present	Independent Director, Member of Audit Committee and Member of Nomination and Remuneration Committee S P V I Public Company Limited
2012-2017	Assistant Vice President, General Administration Division MCOT Public Company Limited

Non-listed company

2017-Present	Program Department Manager Amarin Television Company Limited
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Mr. Sophon Intanate

36 years of age

Director

Shareholding Percentage (as of 28 Dec 2018) : - None -

Appointment Date : 31 March 2015 / 3 Years 9 Months

Relationship with Directors and Management :

Offspring Mr.Min Intanate

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 :

Listed companies

2015-Present	Director S P V I Public Company Limited
2018-Present	Vice President IT City Public Company Limited
2016-2018	General Manager IT City Public Company Limited
2010-2016	Product Manager IT City Public Company Limited
2014	Director ARIP Public Company Limited

Non-listed companies

2016-Present	Director Touch Printing Republic Co.,Ltd.
2016-2018	Director UITOX (Thailand) Co.,Ltd.



Miss Utsanee Ratanaphaithun

58 years of age

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

Shareholding Percentage (as of 28 December 2018) : - None –

Appointment Date : 3 November 2015 / 3 Years

Relationship with Directors and Management : - None -

Educations :

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

Work Experience for the Past 5 Years :

2015-Present	Executive Director Member of Risk Management Committee and Vice President (Accounting and Finance) S P V I Public Company Limited
2012-2014	Financial Controller ABACUS C Co., Limited



Mrs. Duangnapa Volyarngosol

52 years of age

Assistant Vice President (Product Management)

Shareholding Percentage (as of 28 December 2018) : 0.39%

Appointment Date : 1 March 2011 / 7 Years

Relationship with Directors and Management :

Sister in Law of Mr.Trisorn Volyarngosol

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

48 years of age

Senior Manager-Engineering and Service

Shareholding Percentage (as of 28 December 2018) : 0.21%

Appointment Date : 1 March 2011 / 7 Years

Relationship with Directors and Management : - None -

Education :

- 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



Mr. Pairoj Ulisnant

50 years of age

Senior Manager - Retail

Shareholding Percentage (as of 28 December 2018): - None -

Appointment Date: 1 March 2011 / 7 Years

Relationship with Directors and Management : - None -

Education :

- 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

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FINANCIAL
STATEMENTS



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 be a social contributor in educational development by encouraging teachers and students to utilize technology in data analysis, idea creation, planning, researching, problem solving, co-working and presentation to enter in "Life Long Learning"
3. Committed to develop 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.

Values

S P V I : Solutions 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

● 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	1213/58-59 Soi Ladprao 94, Sriwara Road, Phlapphla, Wangthonglang Bangkok 10310 Tel: 02-559-2901-10 Fax: 02-559-2488
Company Registered Number	0107556000264
Website	www.spvi.co.th
Telephone no.	0-2559-2901-10
Fax no.	0-2559-2488
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	2. Auditor
Thailand Securities Depository Co., Ltd.	Miss Satida Ratananurak
93 Stock Exchange of Thailand	Certified Public Accountant No. 4753
Ratchadapisek Road, Dindaeng,	EY Office Limited
Bangkok 10400	33rd Floor, Lake Ratchada Office Complex
Tel : +66 (0) 2009-9000	193/136-137 Ratchadapisek Road,
Fax : +66 (0) 2009-9991	Bangkok 10110

More information, please see the Annual Information Disclosure of the Company (Form 56-1) on the Company's website (www.spvi.co.th), the SEC's website (www.sec.or.th) and the SET's website (www.set.or.th)

Business Overview

SPVI 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 thru 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 "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

- **Service Excellence** :Providing the best service to accommodate our customers' digital lifestyles.
- **People** : Continuing to develop and care for our team in order to move forward together.
- **Value** : Ensuring our customers, staff and stakeholders receive the value they deserve.
- **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 The Next 3-5 Years

**“ Be Leader in IT for Education
with Apple Education Solution ”**

“ Promote Creative Learning Through Technology ”

**“ Expand to Other Corporate Customers
with IT Solutions ”**

“ Drive Sales Growth Through Store Expansion ”

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 diversified 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 2018, SPVI has a total 45 branches, which can be classified accordingly: 3 iStudio branches, 7 iBeat branches, 8 U•Store branches, 1 iShop branch and 5 Mobi branches, 7 iCenter branches, 8 AIS shops by Partner and 4 AIS Telewiz Shop and 1 AIS Buddy. In addition, SPVI operated 1 iSolution branch to allow customers to have an experience toward our variety of solutions such as the "Smart Meeting Room", Multi Function Printers, 3D Printer to create model for parts, as well as, the experience on using Mac OS or iOS with other operating system.



SPVI's Significant Events



• Nature of Business

Revenue Structure

Revenue Classification	2018		2017		2016	
	Million baht	%	Million baht	%	Million baht	%
Revenue from Apple Products						
• MAC OS Computers (MAC Operating System)	471.42	18.19	485.41	23.16	470.74	26.19
• iOS Devices	1,587.44	61.26	1,141.62	54.46	927.26	51.59
• Apple Accessories	266.82	10.30	184.95	8.82	157.89	8.78
Total Revenue from Apple Products	2,325.68	89.74	1,811.98	86.44	1,555.89	86.56
Revenue from Non-Apple Products	219.54	8.47	247.67	11.82	209.47	11.65
Total Revenue from Sales	2,545.22	98.22	2,059.65	98.26	1,765.36	98.21
Service Income	15.29	0.59	17.66	0.84	18.34	1.02
Other Income	30.95	1.19	18.88	0.90	13.76	0.77
Total Revenue	2,591.46	100.00	2,096.19	100.00	1,797.46	100.00

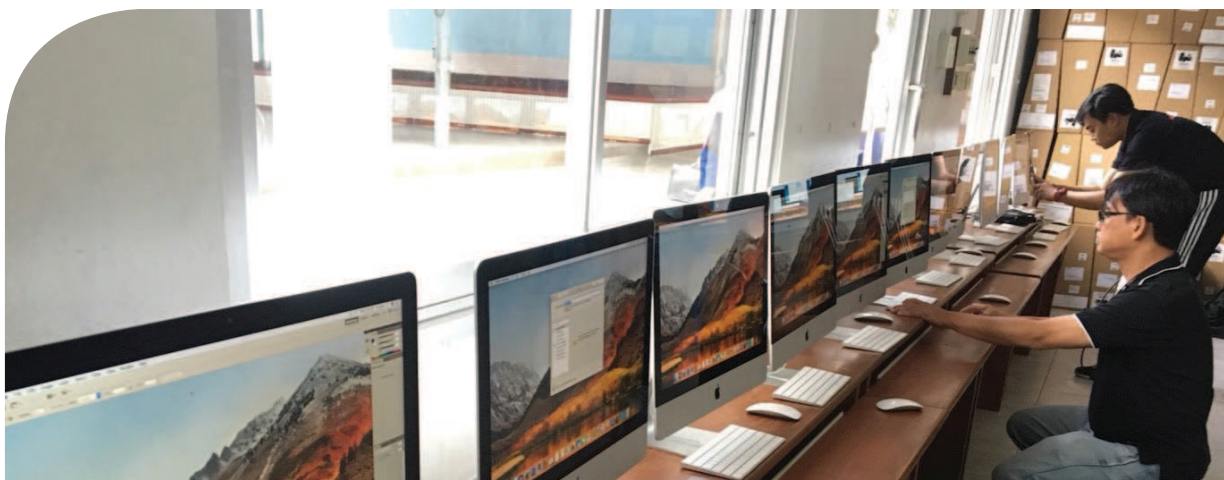
Product Characteristics & Services

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" and, in 2016, upgraded their service standard to Apple Premium Service Provider and has been renamed to iCenter.

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)
- **Computer products** such as Computer devices by Dell Computer (Thailand) Company Limited in order to provide options to the customers who demand for Computer under other brand name.
- **Smartphone products** such as Samsung, Lava, Vivo which will be offered only at Mobi and AIS Shops.

(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" to provide after-sales service for all Apple products to all customers and was qualified to purchase all spare parts directly from Apple and was renamed to "iCenter" in 2016. Currently, there are 7 "iCenter" which are located on 3rd floor of IT Mall Fortune Town, G floor of Central Chaengwattana Plaza, G Floor of G Tower Grand Rama 9, 1st floor of Central Plaza Chiangrai, 2nd floor of Passion Shopping Destination Center Rayong, 2nd Floor of Home Pro Center in Nakorn Prathom, 1st floor of Robinson Lifestyle Center Petchaburi, and 1st floor of Gateway Ekamai.

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

- 16 branches of iStudio / iBeat / iShop /Moby 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
- 13 branches of AIS Shop by Partner, AIS Telewiz and, AIS Buddy 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
- 8 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' 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.



Risk Factors

1. Risk from being terminated as an authorized reseller of Apple products

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. The company purchased Apple products in the proportion of 89.49%, 88.12% and 86.49% of the total products purchased by the company respectively during 2016–2018. 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 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 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 be 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 OS Sierra 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, Apple outlets in their retail stores or department stores as well as online 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.

The Company as an authorized Reseller of Apple provided distribution channels which mostly located in prime area throughout Bangkok. In addition, the Company has service centers that provided quality and full service for after sale service to all products of the Company.

Compared to those of competitors which are Apple resellers, most of them focused on retailing business and retail stores expansion while the Company, with long experience in operating business, utilized its competency in corporate customer base and its strategy for product bundling to penetrate into corporate

and educational segment by offering solutions for educational instruction. In addition, the Company has a team with experienced in applying technology for educational instruction and installing various systems in many leading schools and universities, which support the Company to market these segments effectively.

