

S P V I Public Company Limited
Report and interim financial statements
For the three-month period ended
31 March 2016

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of S P V I Public Company Limited

I have reviewed the accompanying statement of financial position of S P V I Public Company Limited as at 31 March 2016, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.



Wichart Lokatekrawee
Certified Public Accountant (Thailand) No. 4451

EY Office Limited
Bangkok: 4 May 2016

S P V I Public Company Limited
Statement of financial position

(Unit: Thousand Baht)

| | Note | As at 31 March 2016 (Unaudited but reviewed) | As at 31 December 2015 (Audited) |
|---------------------------------|------|---|--|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 33,300 | 30,211 |
| Current investments | 5 | 139,982 | 103,647 |
| Trade and other receivables | 6 | 19,888 | 33,098 |
| Inventories | 7 | 138,858 | 168,502 |
| Other current assets | 8 | 3,451 | 5,346 |
| Total current assets | | 335,479 | 340,804 |
| Non-current assets | | | |
| Restricted bank deposits | 9 | 160 | 160 |
| Equipment | 10 | 40,816 | 43,596 |
| Intangible asset | | 20,273 | 21,160 |
| Leasehold right | | 7,023 | 7,137 |
| Other non-current assets | | 15,186 | 15,214 |
| Deferred tax assets | | 4,417 | 4,599 |
| Total non-current assets | | 87,875 | 91,866 |
| Total assets | | 423,354 | 432,670 |

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


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S P V I Public Company Limited
Statement of financial position (continued)

(Unit: Thousand Baht)

| | Note | As at 31 March 2016 (Unaudited but reviewed) | As at 31 December 2015 (Audited) |
|---|------|---|--|
| Liabilities and shareholders' equity | | | |
| Current liabilities | | | |
| Trade and other payables | 12 | 136,825 | 143,448 |
| Dividend payable | | 38 | 39 |
| Income tax payable | | 1,160 | 1,160 |
| Other current liabilities | | 1,651 | 868 |
| Total current liabilities | | <u>139,674</u> | <u>145,515</u> |
| Non-current liabilities | | | |
| Provision for long-term employee benefits | | 8,739 | 8,476 |
| Total non-current liabilities | | <u>8,739</u> | <u>8,476</u> |
| Total liabilities | | <u>148,413</u> | <u>153,991</u> |
| Shareholders' equity | | | |
| Share capital | | | |
| Registered | | | |
| 400,000,000 ordinary shares of Baht 0.50 each | | <u>200,000</u> | <u>200,000</u> |
| Issued and fully paid up | | | |
| 400,000,000 ordinary shares of Baht 0.50 each | | 200,000 | 200,000 |
| Share premium | | 39,810 | 39,810 |
| Retained earnings | | | |
| Appropriated - statutory reserve | 13 | 10,509 | 10,509 |
| Unappropriated | | 24,622 | 28,360 |
| Total shareholders' equity | | <u>274,941</u> | <u>278,679</u> |
| Total liabilities and shareholders' equity | | <u>423,354</u> | <u>432,670</u> |

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





Directors


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(Unaudited but reviewed)

S P V I Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2016

(Unit: Thousand Baht except earnings per share expressed in Baht)

| | Note | 2016 | 2015 |
|--|------|--------------------|--------------------|
| Profit or loss | | | |
| Revenues | | | |
| Sales | | 410,511 | 497,973 |
| Service income | | 4,310 | 3,725 |
| Other income | 14 | <u>3,237</u> | <u>4,020</u> |
| Total revenues | | <u>418,058</u> | <u>505,718</u> |
| Expenses | | | |
| Cost of sales | | 362,639 | 446,975 |
| Cost of services | | 1,020 | 1,076 |
| Selling expenses | | 33,212 | 29,865 |
| Administrative expenses | | <u>24,607</u> | <u>20,116</u> |
| Total expenses | | <u>421,478</u> | <u>498,032</u> |
| Profit (loss) before finance cost and income tax expenses | | (3,420) | 7,686 |
| Finance cost | | <u>(136)</u> | <u>(1,119)</u> |
| Profit (loss) before income tax expenses | | (3,556) | 6,567 |
| Income tax expenses | 11 | <u>(182)</u> | <u>(1,331)</u> |
| Profit (loss) for the period | | (3,738) | 5,236 |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income for the period | | <u>(3,738)</u> | <u>5,236</u> |
| | | | |
| Basic earnings (loss) per share | 16 | | |
| Profit (loss) | | <u>(0.01)</u> | <u>0.01</u> |
| | | | |
| Weighted average number of ordinary shares (shares) | | <u>400,000,000</u> | <u>400,000,000</u> |