4. Risk associated with lease agreements

The company currently provides Apple and Apple related products and services to retail customers through its 45 branches (3 iStudios, 1 iShop, 7 iBeat, 8 U•Stores, 5 Mobi, 7 iCenter, 8 AIS shops by Partner, 5 AIS Telewiz and 1 AIS Buddy). 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 resulting in increasing costs to the company. As of December 31, 2018, SPVI has a branch with a long-term lease agreement, which has the remaining contractual term of 12 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



• Shareholder Structure

Top Ten Major shareholders as of 28 December 2018 include:

Name of Shareholders	No. of Shares	% of shareholding
1. IT City Public Company Limited	116,000,000	29.00
2. Mr. Viroj Kosolthanawong	65,600,000	16.40
3. Mrs. Petcharat Volyarngosol	33,294,000	8.32
4. Mr. Trisorn Volyarngosol	25,311,050	6.33
5. Mr. Metha Rangsiyawranont	15,369,000	3.84
6. Ms. Patchara Kiatnuntavimon	6,172,200	1.54
7. Mr. Veerapan Volyarngosol	4,882,710	1.22
8. Mr. Somchai Volyarngosol	4,678,400	1.17
9. Miss Wiyada Ithiwithayathorn	4,350,000	1.09
10. Mr. Narathorn Wongvises	4,050,000	1.01
11. Other Shareholders	120,292,640	30.07
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 and Corporate Governance



Board of Directors and Sub-Committee

The company's management structure consists of the Board of Directors and 4 groups of Sub-Committee which are Audit Committee, Executive Committee, Risk Management Committee and Nomination and Remuneration Committee. The list of Committee with their tenure and details of meeting attendance in 2018 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, 2018, the board of directors are consists of 8 committees.

Name – Last Name	Position
1. Mr. Teera Aphaiwongse	Chairman of the Board (Independent Director), Chairman of Audit Committee, and Chairman of Nomination and Remuneration Committee
2. Mr. Min Intanate	Director and Executive Chairman
3. Mr. Narathorn Wongvises	Director and Chairman of the Risk Management Committee
4. Mr. Trisorn Volyarngosol	Director, Executive Director, Member of the Risk Management and Managing Director
5. Mrs. Petcharat Volyarngosol	Director, Executive Director, Member of the Risk Management
6. Mr. Sophon Intanate	Director
7. Mr. Sujin Suwannagate	Independent Director , Member of Audit Committee and Member of Nomination and Remuneration Committee
8. Mrs. Susama Rativanich	Independent Director , Member of Audit Committee and Member of Nomination and Remuneration 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.

The Attendance of Director Meeting and Sub-Committee Meetings for the year 2018

During the year 2018, 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 and Corporate Governance

Director	Number of Meeting Attendance / Total Meeting of the Year			
	Board Meeting	Audit Committee Meeting	Risk Management Committee Meeting	Nomination and Compensation Committee Meeting
1. Mr. Teera Aphaiwongse	4/4	4/4	-	1/1
2. Mr. Min Intanate	4/4	-	-	-
3. Mr. Narathorn Wongvises	4/4	-	4/4	-
4. Mr. Trisorn Volyarngosol	4/4	-	4/4	-
5. Mrs. Petcharat Volyarngosol	4/4	-	4/4	-
6. Mr. Sophon Intanate	3/4	-	-	-
7. Mr. Sujin Suwannagate	4/4	4/4	-	1/1
8. Mrs. Susama Rativanich	3/4	3/4	-	1/1

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 an Executive Chairman and other members of various committees such as the Audit Committee, the Nomination and Remuneration Committee as per appropriate.
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 visions, missions and corporate values.
5. 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.
6. To monitor the company's performance according to the business plan and budget
7. 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.
8. Directors shall notify the Company if there is a conflict of interest, whether directly or indirectly in any contract which is made by the Company, or holds shares, or any increasing or decreasing debentures 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.

In the Board of Directors meeting in 2018, the Board considered various matters which were summarized as following;



Management Structure and Corporate Governance

Executive Committee

Name-Surname	Position
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.
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.

Management Structure and Corporate Governance

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

Secretary of the Risk Management Committee

Miss Sunsanee Horanikom

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.
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.

Nomination and Remuneration Committee

The Board Meeting of 2/2017 held on 2 May 2017 has appointed 3 members to be the Nomination and Remuneration Committee which consist of:

Name-Surname	Position
1. Mr. Teera Aphaiwongse	Chairman of the Nomination and Remuneration Committee
2. Mr. Sujin Suwannagate	Member of the Nomination and Remuneration Committee
3. Mrs. Susama Rativanich	Member of the Nomination and Remuneration Committee

Secretary of the Nomination and Remuneration Committee

Miss Nipitcha Tanpatraranonjira

Authorities and Duties of the Nomination and Remuneration Committee

1. Nomination

- 1.1 To consider the structure and composition of the Board of Directors and Sub-committee. Including to consider qualification of the directors that appropriate to business size and nature of business in order to propose to the Board of Director and/or the shareholder meeting for approval as appropriate.
- 1.2 To set the guideline and appropriate procedure in nominating Board of Directors and other Sub-committee.
- 1.3 To select appropriate persons to assume the position of the Company's directors and propose approval to the Board of Directors and proposed appointment to the shareholder meeting.
- 1.4 To select appropriate persons to assume the position of directors in Sub-committee and propose appointment to the Board of Director.
- 1.5 To manage the orientation and provide useful information to the new appointed directors.

2. Remuneration

- 2.1 To review the guideline and policies of the Board of Directors and other sub-committees' remuneration and propose to the Board of Directors to consent and to Shareholder's meeting for approval.
- 2.2 To consider the guideline for performance assessment of Managing Director and propose to the Board of Director for approval.
- 2.3 To determine remuneration for directors as per policies and propose to the Board of Director to consent and to Shareholder's meeting for approval.
- 2.4 To evaluate the annual performance of Chief Executive Officer and determine the appropriate remuneration in order to propose to the Board of Director to consent.

3. Others

Perform other tasks related to nomination and remuneration as per assigned by the Board of Director.

Management Team

Management Team	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 Ullisnant	Senior Manager – Retail 1

Management Structure and Corporate Governance

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

Nomination and Remuneration Committee has been authorized to set annual review the skill and attributes required by the law of the directors in order to assure the appropriate composition of the Board of Director that align with business directions and business strategies both in present time and in the future. The procedure of selection of director as follow;

1.1 Selection and appointment of new director

- 1) Nomination and Remuneration Committee shall set the Board Skill Matrix in order to determine the specialize that the director is lack of. In addition, consider the diversity of skill, experience, knowledge, independence, age and gender.
- 2) Nomination and Remuneration Committee consider nominating qualified candidates from following source
 - Board of Director's recommendations

- Shareholders representing not less than 1 percentage of the total share with voting right of the company
 - External Consultant
 - Database of Directors from Thai Institute of Directors
- 3) Nomination and Remuneration Committee shall perform a preliminary evaluation of individual candidate and select a number of candidates for interview.
 - 4) Nomination and Remuneration Committee propose the most appropriate nominee to the Board of Directors in order to propose in shareholder's meeting for their consent. In case the position is vacant by reasons other than retirement by rotation, the Board of Director is authorized to appoint that nominee to the position.

1.2 Re-appointment of Directors

To consider the existing directors to maintain their position, Nomination and Remuneration Committee shall determine a variety of criteria such as performance, number of attendance in the meeting, the participation in the meeting and participation in various activities of the Board of Directors.

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.

Management Structure and Corporate Governance

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

Remuneration of Directors

The Nomination and Remunerations Committee has reviewed the guideline and type of remuneration of the Committee and Sub-Committee and proposed the Board of Directors to proposed approval in the Annual General Meeting 2018. In April 4, 2018, the shareholders resolved approval the remuneration of Directors 2018 as following;

1. Monetary Remuneration

Directors	Monetary Remuneration (Baht)		
	Monthly Remuneration	Meeting Allowance	Bonus
The Board of Directors			
• Chairman	130,000	5,000	★
• Directors	40,000	5,000	★
Audit Committee			
• Chairman	20,000	-	-
• Directors	10,000	-	-
Sub-Committee			
• Chairman	-	5,000	-
• Directors	-	5,000	-

Remarks :

1) The Directors who is the Company's executive/ or employee will not be paid for the remuneration of Directors

2) The Directors who is the Company's executive/ or employee will not be paid for the meeting allowance for Sub-committee meeting

Management Structure and Corporate Governance

2. Non-Monetary Remuneration

No other benefits than monthly remuneration, meeting allowance and bonus.

In 2018, the Company has paid remuneration of 5,325,000 baht (included the bonus payment for 2017 which was 700,000 baht) to the Directors which was 650,000 baht or 13.90 percent increased from 4,675,000 baht of 2017.

Details as follow;

Name- Surname	Position	Remuneration (Baht)	
		2018	2017
1. Mr. Teera Aphaiwongse	Chairman of the Board and Chairman of Audit Committee Chairman of Nomination and Remuneration Committee	2,025,000	1,830,000
2. Mr. Min Intanate	Director Executive Chairman	600,000	505,000
3. Mr. Narathorn Wongvises	Director Chairman of Risk Management Committee	620,000	525,000
4. Mr. Trisorn Volyarngosol	Director / Executive Director Member of Risk Management Committee Managing Director	20,000	25,000
5. Mrs. Petcharat Volyarn	Director Executive Director Member of Risk Management Committee	20,000	25,000
6. Mr. Sujin Suwannagate	Director / Member of Audit Committee Member of Nomination and Remuneration Committee	725,000	630,000
7. Mrs. Susama Rativanich	Director / Member of Audit Committee Member of Nomination and Remuneration Committee	720,000	630,000
8. Mr. Sapon Intanate	Director	595,000	505,000
Total		5,325,000	4,675,000

Remuneration of Management Team

The Board has determined the policy and guideline of remuneration for management team. The Nomination and Remuneration Committee will consider the remuneration of Managing Director in order to propose approval to the Board of Directors. Such remuneration has determined appropriately according to the Company's remuneration structure as well as the performance in accordance with roles and responsibilities.

The Managing Director will consider the appropriate remuneration and annual salary adjustment of Executive Directors by considering the performance and operating results of the Company as well as the performance in accordance with target set forth.

The company paid remuneration of 15.66 million baht and 16.93 million baht to the management team in 2017 and 2018 respectively. The remuneration included salary, bonus and other welfares.