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


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(Unaudited but reviewed)

S P V I Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

| | Note | Issued and paid up share capital | Share premium | Retained earnings | | Total |
|--|------|--|------------------|--|----------------|----------------|
| | | | | Appropriated - statutory reserve | Unappropriated | |
| Balance as at 1 January 2015 | | 200,000 | 39,810 | 10,075 | 29,181 | 279,066 |
| Dividend paid | 15 | - | - | - | (8,000) | (8,000) |
| Total comprehensive income for the period | | - | - | - | 5,236 | 5,236 |
| Balance as at 31 March 2015 | | <u>200,000</u> | <u>39,810</u> | <u>10,075</u> | <u>26,417</u> | <u>276,302</u> |
| Balance as at 1 January 2016 | | 200,000 | 39,810 | 10,509 | 28,360 | 278,679 |
| Total comprehensive income for the period | | - | - | - | (3,738) | (3,738) |
| Balance as at 31 March 2016 | | <u>200,000</u> | <u>39,810</u> | <u>10,509</u> | <u>24,622</u> | <u>274,941</u> |

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



(Unaudited but reviewed)

S P V I Public Company Limited

Cash flow statement

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

| | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|
| Cash flows from operating activities | | |
| Profit (loss) before tax | (3,556) | 6,567 |
| Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities: | | |
| Depreciation and amortisation | 5,114 | 4,191 |
| Increase in allowance for doubtful accounts | 16 | 108 |
| Decrease in reduction of inventory to net realisable value | (1,284) | (187) |
| Loss on write-off of inventory | 1,257 | - |
| Loss on disposals/write-off of equipment | 691 | - |
| Provision for long-term employee benefits | 263 | 186 |
| Unrealised gain on change in value of current investments in trading securities | (7) | - |
| Gain on disposals investments in trading securities | (330) | - |
| Interest income | (124) | (127) |
| Interest expenses | - | 5 |
| Profit from operating activities before changes in operating assets and liabilities | 2,040 | 10,743 |
| Operating assets (increase) decrease: | | |
| Trade and other receivables | 13,273 | (10,455) |
| Inventories | 29,671 | 37,428 |
| Other current assets | 2,419 | 807 |
| Other non-current assets | 28 | (527) |
| Operating liabilities increase (decrease): | | |
| Trade and other payables | (6,433) | (20,232) |
| Other current liabilities | 783 | 110 |
| Cash flows from operating activities | 41,781 | 17,874 |
| Cash received from interest income | 45 | 56 |
| Cash paid for income tax | (524) | (1,113) |
| Net cash flows from operating activities | <u>41,302</u> | <u>16,817</u> |

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

(Unaudited but reviewed)

S P V I Public Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

| | <u>2016</u> | <u>2015</u> |
|--|----------------------|-----------------------|
| Cash flows from investing activities | | |
| Increase in current investments | (35,998) | (27) |
| Acquisitions of equipment | (2,000) | (3,041) |
| Proceeds from sales of equipment | 21 | - |
| Increase in intangible asset | (45) | (40) |
| Net cash flows used in investing activities | <u>(38,022)</u> | <u>(3,108)</u> |
| Cash flows from financing activities | | |
| Cash paid for interest expenses | (190) | (5) |
| Dividend paid | (1) | - |
| Net cash flows used in financing activities | <u>(191)</u> | <u>(5)</u> |
| Net increase in cash and cash equivalents | 3,089 | 13,704 |
| Cash and cash equivalents at beginning of period | <u>30,211</u> | <u>127,987</u> |
| Cash and cash equivalents at end of period | <u><u>33,300</u></u> | <u><u>141,691</u></u> |