	Year 2018		Year 2017	
	No. of the Executives (Person)	Remuneration (Baht)	No. of the Executives (Person)	Remuneration (Baht)
Salary	6	11,967,502.00	6	11,699,316.00
Bonus	6	954,200.00	6	276,170.00
Other Welfares	6	4,011,425.00	6	3,680,982.40
Total		16,933,127.41		15,656,468.40

Employees

As at 31 December 2018, the company employs a total of 442 employees (exclusive of 6 executives), which can be divided into 426 full time employees and 16 part time employees with the details as follows:

Department	Full Time Employee (Person)	Part Time Employee (Person)	Total (Person)
1. Accounting	13	-	13
2. Finance	11	-	11
3. Marketing	10	-	10
4. Sales	35	-	35
5. Retail 1 , 2	251	16	267
6. Engineering & Service	56	-	56
7. Product Management	26	-	26
8. Business Development	6	-	6
9. Human Resource	6	-	6
10. Training	3	-	3
11. Administration	6	-	6
12. Internal Audit	3	-	3
Total	426	16	442

Management Structure and Corporate Governance

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 2018, the company provided both internal and outsource training course to executives and officers. The participation rate was reported at 86 percent to average total number of employees in 2018. 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 2,706 hours per year or 7.39 hours per person per year.

• Corporate Governance

The Board of Directors realizes the importance of good corporate governance with corporate transparency and equitable treatment to all concerned parties. The Board believed that good corporate governance policy is an important factor in business operating. Therefore, the Board has established a “Good Corporate Governance Policy” which covering the content of 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 Board has already reviewed and improved the Company’s Good Corporate Governance Policy, latest on May 7, 2018, for its appropriate to the business circumstance and compliance with the principles of Good Corporate Governance for Listed Company 2012, established by the Stock Exchange of Thailand as well as CG Code of the Securities and Exchange Commission and the Stock Exchange, The Company disclosed the content of “Good Corporate Governance Policy” in its website: www.spvi.co.th/investor-relations/.

In 2018, 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 2018. 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/ 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.

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- 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 4 April 2018 at the ASIC Meeting Room, 34th Floor, SVOA Tower, Rama III Road, Bangpongpan, Yannawa, Bangkok, using a meeting room with appropriate size that could 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

The company disclosed resolutions from the shareholder meeting with the outcome of votes count within the same day through media channels of SET. It 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 2018, 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 has determined strict guidelines in written for the preventions of the use of insider information. In 2018, the Board has reviewed for its justification and equality to all stakeholders as follows;

- Notify the Directors, Executives, and employees for the regulations and policies of wrongful use of inside information to ensure the acknowledgement and follow of those regulations and policies
- Prohibit trading the securities of the Company for 30 days before the public disclosure of financial statement. The Company's Secretary will notify the Directors and Executives for the silent period in advance
- Define the person whose position or function was allowed more chance to know or possess the insider information than general employees as a group of people with random risk who cannot perform trading or transferring the Company's securities for 30 days before the public disclosure of quarterly and annual financial statements (Black out period). In addition, the reporting of holding and change of securities of their own, spouse, and minor child to the Company's Secretary within 3 business days from the date of such change.
- Connected transactions that occurred in the year 2018 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 policies brought zero rate of accident case and employee absent from injury and sickness at work in 2018

Partners and Creditors : The Company adhered to good business practice and strictly complied with commercial terms and/or agreements with business partners and creditors including on-time settlement, mortgage securities quality assurance, and other agreement with creditors. In case of non-compliance with the agreements, the Company will promptly notify the creditors to consider mutual solutions in reasonable practices.

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 2018, the company made randomly and regularly inspection the service quality of iStudio and iBeat

Corporate Governance

shops through outsourcing “Mystery Shopper”. The company also invited Apple to rate the customer satisfaction toward iCenter shop on monthly basis and found that the overall satisfaction rate of each branch was not less than 81 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
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

Procedure upon receiving complaint

Upon receiving the complaint and whistleblowing through the assigned channels, the Company's Secretary or Internal Audit Department will gather the facts. The Internal Audit Department will inspect before submit the complaint to the head of relevant department. In addition, the Internal Audit Department will propose measures to solve such problems by adhering to the principle of transparency and faired-treat to all stakeholders.

To inspect the facts, Internal Audit Department will consider and propose report of investigation with comments and suggestions to Managing Director to consider command next step as appropriate and report to Audit Committee for acknowledgement.

In 2018, none of complaints related to corruption was reported. The complaints related to other matters were solved and reported to relevant departments for acknowledgement.

Instruction and Communication

The Company promotes knowledge and understanding to all level of employees to have awareness of the anti-corruption. In 2018, Employees of the Company have participated in intensive program of “Collective Action Coalition – CAC” for Thailand’s private sectors to anti-corruption organized by Thai Listed Companies Association.

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/

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 broad meeting. The stockholding of board of director in 2018 was reported as following.

Securities holding information of the directors and management in 2018

Director / Management	Ordinary Share (shares)		
	31/12/2017	Buy (+) / Disposal (-)	31/12/2018
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	4,050,000 - -	- - -	4,050,000 - -
4. Mr. Trisorn Volyarngosol Director, Executive Director, Member of Risk Management Committee and Managing Director / Spouse and minor children	25,311,050 33,294,000	- -	25,311,050 33,294,000

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Director / Management	Ordinary Share (shares)		
	31/12/2017	Buy (+) / Disposal (-)	31/12/2018
5. Mrs. Petcharat Volyarngosol Director, Executive Director, Member of Risk Management Committee and Vice President (Operations) Spouse and minor children	33,294,000	-	33,294,000
	25,311,050	-	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 Ratanaphaithun 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	-	1,570,480
	3,852,834	-	3,852,834
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
Correspondence: Investor Relations In addition, investors could also study the company's information on the website: www.spvi.co.th.

In 2018, The Company has participated in mai FORUM 2018, organized by the Market for Alternative Investment (mai) partnered with mai Listed Company Association (maiA), held to publish the information of Listed

Company under the Stock Exchange of Thailand (mai) to investors, Securities Analyst, journalist and other interested persons in order to acknowledge the information of companies including policies, directions and the result of business operations in the past years. The Company got good feedback from investors, shareholders and other interested person.

Chapter 5: Responsibilities of the Board of Directors

The company has 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

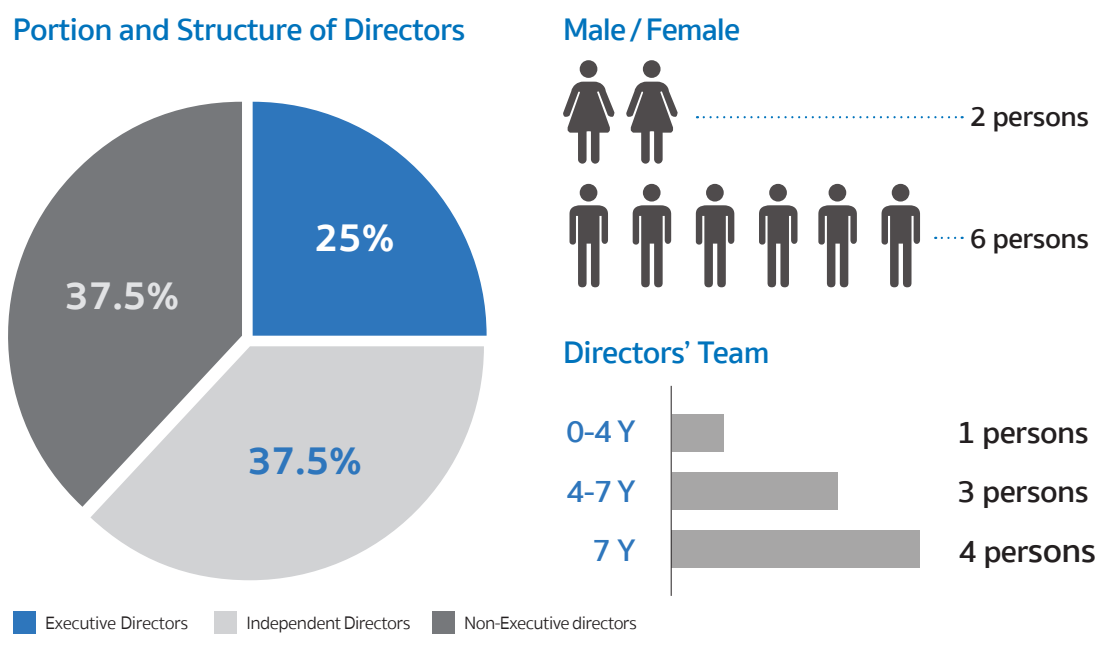
knowledge, capabilities, skill sets and experience. They were well recognized and had a good understanding of the roles and responsibilities of the Board of Directors.

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.

- 1.3 Risk Management Committee shall assistant to the Board of Director in considering variety risk factors such as operational risk, financial risk, marketing risk in order to ensure the capability to manage the risk to be in acceptable level and suit to the changing environment.
- 1.4 Nomination and Remuneration Committee perform the duty to recruit and determine remuneration for directors and top executives in order to ensure the appropriate nomination and remuneration procedure to the Board of Director.

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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.

The Chairman of the Board

- Acts as the Chairman of board, shareholders' and non-executive meetings.
- Call the Board of Director's meeting or appoint other person to perform this duty.
- Encourage all board members to debate issues vigorously during meetings, ask questions and express opinions.
- Cast decisive vote, in case the casting vote in the Board of Director meeting are equal.

Managing Director

- Prepare business policies, business plan, business objectives, operation plan, business strategies, annual expenditure budget and propose to the Board of Director to consent.
- Manage and controls all aspects of the Company's business according to the approved policies and plans.
- Promotes the highest standards of integrity, ethics and corporate social responsibility throughout the organizations.

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.

In 2018, there were 4 meeting arranged. The meeting were scheduled in advance throughout the year in order to ensure the attendance of all directors. The board's members who attended the meeting are as shown in "Management Structure".