Supplemental disclosures of cash flows information:

Non-cash related transaction

| | | |
|------------------|----|-------|
| Dividend payable | 38 | 8,000 |
|------------------|----|-------|

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



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S P V I Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2016

1. General information

1.1 Company 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 March 2016, the Company operates 31 branches (31 December 2015: 31 branches).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2015) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 New financial reporting standards

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

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

3. Related party transactions

During the periods, 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 based agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

| | For the three-month periods ended 31 March | | Pricing policy |
|---|---|--------|------------------------------------|
| | 2016 | 2015 | |
| <u>Transactions with major shareholder</u> | | | |
| (IT City Public Company Limited) | | | |
| Sales of goods | - | 22,915 | Approximate wholesale market price |
| Purchases of goods | 604 | 38 | Approximate market price |
| Purchases of fixed assets | 8 | - | Market price |
| Service fee expenses | - | 454 | Prices agreed by the parties |
| Dividends | - | 2,320 | At the declared rate |
| <u>Transactions with related parties</u> | | | |
| Sales of goods | 174 | 410 | Market price |
| Purchases of goods | 1,335 | 496 | Market price |
| Purchases of fixed assets | - | 153 | Market price |
| Service expenses | 2,369 | 1,732 | Prices agreed by the parties |
| Logistics and distribution fee | 1,258 | 1,420 | Prices agreed by the parties |

(Unaudited but reviewed)

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

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------------|
| | 31 March 2016 | 31 December 2015 |
| <u>Trade and other receivables - related parties (Note 6)</u> | | |
| Related companies (related by common shareholders and common directors) | 129 | 258 |
| Total trade and other receivables - related parties | 129 | 258 |
| <u>Trade and other payables - related parties (Note 12)</u> | | |
| Major shareholder | 97 | 92 |
| Related companies (related by common shareholders and common directors) | 3,798 | 2,149 |
| Total trade and other payables - related parties | 3,895 | 2,241 |

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, the Company had employee benefit expenses of their directors and management as below.

| | (Unit: Million Baht) | |
|------------------------------|----------------------|------|
| | 2016 | 2015 |
| Short-term employee benefits | 5.0 | 4.7 |
| Post-employment benefits | 0.1 | 0.1 |
| Total | 5.1 | 4.8 |



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(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

| | 31 March 2016 | 31 December 2015 |
|---------------|------------------|---------------------|
| Cash | 1,251 | 1,217 |
| Bank deposits | 32,049 | 28,994 |
| Total | <u>33,300</u> | <u>30,211</u> |

As at 31 March 2016, bank deposits in savings accounts and fixed deposits carried interests between 0.1 and 0.88 percent per annum (31 December 2015: between 0.125 and 1.10 percent per annum).

5. Current investments

(Unit: Thousand Baht)

| | 31 March 2016 | 31 December 2015 |
|---|------------------|---------------------|
| Investments in Krungsri Star Plus Fund - fair value | 78,282 | 68,992 |
| Investments in TMB Aggregate Bond Fund - fair value | - | 25,077 |
| Investments in TMB M Plus Fund - fair value | 9,611 | 9,578 |
| Fixed deposit | 52,089 | - |
| Total | <u>139,982</u> | <u>103,647</u> |

As at 31 March 2016, the Company had current investments in the form of fixed deposit account with maturity over three months carried interest between 1.8 and 2 percent per annum (31 December 2015: at the rate 1.7 percent per annum).


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(Unaudited but reviewed)

6. Trade and other receivables

(Unit: Thousand Baht)

| | 31 March 2016 | 31 December 2015 |
|--|------------------|---------------------|
| <u>Trade receivables - related parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 102 | 258 |
| Past due | | |
| Up to 3 months | 27 | - |
| Total trade receivables - related parties | 129 | 258 |
| <u>Trade receivables - unrelated parties</u> | | |
| Aged on the basis of due dates | | |
| Not yet due | 16,346 | 28,147 |
| Past due | | |
| Up to 3 months | 2,528 | 4,296 |
| 3 - 6 months | 75 | 437 |
| 6 - 12 months | 181 | 41 |
| Over 12 months | 23 | 7 |
| Total | 19,153 | 32,928 |
| Less: Allowance for doubtful debts | (285) | (269) |
| Trade receivables - unrelated parties, net | 18,868 | 32,659 |
| Total trade receivable - net | 18,997 | 32,917 |
| <u>Other receivables</u> | | |
| Other receivables - unrelated parties | 891 | 181 |
| Total other receivables | 891 | 181 |
| Total trade and other receivables - net | 19,888 | 33,098 |

7. Allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2016 are summarised below.

| | (Unit: Thousand Baht) |
|--|-----------------------|
| Balance as at 1 January 2016 | 14,338 |
| Less: Reverse in allowance of diminution in value of inventory during the period | <u>(1,284)</u> |
| Balance as at 31 March 2016 | <u><u>13,054</u></u> |

8. Other current assets

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

| | (Unit: Thousand Baht) | |
|----------------------------|-----------------------|---------------------|
| | 31 March 2016 | 31 December 2015 |
| Value added tax refundable | <u>271</u> | <u>3,038</u> |
| Others | <u>3,180</u> | <u>2,308</u> |
| Total other current assets | <u><u>3,451</u></u> | <u><u>5,346</u></u> |

9. Restricted bank deposits

The Company pledged fixed deposits at bank totaling approximately Baht 0.2 million (31 December 2015: Baht 0.2 million) with a bank to secure the credit facilities of the Company.

10. Equipment

Movements of equipment account during the three-month period ended 31 March 2016 are summarised below.

| | (Unit: Thousand Baht) |
|---|-----------------------|
| Net book value as at 1 January 2016 | 43,596 |
| Acquisitions during the period - at cost | 2,000 |
| Disposals and write-off during the period | (712) |
| Depreciation for the period | <u>(4,068)</u> |
| Net book value as at 31 March 2016 | <u><u>40,816</u></u> |



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11. Income tax

Interim corporate income tax was calculated on profit (loss) before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2016 and 2015 are made up as follows:

| | (Unit: Thousand Baht) | |
|---|-----------------------|--------------|
| | <u>2016</u> | <u>2015</u> |
| Current income tax: | | |
| Interim corporate income tax charge | - | 1,352 |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | 182 | (21) |
| Income tax expenses reported in the statements of comprehensive income | <u>182</u> | <u>1,331</u> |

12. Trade and other payables

| | (Unit: Thousand Baht) | |
|---------------------------------------|-----------------------|---------------------|
| | 31 March 2016 | 31 December 2015 |
| Trade payables - related parties | 1,287 | 525 |
| Trade payables - unrelated parties | 122,315 | 130,679 |
| Other payables - related parties | 2,608 | 1,716 |
| Other payables - unrelated parties | 10,615 | 10,528 |
| Total trade and other payables | <u>136,825</u> | <u>143,448</u> |

13. Statutory reserve

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

14. Other income

(Unit: Thousand Baht)

For the three-month periods
ended 31 March

| | <u>2016</u> | <u>2015</u> |
|------------------------|---------------------|---------------------|
| Selling support income | 2,033 | 2,692 |
| Commission income | 399 | 677 |
| Gain on exchange | 208 | 376 |
| Interest income | 124 | 127 |
| Others | 473 | 148 |
| Total | <u>3,237</u> | <u>4,020</u> |

15. Dividend

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

16. Basic earnings (loss) per share

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

17. Commitments and contingent liabilities**17.1 Operating lease commitments**

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



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17.1.2 The Company has entered into several operating lease agreements and service agreement 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 March 2016, future minimum lease payments required under these non-cancellable operating lease contracts and service contracts were as follows:

| | <u>Million Baht</u> |
|-------------------|---------------------|
| Payable within: | |
| Less than 1 year | 30.3 |
| 1 to 5 years | 35.6 |
| More than 5 years | 9.6 |

17.2 Guarantees

As at 31 March 2016, there were outstanding bank guarantees of approximately Baht 42.6 million (31 December 2015: Baht 139.8 million) issued by bank on behalf of the Company in respect of the purchase of goods and services as required in the ordinary course of business of the Company.

18. Segment information

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

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

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 4 May 2016.