4. Non-Executive Director Meeting

The Board of Director had determined to arrange

non-executive meeting at least 1 time in order to encourage non-executive directors to exchange opinion and consider variety of issue both the company's business and public interests. In 2018, the company has arranged non-executive meeting to determine the performance of the Board of Director, the compliance of Corporate Good Governance (CG Code) for the 2017 Listed Company, and other issues.

5. 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.

6. The Orientation of new director

The Board of Director provided an orientation program for new directors to gain a thorough understanding of the Company's business and managements in order to prepare the directors to perform their duties.

7. 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.

In 2018, there were 2 directors who attended training courses to enhance their knowledge. Details as following;

Name – Surname	Position	Training Course
1. Mr. Trisorn Volyarngosol	Director / Executive Director / Member of Risk Management Committee / Managing Director	<ul style="list-style-type: none"> Academic Seminar: "The Art of Communication to Media for Executives" Academic Seminar: "The Art of Communication to Analyst to Maximize Value to Listed Company"
2. Mrs. Petcharat Volyarngosol	Director / Executive Director / Member of Risk Management Committee / Vice President - Operations	<ul style="list-style-type: none"> Rink Management Business Model Canvas 360 degree Marketing Program

Corporate Governance

8. Self-assessment of Board of Directors

The Board of Directors has set a self-assessment of Board of Directors, individual director, and sub-committee in order to evaluate performance, 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 Director's Self-assessment The Board of Directors has set 2018 performance review for which 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 2018 performance appraisal of the entire Board of Director was evaluated "excellent" with 97.78 percent to these 5 issues

- Self-assessment for individual director

The Board of Director has set the performance evaluation

of the year 2018 for individual director. The assessment covered following issues;

1. The structure and qualifications of the Board of Director
2. The meeting of Directors
3. The role, responsibility and authority of the Board of Director

The 2018 performance appraisal of individual director was evaluated "excellent" with 95.78 percent to these 3 issues

Self-assessment for sub-committees

The Board of Director has set the performance evaluation of the year 2018 for each sub-committee. The assessment covered following issues;

1. The structure and qualification of the Board of Director
2. The meeting of Directors
3. The role, responsibility and authority of the Board of Director

The 2018 performance appraisal of each sub-committee was evaluated "excellent" as following;

Sub-committee	Performance (percent)
1. Audit Committee	97.92
2. Nomination and Remuneration Committee	97.36
3. Risk Management Committee	95.59



Assessment procedure

At the end of year, the company's secretary shall provide assessment form to all directors for self-assessment. The form will be collected and report to the Board of Director in order to acknowledge and discuss for further improvement.

Performance assessment of Managing Director

Nomination and Remuneration Committee set a performance review of Managing Directors, by using assessment form consented by the Board of Director, in order to determine remuneration. The assessment covered following issues:

1. Leadership skill
2. Strategic and implementation plan
3. Financial planning and performance
4. Relationship to Directors
5. Management skill and relationship to personnel
6. The succession
7. Product and service knowledge

The 2018 performance appraisal of Managing Director was evaluated “good” with 98.15 percent to these 7 issues.

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 2018 was consist of:

1. Audit fee In 2018, the company has paid audit fee of 1,100,000 baht to company’s auditor, Miss Satida Ratananurak possessed audit license no. 4753 of EY Company Limited
2. Non-audit service In 2018, there was no extra service fee paid to audit firm that the auditor is affiliated with and person or related parties to the auditor or audit firm that the auditor is affiliated with.

Corporate Social Responsibility

The company places a great emphasis on operating business under good corporate governance and adhering to the Code of Conduct while being fully aware of its social responsibility towards all stakeholder both inside and outside company from shareholder, employees, customers and society in order to lead to sustainable business development.

Business Conduct with Fairness

The company is operated and managed ethically. The Board of Director had issued the code of ethic and the code of conduct for directors, executives and employees as a guideline for work with honesty, integrity and equitable treatment to all company's stakeholder including shareholders, employees, customers, competitors, partners and creditors. The company has already disclosed the code of conduct in its website: <http://www.spvi.co.th/investor-relations/>

Anti-Corruption Practice

The company recognizes the important of conducting business with integrity by adhering to the principles of good corporate governance, transparency, accountability, and non-corruption. The Board has established policies and practices against corruption, covers the issues of gift giving and entertainment expenses, sponsorship to political activities, business relations, procurement to public sector, whistle-blowing and complaints, including the process in dealing with the complaint, protection of the complainant and concerned persons. The directors, executives and employees can use as guideline against corruption.

Human Right Esteem

The company adheres to the principle of equality and equality of human rights and used as the key concept to drive the organization. The Company caters to all levels of employees equally and applies no discrimination

against people with race, religion, gender, age, marital status, and disability. The child labor and illegal worker employment was strictly prohibited. The guideline for human right practice was provided in the code of conduct in the part of the responsibility for the employees.

Labor Handle with Fairness

The Company always recognizes that employees are the most important resource that will help drive and lead the Company to achieve the company's goals. The Company therefore carries out the supervision to employees and compliance with the law. The Company also provides fair treat to employees in terms of career opportunity, rewards, job promotions, job rotations, and potential development. The practice is based on following principles;

- (1) Treat employees with courtesy and honor
- (2) Provide fair compensation to employees
- (3) Manage safety workplace for employees' life and possessions
- (4) Provide job promotion, job rotation, rewards and punishments with integrity and based on their knowledge, capability and appropriateness
- (5) Emphasize in knowledge and capability development
- (6) Strictly comply with labor law and regulation
- (7) Avoid any unfair action that affect to job stability, avoid harassment and pressure on the employee's mental state

In additions, the Company provides welfares to employee including group life insurance, provident fund and annual health check.

The Responsibility to Consumers

The Company strives to create customers' satisfaction and confidence toward products and services as well as retains good relationship by focusing on integrity and fair-trading as per following guidelines

- (1) Commits to sourcing product and improve up-to-date service to service customers' needs
- (2) Selling quality product and service at fair price
- (3) Provide accurate information to customers without any exaggeration toward quality, quantity or any conditions of product and service
- (4) Provide after sale service to accommodate customers

Take Good Care of Environment

The company recognizes of its duties and responsibilities toward environment therefor practice based on following principles

- (1) Select the environmental friendly product and safety to customers
- (2) Prevent the Company's operation that cause damage to quality of life of the community, society and environment

The Company also promotes the cost-effective use of resource as following;

- Equip LED light bulb which is energy saving and durable equipment to all shops and head office in order to avoid frequent-replacement
- Encourage employees to use their resources economically and maximally, such as recycle paper

Community and Social Improvement

The Company realized that the Company was survived and grown up by the support from society and community. Therefore, to maintain the good society and community, the Company practice as per following principles:

- (1) Participate to social activities in providing support on educational activities and knowledge improvement for all age and genders
- (2) Operate business in a way that does not conflict with Thai tradition and custom and with no harm to society

In 2018, the company has provided it's 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 and students to apply iPad device in teaching and learning. The project was implemented to Prasartvidhynon School, Wattakwian (Sai-Utit) School Chachoengsao, Srakrachomsoponpittaya School Suphanburi, Assumption Convent School Lopburi and Santiratwiththayalai School.
- Short Film Camp project for youth in eastern with Computer Center of Burapha University

In addition, the Company has supported the Better Thailand Foundation for various projects to promote and encourage intellectual projects including Center-of-Learning-with Fun Project which is the project to construct a learning center with equipment and teaching media at Chumchonbankaengsuaten School, and "Card for You" project which is a painting competition event with the aim to be a forum for underprivileged and disabled children to present their talents in art to conveys their dreams, hope and imagination through their paint brush.

As well as, the Company has participated in SET Social Impact GYM by mai Executives which the Stock Exchange of Thailand together with the "Market for Alternative Investment (mai) by the Stock Exchange of Thailand " and mai Listed Companies Association have organized with an aim to develop the potential of social enterprise (SE) for strong and sustainable growth by that the Company participated as volunteers to share knowledge, expertise, and experience to participants.

Risk Management and Internal Control

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. 1/2018 on 12th February 2019, 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

● Related Transactions

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 31st December 2018. 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

Related Transactions

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
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 Ullisnant	***																		

Note

X = Chairman of the Board
/ = Director
* = Vice President

C = Executive Chairman
// = Executive Committee
** = Assistant Vice President

AC = Audit Committee
/// = Managing Director
*** = 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. A.R. Accounting Consultant Co.,LTD.
15. ARIT Co.,LTD.
16. ARIP Public Company Limited
17. IT City Public Company Limited
18. Touch Printing Republic Company Limited

● Management Discussion and Analysis 2018

Operating Result 2018

A total consolidated revenue of the Company in 2018 was 2,591.46 million baht which increased by 495.27 million baht or 23.63 percent increase compared to 2,096.19 million baht in 2017. The total consolidated revenue consists of sales revenue, service revenue and other incomes which were accounted for 98.22 percent, 0.59 percent and 1.19 percent respectively. The Company's sales revenue consists of sales revenue from Apple's product and sales revenue from other brands. The revenue from sales of Apple product in 2018 was 2,325.68 million baht which increased by 513.70 million baht or 28.35 percent compared to 1,811.98 million baht in 2017. Major reasons of increased revenue came from the new distribution channel such as AIS Shop by Partner, AIS Buddy and AIS Telewiz, as well as the existing distribution channel such as U Store. Additionally, there was an increase in revenue from new product such as iPad 9.7 inches which encouraged the use of Apple Pencil and other new products such as Apple Watch Series 4, iPhone XR, iPhone XS, iPhone XS Max, New iPad Pro and MacBook Air.

The revenue from services in 2018 was slightly decreased by 2.37 million baht or 13.42 percent compared to 2017.

In 2018, there was sales proportion of non-Apple product such as Computer, Smartphone and accessories. In 2018, the sales revenue from non-Apple product was 219.54 million baht decreased by 28.13 million baht or 11.36 percent compared to 246.67 million baht in 2017.

The sales and administration expense of the Company in 2018 was 298.87 million increased by 50.69 million baht compared to 248.18 million baht in 2017. Major reasons came from the increased expenditures of revenue growth and expansion for example the increased number of employees according to business expansion, credit card fee, rental and accommodation fee of existing locations as well as new expansions.

The Company's earning in 2018 was 45.22 million baht increased by 14.75 million baht compared to 30.47 million baht in 2017 representing the net profit margin of 1.74 percent and 1.45 percent respectively.

Financial Position

Total Asset

As of 31 December 2018, the total asset of the Company was 601.65 million baht increased by 108.74 million baht or 22.06 percent compared to previous year of 492.91 million baht because the Company's cash and cash equivalent increased by 11.93 million. The Company's cash flow from operating activities was 34.30 million baht, cash flow from investment and financial activities was 6.38 million, and 15.99 million baht respectively. At the end of 2018, the Company had trade accounts receivable of 59.27 million baht increased by 26.98 million baht or 83.56 percent compared to 32.29 million baht in previous year. The Company's inventory was 295.49 million baht increased by 78.28 million baht or 36.04 percent compared to 217.21 million baht in 2017 because of the increased revenue and store expansion.

Management Discussion and Analysis 2018

Total Liabilities

As of 31 December 2018, the total liabilities of the Company was 272.94 million baht increased by 81.51 million baht or 42.58 percent increase compared to 191.43 million baht in 2017. The account payable and other payable of the Company as of 31 December 2018 was 253.43 million baht compared to 177.86 million baht in previous year, increased by 75.57 million baht or 42.49 percent.

Shareholder's Equity

The company has a total registered capital of 200 million baht, consisting of 400 million ordinary shares with a par value of 0.50 baht per share, fully paid up. As of 31 December 2018, the shareholders' equity accounted to 328.72 million baht increased by 27.24 million baht or 9.03% from 2017 which was 301.48 million baht, with the book value of 0.82 baht per share. There were no increased capital during the year 2018.

Debt to Equity Ratio

The debt to equity ratio increased from 0.63 in 2017 to 0.83 in 2018 which was direct effect from the increased number of trade account payables

● Report on the Board of Directors' responsibilities for Financial Statements

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 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 2018. 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

Report of the Executive Committee

The Executive Committee consists of 4 directors and executives including Mr. Min Intanate as Executive Chairman and Mr. Trisorn Volyarngosol, Mrs. Petcharat Volyarngosol, Miss Utsanee Ratanaphaithun as executive directors. According to the scope and assigned duties by the Board of Directors, the Executive Committee has performed the entire duties with all their capability and prudence for the overall benefits of the Company and shareholders by appropriately. The essence of duties including;

- 1) Consider and scrutinize the business strategy and annual budgeting, and propose to the Board of Directors to consider approval
- 2) Follow up business performance in order to ensure achievement of assigned business goal and report to the Board of Directors
- 3) Consider criteria in determining the rate of annual salary increment and policy of bonus payment as well as consider the annual salary and bonus payment for the staffs in job grade lower than Managing Director.
- 4) Consider other matters assigned by the Board of Directors

The Executive Committee is committed to perform duties with all their capability by precaution, prudence, honesty and taking into account for the best benefits of the Company with fairness to shareholders and stakeholders. As well as, overseeing the Company's operation to be effective, legitimate, align with the Company's goals and regulations in order to ensure business achievement for sustainable growth.



Mr. Min Intanate
Executive Chairman

Report of the Audit Committee

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 2018, 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

Report of the Risk Management Committee

To the Shareholders of S P V I Public Company Limited

The Board of Directors has appointed the Directors and Top Executives as the Risk Management Committee, comprising Mr. Narathorn Wongvises Mr. Trisorn Volyarngosol, Mrs. Petcharat Volyarngosol and Miss Utsanee Ratanaphaithun. Miss Sunsanee Horanikom served as secretary.

In 2018, the Risk Management Committee conducted 4 meetings to monitor and make consideration on important matters assigned by the Board of Directors as follows:

1. 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
2. Provide suggestions and monitor performance of management level of the Risk Management in order to bring into action to achieve the goal.
3. 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

• Report of the Nomination and Remuneration Committee

To Shareholders

The Board of Directors resolved to approve appointment of the Nomination and Remuneration Committee of S P V I Public Company Limited on May 2, 2017. To ensure that the Nomination and Remuneration Committee will be able to perform their duty independently, all members will be Independent Directors, which consist of 3 members as following.

1. Mr. Teera Aphaiwongse Independent Director and Chairman of the Nomination and Remuneration Committee
 2. Mr. Sujin Suwannagate Independent Director and member of the Nomination and Remuneration Committee
 3. Mrs. Susama Rativanich Independent Director and member of the Nomination and Remuneration Committee
- Miss Nipitcha Thanyapataranopjira, Human Resource Manager, assumed the position of the secretary of the Nomination and Remuneration Committee

In 2018, there was a meeting of the Nomination and Remuneration Committee, which all members gave priority to attend and provided suggestions that benefit to the operation of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee was assigned by the Board of Directors to arrange the meeting to consider variety of matters carefully, reasonably, transparently and independently by taking into account maximum benefits of the company and company's shareholders. The Nomination and Remuneration Committee has performed their duty under the duties and responsibilities set forth in the Charter of the Nomination and Remuneration Committee, which are in line with the principle and guideline of Good Corporate Governance of the Stock Exchange of Thailand. The matters were considered as follow:

1. The Structure and Composition of the Board of Directors

The Nomination and Remuneration Committee has considered the structure and composition of the Board of Directors and Sub-Committee including the qualification of the Directors that appropriate to business size and nature of business of the Company

2. Rules and procedure to nominate individual person to assume the position of Company's Director

The Nomination and Remuneration Committee has considered the rule and procedure to nominate individual person to assume the position of Company's Directors including the qualification of the Directors that appropriate to business size and nature of business of the Company

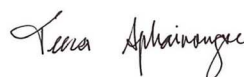
3. Guideline for remuneration of the Company's Directors and Sub-Committee

The Nomination and Remuneration Committee has considered the guideline and procedure for the payment of all types of Directors' remuneration to be in appropriate rate with their duties and responsibilities and be in comparable rate to other companies in the same category specified in MAI of the Stock Exchange

4. Guideline for performance assessment of Managing Director

The Nomination and Remuneration Committee has considered guideline for annual performance assessment of the Chief Executive Officer to ensure that it cover and reflect the actual performance

The Nomination and Remuneration Committee has promoted, encouraged and provided opportunity to minority shareholders to take part in corporate governance and provide opinions toward business operation as well as propose, in advance, the meeting agenda, the candidates to replace the Directors retiring by rotation for the year of 2018 during 1-31 December 2018 through the Company's website.



Mr. Teera Aphaiwongse
Chairman of Nomination and Remuneration Committee

Financial Statements

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 2018, 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 2018, 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 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

Revenue is a material accounting entry which directly affects profit or loss of the Company. In addition, the Company has many branches, and receives rebates and sales promotions from its vendors. There are therefore

risks with respect to the amount and timing of the recognition of revenue and the rebates and sales promotions from the vendors. I have therefore focused on the revenue recognition of the Company.

I 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 sale transactions occurring during the year and near the end of the reporting period to check against the supporting documents and I reviewed credit notes that the Company issued after the end of the reporting period. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers. Moreover, I applied a sampling method to select supporting documents for rebate and sale promotion transactions during the year to examine the recognition of the rebates and sale promotion granted by vendors.

Inventories

Computers and mobile phone are technology products which are constantly developing. Any changes in technology could affect the values of inventories. Estimating the net realisable value of inventories, as disclosed in Note 5 and Note 10 to the financial statements, thus requires significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry, which impact the amount of provision set aside.

I assessed and gained an understanding of the internal controls of the Company relevant to the determination of provision for diminution in the value of inventories by making enquiry of responsible executives. In addition, I assessed the criteria used in determining such provision and reviewed the consistency of the application. I also compared the inventory holding periods and inventory movements to identify product lines with indicators of lower-than-normal inventory turnover, and performed analysis to compare the net proceeds from sales of goods occurring after the date of the financial statements with the cost of inventories.

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.

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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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.

I am responsible for the audit resulting in this independent auditor's report.

S. Ratananurak

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 12 February 2019

S P V I Public Company Limited

Statement of financial position

As at 31 December 2018

(Unit: Baht)

	Note	2018	2017
Assets			
Current assets			
Cash and cash equivalents	7	45,274,027	33,341,192
Current investments	8	81,358,135	103,279,329
Trade and other receivables	6, 9	59,271,056	32,290,094
Inventories	10	295,492,489	217,207,197
Other current assets	11	10,922,161	6,432,794
Total current assets		<u>492,317,868</u>	<u>392,550,606</u>
Non-current assets			
Other long-term investments	12	10,000,000	10,000,000
Equipment	13	42,975,419	40,730,308
Intangible assets	14	20,818,094	19,847,238
Leasehold right	15	6,948,840	6,221,064
Other non-current assets	16	21,262,969	18,422,969
Deferred tax assets	22	7,332,332	5,138,376
Total non-current assets		<u>109,337,654</u>	<u>100,359,955</u>
Total assets		<u><u>601,655,522</u></u>	<u><u>492,910,561</u></u>

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 2018

(Unit: Baht)

	Note	2018	2017
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	6, 17	253,430,855	177,857,949
Dividend payable		70,955	59,385
Income tax payable		3,826,611	1,815,430
Other current liabilities		804,458	888,549
Total current liabilities		258,132,879	180,621,313
Non-current liabilities			
Provision for long-term employee benefits	18	14,803,521	10,805,814
Total non-current liabilities		14,803,521	10,805,814
Total liabilities		272,936,400	191,427,127
Shareholders' equity			
Share capital			
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
Retained earnings			
Appropriated - statutory reserve	19	14,550,117	12,289,091
Unappropriated		74,359,413	49,384,751
Total shareholders' equity		328,719,122	301,483,434
Total liabilities and shareholders' equity		601,655,522	492,910,561

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 2018

(Unit: Baht)

	Note	2018	2017
Profit or loss			
Revenues			
Sales		2,545,218,797	2,059,646,504
Service income		15,291,286	17,662,718
Other income	20	30,953,315	18,882,902
Total revenues		2,591,463,398	2,096,192,124
Expenses			
Cost of sales		2,232,887,763	1,806,803,759
Cost of services		3,140,844	3,150,225
Selling and distribution expenses		233,298,799	186,501,283
Administrative expenses		65,572,248	61,682,975
Total expenses		2,534,899,654	2,058,138,242
Profit before finance cost and income tax expenses		56,563,744	38,053,882
Finance cost		(867,705)	(685,423)
Profit before income tax expenses		55,696,039	37,368,459
Income tax expenses	22	(10,475,524)	(6,900,306)
Profit for the year		45,220,515	30,468,153
Other comprehensive income:			
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods:			
Actuarial loss		(2,482,373)	-
Less: Income tax effect		496,474	-
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax		(1,985,899)	-
Other comprehensive income for the year		(1,985,899)	-
Total comprehensive income for the year		43,234,616	30,468,153
Basic earnings per share	23		
Profit		0.11	0.08
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 2018

(Unit: Baht)

	Note	Issued and paid up share capital	Share premium	Retained earnings		Total
				Appropriated	Unappropriated	
Balance as at 31 December 2016		200,000,000	39,809,592	10,765,683	25,239,486	275,814,761
Profit for the year		-	-	-	30,468,153	30,468,153
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	30,468,153	30,468,153
Dividend paid	26	-	-	-	(4,799,480)	(4,799,480)
Unappropriated retained earnings transferred to statutory reserve	19	-	-	1,523,408	(1,523,408)	-
Balance as at 31 December 2017		200,000,000	39,809,592	12,289,091	49,384,751	301,483,434
Balance as at 31 December 2017		200,000,000	39,809,592	12,289,091	49,384,751	301,483,434
Profit for the year		-	-	-	45,220,515	45,220,515
Other comprehensive income for the year		-	-	-	(1,985,899)	(1,985,899)
Total comprehensive income for the year		-	-	-	43,234,616	43,234,616
Dividend paid	26	-	-	-	(15,998,928)	(15,998,928)
Unappropriated retained earnings transferred to statutory reserve	19	-	-	2,261,026	(2,261,026)	-
Balance as at 31 December 2018		200,000,000	39,809,592	14,550,117	74,359,413	328,719,122

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 2018

(Unit: Baht)

	2018	2017
Cash flows from operating activities		
Profit before tax	55,696,039	37,368,459
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	22,837,343	21,059,729
Increase in allowance for doubtful accounts	24,695	124,484
Write-off bad debts	7,200	-
Increase (decrease) in reduction of inventory to net realisable value	6,136,622	(690,644)
Loss on disposals/write-off of equipment	1,716,087	996,243
Increase in allowance for impairment of equipment	638,518	578,602
Write-off of intangible assets	949,358	-
Allowance for impairment loss of deposits of lease agreement	160,528	-
Provision for long-term employee benefits	1,515,334	1,278,942
Gain on disposals of investments in trading securities	(625,881)	(529,201)
Gain on changes in value of investments in trading securities	(29,398)	(20,299)
Interest income	(370,509)	(590,979)
Interest expenses	62	1,402
Profit from operating activities before changes in operating assets and liabilities	88,655,998	59,576,738
Operating assets (increase) decrease:		
Trade and other receivables	(27,010,062)	414,534
Inventories	(85,554,235)	(64,214,578)
Other current assets	(4,489,367)	(1,071,351)
Other non-current assets	(3,000,528)	(2,637,537)
Operating liabilities increase (decrease):		
Trade and other payables	75,572,906	67,124,772
Other current liabilities	(84,091)	143,723
Cash flows from operating activities	44,090,621	59,336,301
Cash received from interest income	367,714	1,103,932
Cash paid for income tax	(10,161,825)	(5,339,837)
Net cash flows from operating activities	34,296,510	55,100,396

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 2018

(Unit: Baht)

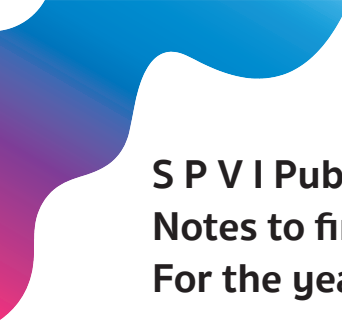
	2018	2017
Cash flows from investing activities		
Decrease (increase) in current investments	22,576,473	(14,230,571)
Proceeds from sales of equipment	73,285	115,888
Acquisitions of equipment	(19,001,539)	(14,026,854)
Increase in intangible assets	(8,024,474)	(5,049,973)
Increase in leasehold right	(2,000,000)	-
Net cash flows used in investing activities	(6,376,255)	(33,191,510)
Cash flows from financing activities		
Decrease in restricted bank deposit	-	160,000
Cash paid for interest expenses	(62)	(1,402)
Dividend paid	(15,987,358)	(4,793,484)
Net cash flows used in financing activities	(15,987,420)	(4,634,886)
Net increase in cash and cash equivalents	11,932,835	17,274,000
Cash and cash equivalents at beginning of year	33,341,192	16,067,192
Cash and cash equivalents at end of year	45,274,027	33,341,192

Supplemental disclosures of cash flows information:

Non-cash related transaction

Dividend payable	70,955	59,385
Transfer inventory to equipment	1,099,021	932,150
Transfer inventory to intangible assets	33,300	-
Write off trade receivable as bad debt	3,210	-

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 2018

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.

As at 31 December 2018, the Company operates 45 branches (2017: 40 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 11 October 2016, 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 financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

During the current year, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

(c) Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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 assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

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 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and losses on exchange are included in determining income.

4.12 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.

4.13 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 by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.14 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.

4.15 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.

4.16 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 judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Allowance for diminution in value of inventory

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

Equipment/Depreciation

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

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)

	2018	2017	Pricing polic
Transactions with major shareholder			
(IT City Public Company Limited)			
Dividends	5	1	At the declared rate
Transactions with related companies			
Sales of goods	1	2	Market price
Purchases of goods	1	1	Market price
Service expenses	7	9	Prices agreed by the parties
Logistics and distribution fee	6	6	Prices agreed by the parties

As at 31 December 2018 and 2017, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	2018	2017
Trade and other receivables - related parties (Note 9)		
Related companies (related by common shareholders and common directors)	311	268
Total trade and other receivables - related parties	311	268
Trade and other payables - related parties (Note 17)		
Related companies (related by common shareholders and common directors)	1,554	2,976
Total trade and other payables - related parties	1,554	2,976

Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	2018	2017
Short-term employee benefits	22.3	20.7
Post-employment benefits	1.2	0.6
Total	<u>23.5</u>	<u>21.3</u>

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2018	2017
Cash	3,036	5,231
Bank deposits	42,238	28,110
Total	<u>45,274</u>	<u>33,341</u>

As at 31 December 2018, bank deposits in savings accounts and fixed deposits carried interests between 0.1 and 0.5 percent per annum (2017: between 0.10 and 1.00 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	2018			2017		
	Number of units (Thousand units)	Cost	Fair value	Number of units (Thousand units)	Cost	Fair value
Investments in						
Krungsri Star Plus						
Fund	3,914	81,329	81,358	5,030	103,255	103,279
Total	<u>3,914</u>	<u>81,329</u>	<u>81,358</u>	<u>5,030</u>	<u>103,255</u>	<u>103,279</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)

	2018	2017
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	311	268
Total trade receivables - related parties	311	268
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	48,862	26,613
Past due		
Up to 3 months	6,464	3,287
3 - 6 months	429	74
6 - 12 months	59	148
Over 12 months	425	190
Total	56,239	30,312
Less: Allowance for doubtful debts	(360)	(338)
Total trade receivables - unrelated parties, net	55,879	29,974
Total trade receivable - net	56,190	30,242
<u>Other receivables</u>		
Other receivables - unrelated parties	3,081	2,048
Total other receivables	3,081	2,048
Total trade and other receivables - net	59,271	32,290

10. Inventories

(Unit: Thousand Baht)

	2018	2017
Finished goods	315,175	230,753
Less: Reduce cost to net realisable value	(19,683)	(13,546)
Inventories - net	295,492	217,207

During the current year, the Company reduced cost of inventories by Baht 6.1 million, to reflect the net realisable value. This was presented as cost of sales. (2017: reversed the write-down of cost of inventories by Baht 0.7 million, and reduced the amount of inventories recognised as expenses during the year).

11. Other current assets

The outstanding balance of other current assets as at 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	2018	2017
Input tax and value added tax refundable	7,900	3,391
Advance payments for purchase of goods	289	904
Others	2,733	2,138
Total other current liabilities	10,922	6,433

12. Other long-term investments

As at 31 December 2018, the Company had other long-term investments amount of Baht 10 million (2017: Baht 10 million) in the form of fixed deposit account with maturity over 1 year carried interest 2.25 percent per annum (2017: 2.25 percent per annum).

13. Equipment

(Unit: Thousand Baht)

	Leasehold improvement	Computer	Office equipment	Furniture and fixtures	Motor vehicles	Assets under installation	Total
Cost:							
1 January 2017	2,000	13,540	20,187	64,223	845	5	100,800
Additions	-	595	3,654	1,138	-	8,640	14,027
Disposals and write-off	-	(442)	(9)	(2,719)	-	(5)	(3,175)
Transfers in (out)	-	932	138	7,703	-	(7,841)	932
31 December 2017	2,000	14,625	23,970	70,345	845	799	112,584
Additions	-	970	4,663	1,061	-	12,307	19,001
Disposals and write-off	-	(1,149)	(583)	(10,579)	-	-	(12,311)
Transfers in (out)	-	976	2,109	10,807	-	(12,793)	1,099
31 December 2018	2,000	15,422	30,159	71,634	845	313	120,373
Accumulated depreciation:							
1 January 2017	1,425	10,480	8,648	36,608	821	-	57,982
Depreciation for the year	400	1,819	3,395	9,275	24	-	14,913
Depreciation on disposals and write-off	-	(136)	(6)	(1,921)	-	-	(2,063)
31 December 2017	1,825	12,163	12,037	43,962	845	-	70,832
Depreciation for the year	175	1,761	4,128	9,364	-	-	15,428
Depreciation on disposals and write-off	-	(1,134)	(522)	(8,867)	-	-	(10,523)
31 December 2018	2,000	12,790	15,643	44,459	845	-	75,737
Allowance for impairment loss:							
1 January 2017	-	-	-	443	-	-	443
Increase during the year	-	-	-	579	-	-	579
31 December 2017	-	-	-	1,022	-	-	1,022
Increase during the year	-	-	-	639	-	-	639
31 December 2018	-	-	-	1,661	-	-	1,661
Net book value:							
31 December 2017	175	2,462	11,933	25,361	-	799	40,730
31 December 2018	-	2,632	14,516	25,514	-	313	42,975

Depreciation for the year:

2017 (Baht 13.2 million included in selling expenses, and the balance in administrative expenses)	14,913
2018 (Baht 13.4 million included in selling expenses, and the balance in administrative expenses)	15,428

As at 31 December 2018, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 45 million (2017: Baht 39 million).

14. Intangible assets

The net book value of intangible assets, as at 31 December 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	<u>Franchise fee</u>	<u>Computer software</u>	<u>Total</u>
As at 31 December 2018			
Cost	18,769	17,792	36,561
Less: Accumulated amortisation	(5,188)	(10,555)	(15,743)
Net book value	<u>13,581</u>	<u>7,237</u>	<u>20,818</u>
As at 31 December 2017			
Cost	11,586	23,434	35,020
Less: Accumulated amortisation	(2,314)	(12,859)	(15,173)
Net book value	<u>9,272</u>	<u>10,575</u>	<u>19,847</u>

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Net book value at beginning of year	19,847	20,486
Acquisition of computer software	841	464
Transferred in from inventories	33	-
Write-off computer software	(949)	-
Increase of franchise fee	7,183	4,586
Amortisation for the year	(6,137)	(5,689)
Net book value at end of year	<u>20,818</u>	<u>19,847</u>

15. Leasehold right

On 9 February 2011, the Company entered into a leasehold agreement for lease of space in Esplanade Cineplex from S P V 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. In addition, on 3 January 2018, the Company entered into a leasehold agreement for lease of space in IT Mall Fortune Town from C.P. Tower Growth Leasehold Property Fund. The agreement is in force as from 1 February 2018 to 30 April 2020, or total of 2 years and 3 months. The Company paid for the leasehold rights for the entire agreement period amounting to Baht 11.4 million and amortised leasehold rights using the straight line basis throughout the agreement period.

(Unit: Thousand Baht)

	2018	2017
Leasehold right - cost	11,377	9,377
Less: Accumulated amortisation	(4,428)	(3,156)
Net book value	<u>6,949</u>	<u>6,221</u>

A reconciliation of the net book value of leasehold right for the years 2018 and 2017 is presented below.

(Unit: Thousand Baht)

	2018	2017
Net book value at beginning of year	6,221	6,679
Leasehold right transferred during the year	2,000	-
Amortisation for the year	(1,272)	(458)
Net book value at end of year	<u>6,949</u>	<u>6,221</u>

16. Other non-current assets

The outstanding balance of other non-current assets as at 31 December 2018 and 2017 are deposits.

17. Trade and other payables

(Unit: Thousand Baht)

	2018	2017
Trade payables - related parties	10	135
Trade payables - unrelated parties	234,606	159,681
Other payables - related parties	1,544	2,841
Other payables - unrelated parties	17,271	15,201
Total trade and other payables	<u>253,431</u>	<u>177,858</u>

18. 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)

	2018	2017
Provision for long-term employee benefits at beginning of year	10,806	9,527
Included in profit or loss:		
Current service cost	1,224	1,022
Interest cost	292	257
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	2,854	-
Financial assumptions changes	680	-
Experience adjustments	(1,052)	-
Provision for long-term employee benefits at end of year	<u>14,804</u>	<u>10,806</u>

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

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Selling and distribution expenses	315	37
Administrative expenses	<u>1,201</u>	<u>1,242</u>
Total expenses recognised in profit or loss	<u><u>1,516</u></u>	<u><u>1,279</u></u>

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

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 11 years (2017: 11 years).

Significant actuarial assumptions used for the valuation are summarised below:

	<u>2018</u>	<u>2017</u>
	(% per annum)	(% per annum)
Discount rate	2.85	2.70
Salary increase rate	4.00 - 7.00	4.00 - 6.50
Turnover rate	5.00 - 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 2018 and 2017 are summarised below:

(Unit: Million Baht)

	<u>As at 31 December 2018</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.1)	1.2
Salary increase rate	1.2	(1.0)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(0.9)	1.1

(Unit: Million Baht)

	<u>As at 31 December 2017</u>	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(0.6)	0.7
Salary increase rate	0.9	(0.8)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(0.7)	1.0

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation at a rate of not less than that of the last 400 days. This change is considered a post-employment benefits plan amendment and the Company has additional liabilities for long-term employee benefits of Baht 4.5 million. The Company will reflect the effect of the change by recognising past services costs as expenses in the profit or loss of the period in which the law is effective.

19. 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 2018, the Company set aside an additional statutory reserve of its net profit for 2018 of Baht 2.3 million (2017: the Company set aside statutory reserve of its net profit for 2017 totaling Baht 1.5 million).

20. Other income

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Selling support income	23,850	14,410
Selling promotion income	2,667	1,258
Commission income	1,005	698
Gain on exchange	604	1,029
Gain on disposal of investments in trading securities	650	529
Interest income	371	591
Others	1,806	368
Total	<u>30,953</u>	<u>18,883</u>

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Purchase of finished goods	2,308,544	1,871,868
Change in inventories of finished goods	(84,422)	(63,282)
Salaries and wages and other employee benefits	151,739	122,034
Rental and service center expenses from operating lease agreements	52,182	44,935
Credit card fee	33,683	26,677
Depreciation and amortisation	22,837	21,060
Logistics and distribution fee	6,328	5,455
Utilities expenses	5,602	4,762
Office supply expenses	2,719	2,293
Loss on disposals/write-off of assets	2,665	996
Impairment loss of assets	799	579

22. Income tax

Income tax expenses for the years ended 31 December 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Current income tax:		
Current income tax charge	12,174	7,155
Deferred tax:		
Relating to origination and reversal of temporary differences	(1,698)	(255)
Income tax expense reported in the statement of comprehensive income	<u>10,476</u>	<u>6,900</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Deferred tax relating to actuarial loss	(496)	-

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

(Unit: Thousand Baht)

	2018	2017
Accounting profit before tax	55,696	37,368
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	11,139	7,474
Effects of:		
Non-deductible expenses	139	237
Additional expense deductions allowed	(802)	(811)
Total	(663)	(574)
Income tax expenses reported in the statement of comprehensive income	10,476	6,900

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	2018	2017
Deferred tax assets		
Allowance for doubtful accounts	72	68
Allowance for diminution in value of inventories	3,936	2,709
Allowance for impairment of equipment	332	204
Allowance for impairment of rental deposit	32	-
Provision for long-term employee benefits	2,961	2,161
Total	7,333	5,142
Deferred tax liabilities		
Unrealised gain on held for trade investments	1	4
Total	1	4
Deferred tax assets - net	7,332	5,138

23. 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.

24. 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.

25. 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 contributes 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 2018 amounting to approximately Baht 2.0 million (2017: Baht 1.7 million) were recognised as expenses.

26. Dividend

On 4 April 2017, 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 2016 of Baht 0.012 per share, or a total of Baht 4.8 million. The Company paid such dividend in April 2017.

On 4 April 2018, 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 2017 of Baht 0.04 per share, or a total of Baht 16.0 million. The Company paid such dividend in April 2018.

27. Commitments and contingent liabilities

27.1 Operating lease commitments

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

27.1.2 The Company has entered into several operating lease contracts and service contracts in respect of the lease of office building, warehouse and branch areas. The terms of the agreements are generally between 1 and 21 years.

As at 31 December 2018, the Company has future minimum lease payments required under these non-cancellable operating lease contracts and service contracts as follows.

	(Unit: Million Baht)	
	2018	2017
Payable within:		
Less than 1 year	57.2	38.4
In over 1 and up to 5 years	54.4	28.9
In over 5 years	2.0	5.5

27.2 Guarantees

As at 31 December 2018, there were outstanding bank guarantees of approximately Baht 36.5 million (2017: Baht 29.2 million) issued by bank on behalf of the Company in respect of the purchase of goods and services as required in the ordinary course of business of the Company.

28. Financial instruments

28.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, other long-term investments 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, 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)

As at 31 December 2018						
	Fixed interest rates		Floating	Non	Total	Effective interest rate (% per annum)
	within 1 year	more than 1 year	interest rate	interest bearing		
Financial Assets						
Cash and cash equivalent	-	-	29	16	45	0.10 - 0.50
Current investments	-	-	-	81	81	-
Trade and other receivables	-	-	-	59	59	-
Other long-term investments	-	10	-	-	10	2.25
	<u>-</u>	<u>10</u>	<u>29</u>	<u>156</u>	<u>195</u>	
Financial liabilities						
Trade and other payables	-	-	-	253	253	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>253</u>	<u>253</u>	

(Unit: Million Baht)

As at 31 December 2017						
	Fixed interest rates		Floating	Non	Total	Effective interest rate (% per annum)
	within 1 year	more than 1 year	interest rate	interest bearing		
Financial Assets						
Cash and cash equivalent	-	-	20	13	33	0.10 - 1.00
Current investments	-	-	-	103	103	-
Trade and other receivables	-	-	-	32	32	-
Other long-term investments	-	10	-	-	10	2.25
	<u>-</u>	<u>10</u>	<u>20</u>	<u>148</u>	<u>178</u>	
Financial liabilities						
Trade and other payables	-	-	-	178	178	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>178</u>	<u>178</u>	

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.

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

Foreign currency	Financial liabilities as at 31 December		Average selling rate as at 31 December	
	2018 (Thousand)	2017 (Thousand)	2018 (Baht per 1 foreign currency unit)	2017 (Baht per 1 foreign currency unit)
US dollar	33	11	32.6148	32.8472
EUR	-	3	37.4884	39.3938

28.2 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.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2018, the Company's debt-to-equity ratio was 0.83:1 (2017: 0.63:1).

30. Event after the reporting period

On 12 February 2019, the meeting of the Company's Board of Directors No.1/2019 passed a resolution approving the dividend payment for the year 2018 to the Company's shareholders at Baht 0.06 per share or a total dividend of approximately Baht 24 million. The Company will further propose this dividend payment for approval to the Annual General Meeting of the shareholders.

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 12 February 2019.

SPVi Branches

iStudio by SPVi	<p>ชั้น 4 ศูนย์การค้าเซ็นทรัล พลาซ่า แจ้งวัฒนะ ปากเกร็ด จ.นนทบุรี (02-101-0890-1)</p> <p>ชั้น G อาคารซีคอนสแควร์ (02-720-2988-9)</p> <p>ชั้น 4 ศูนย์การค้าเซ็นทรัลพาราม 9 (02-108-3241-2)</p>	<p>4th Floor Central Plaza Chaengwattana, Pak Kret, Nonthaburi</p> <p>G Floor Seacon Square</p> <p>4th Floor Central Plaza Grand Rama 9</p>
iBeat by SPVi	<p>ชั้น 2 อาคารเอสพลานาด (02-660-9259-61)</p> <p>ชั้น 4 อาคารฟอร์จูนทาวน์ (02-642-0634-5)</p> <p>ชั้น 1 ศูนย์การค้าเกตเวย์ เอกมัย (02-108-2844-5)</p> <p>ชั้น 1 ศูนย์การค้าเซ็นทรัล พลาซ่า เชียงราย (052-020-822-3)</p> <p>อาคารเทสโก้ โลตัส สาขา มหาชัย2 (034-866-358-9)</p> <p>ชั้น 2 ศูนย์การค้าเซ็นทรัล พลาซ่า ระยอง (038-942- 676)</p> <p>ชั้น 2 ศูนย์การค้าโรบินสัน สาขากำแพงเพชร (055-867-203)</p>	<p>2nd Floor Esplanade Cineplex Ratchadapisek</p> <p>4th Floor Fortune Tower</p> <p>1st Floor Gateway Ekamai</p> <p>1st Floor Central Plaza Chiangrai</p> <p>Tesco Lotus Mahachai 2</p> <p>2nd Floor Central Plaza Rayong</p> <p>2nd Floor Robinson Kamphaengphet</p>
U-Store by SPVi	<p>ศูนย์หนังสือ มหาวิทยาลัยธรรมศาสตร์รังสิต (095-372-5532)</p> <p>ศูนย์หนังสือ มหาวิทยาลัยธรรมศาสตร์ท่าพระจันทร์ (02-623-5800)</p> <p>ชั้น G อาคาร ABAC Plaza มหาวิทยาลัยอัสสัมชัญ (02-705-5190)</p> <p>ชั้น 1 อาคาร 10 คณะบริหารธุรกิจ มหาวิทยาลัยเกษตรศาสตร์ (02-955-1590-1)</p> <p>อาคารหอสมุดและคลังความรู้ มหาวิทยาลัยมหิดล ศาลายา (02-800-2558-9)</p> <p>อาคารอเนกประสงค์ข้างอาคาร 10 มหาวิทยาลัยกรุงเทพ วิทยาเขตรังสิต (02-902-0606-7)</p> <p>ชั้น 1 อาคาร 7 มหาวิทยาลัยธุรกิจบัณฑิต (02-954-9878-9)</p> <p>ด้านหน้าอาคารศูนย์ปฏิบัติการโรงแรมเทวทอง มหาวิทยาลัยบูรพา (095-372-5542)</p>	<p>Thammasat University Bookstore (Rangsit)</p> <p>Thammasat University Bookstore (Thaprachan)</p> <p>Gth Floor, ABAC Plaza Assumption University (Suvamaphumi Campus)</p> <p>1nd Floor Building 10, Faculty of Business</p> <p>Administration, Kasetsart University</p> <p>Mahidol University Library and Knowledge Center (Saraya)</p> <p>Anek Prasong Building (building10), Bangkok University (Rangsit)</p> <p>1st Floor Building 7, Dhurakij Pundit University</p> <p>University in front of Tao-Tong Hotel Operation Center Burapha University</p>
iShop	<p>ชั้น 3 พันทิพย์พลาซ่า (02-256-0397-8)</p>	<p>3rd Floor Pantip Plaza</p>
Mobi	<p>ชั้น 1 เจริญภัณฑ์ดีพาร์ตเมนต์พัลโลร์ พระยา (095-372-553)</p> <p>ชั้น 1 อาคารบิ๊กซี ซูเปอร์เซ็นเตอร์ สาขา ลำพูน (096-8814318)</p> <p>อาคารเทสโก้ โลตัส สาขา ยโสธร (063-207-0599)</p> <p>ชั้น 3 ศูนย์การค้าไอซ์ ดีซี (063-207-0597)</p> <p>ชั้น 4 ศูนย์การค้า ท็อปส์ พลาซ่า พิจิตร (063-207-5324)</p>	<p>1st Charoenphan Department Store</p> <p>1st Big C Lamphun</p> <p>Tesco Lotus Yasothon</p> <p>3rd Show DC</p> <p>4th Tops Plaza Phichit</p>
AIS Shop	<p>อาคารเทสโก้ โลตัส สาขา ระยอง (098-819-9776)</p> <p>ชั้น 1 อาคารบิ๊กซี ซูเปอร์เซ็นเตอร์ สาขา อรัญประเทศ (089-899-5395)</p> <p>ชั้น 1 ศูนย์การค้าโรบินสัน จ.จันทบุรี (093-138-8157)</p> <p>อาคารเทสโก้ โลตัส สาขา บ้านฉาง (062-423-9979)</p> <p>ชั้น 2 ศูนย์การค้าโรบินสัน สาขากำแพงเพชร (080-834-7899)</p> <p>ศูนย์การค้าบิ๊กซีซูเปอร์เซ็นเตอร์ สาขา สัตหีบ อ.สัตหีบ จ.ชลบุรี (06 5519 3826)</p> <p>อาคารเทสโก้ โลตัส สาขา เพชรบูรณ์ ด.สะเดียง อ.เมือง จ.เพชรบูรณ์ (06 5519 3825)</p> <p>ศูนย์การค้าโรบินสันไลฟ์สไตล์ ชลบุรี อ.เมืองชลบุรี จ.ชลบุรี (06 5519 3822)</p>	<p>Tesco Lotus Rayong</p> <p>1st Big C Aranyaprathet</p> <p>1st Floor Robinson Chanthaburi</p> <p>Tesco Lotus Ban Chang, Rayong</p> <p>2nd Floor Robinson Kamphaengphet</p> <p>Big C Sattahip, Sattahip, Chon Buri</p> <p>Tesco Lotus Phetchabun, Sadiang, Mueang Phetchabun, Phetchabun</p> <p>Robinson Lifestyle Chonburi, Mueang Chonburi, Chonburi</p>
AIS Telewiz	<p>อาคารเทสโก้ โลตัส สาขา ไรจนะ (063-207-0596)</p> <p>ศูนย์การค้า บิ๊กซี ซูเปอร์เซ็นเตอร์ สาขา วิทยเจริญ เพชรบูรณ์ (097-918-9226)</p> <p>อาคารเทสโก้ โลตัส สาขา หล่มสัก (097-918-9228)</p> <p>ตลาดวังน้อย ต.ลำไทร อ.วังน้อย จ.พระนครศรีอยุธยา</p> <p>อาคารเทสโก้ โลตัส สาขา อุตุมา ต.พุดตาหลวง อ.สัตหีบ จ.ชลบุรี (065-512-5803)</p>	<p>Tesco Lotus Rojana, Ayutthaya</p> <p>Big C Wachian Buri, Phetchabun</p> <p>Tesco Lotus Lhomsak, Phetchabun</p> <p>Wang Noi Market, Lam Sai, Wang Noi, Phra Nakhon Si Ayutthaya</p> <p>Tesco Lotus U-Ta Pao, Phlu Ta Luang, Sattahip, Chon Buri</p>
AIS Buddy	<p>ชั้น 1 ศูนย์การค้า ท็อปส์ ซูเปอร์สโตร์ พระยา (063-207-5329)</p>	<p>1st Tops Superstore</p>
iCenter	<p>ชั้น 3 อาคารฟอร์จูนทาวน์ ถนนรัชดาภิเษก ดินแดง กรุงเทพฯ (02-642-0828 ต่อ 11-14, 095-372-5562 , 095-372-5563)</p> <p>ชั้น G ศูนย์การค้าเซ็นทรัลพลาซ่า แจ้งวัฒนะ กรุงเทพฯ (02-835-3993-4, 095-372-5592)</p> <p>ชั้น B อาคาร จี ทาวเวอร์ แกรนด์ พระราม9 ห้วยขวาง กรุงเทพฯ (02-117-4903-4, 095-372-5558)</p> <p>ชั้น 2 Passione Shopping Destination จ.ระยอง (038-010-909, 095-372-5530)</p> <p>ชั้น 1 ศูนย์การค้าเซ็นทรัล พลาซ่า จ.เชียงราย (052-020-866, 095-372-5557)</p> <p>ชั้น 1 ห้างโฮมโปรนครปฐม จ.นครปฐม (034-900-815-6, 095-372-5573)</p> <p>ชั้น 2 ศูนย์การค้าโรบินสัน สาขาเพชรบุรี (032-491-752-3, 063-207-0592)</p>	<p>2st Floor IT Mall Fortune Tower, Ratchadaphisek Rd., Dindang, Bangkok</p> <p>Gth Floor Central Plaza Chaengwattana</p> <p>Bth Floor G Tower Grand Rama 9</p> <p>2th Floor Central Plaza Chiangrai</p> <p>1th Floor Central Plaza Chiangrai</p> <p>1th Floor Homepro Nakornphatom</p> <p>1st Floor Robinson Phetchaburi</p>



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