

S P V I Public Company Limited
Report and interim financial statements
For the three-month and nine-month periods ended
30 September 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 30 September 2016, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2016, 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: 2 November 2016

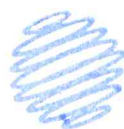
S P V I Public Company Limited

Statement of financial position

(Unit: Thousand Baht)

		As at	As at
	Note	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	4	11,080	30,211
Current investments	5	131,595	103,647
Trade and other receivables	6	29,685	33,098
Inventories	7	99,784	168,502
Other current assets	8	5,435	5,346
Total current assets		277,579	340,804
Non-current assets			
Restricted bank deposits	9	160	160
Other long-term investments	10	10,000	-
Equipment	11	44,934	43,596
Intangible asset		18,781	21,160
Leasehold right		6,793	7,137
Other non-current assets		15,761	15,214
Deferred tax assets		4,824	4,599
Total non-current assets		101,253	91,866
Total assets		378,832	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 30 September 2016 (Unaudited but reviewed)	As at 31 December 2015 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	13	96,952	143,448
Dividend payable		60	39
Income tax payable		-	1,160
Other current liabilities		3,428	868
Total current liabilities		100,440	145,515
Non-current liabilities			
Provision for long-term employee benefits		9,264	8,476
Total non-current liabilities		9,264	8,476
Total liabilities		109,704	153,991
Shareholders' equity			
Share capital			
Registered			
400,000,000 ordinary shares of Baht 0.50 each		200,000	200,000
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	14	10,509	10,509
Unappropriated		18,809	28,360
Total shareholders' equity		269,128	278,679
Total liabilities and shareholders' equity		378,832	432,670

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





Directors



(Unaudited but reviewed)

S P V I Public Company Limited

Statement of comprehensive income

For the three-month period ended 30 September 2016

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

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Profit or loss			
Revenues			
Sales		390,559	425,883
Service income		4,672	3,507
Other income	15	2,756	2,689
Total revenues		<u>397,987</u>	<u>432,079</u>
Expenses			
Cost of sales		343,939	371,313
Cost of services		758	991
Selling expenses		30,823	31,564
Administrative expenses		20,994	26,222
Total expenses		<u>396,514</u>	<u>430,090</u>
Profit before finance cost and income tax revenues		1,473	1,989
Finance cost		(139)	(869)
Profit before income tax revenues		1,334	1,120
Income tax expenses	12	(89)	(268)
Profit for the period		1,245	852
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>1,245</u>	<u>852</u>
Basic earnings per share	16		
Profit		<u>0.003</u>	<u>0.002</u>
Weighted average number of ordinary shares (shares)		<u>400,000,000</u>	<u>400,000,000</u>

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(Unaudited but reviewed)

S P V I Public Company Limited

Statement of comprehensive income

For the nine-month period ended 30 September 2016

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

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Profit or loss			
Revenues			
Sales		1,223,191	1,333,590
Service income		12,448	9,999
Other income	15	10,506	9,695
Total revenues		<u>1,246,145</u>	<u>1,353,284</u>
Expenses			
Cost of sales		1,082,598	1,187,673
Cost of services		2,720	3,156
Selling expenses		97,435	90,080
Administrative expenses		64,713	66,999
Total expenses		<u>1,247,466</u>	<u>1,347,908</u>
Profit (loss) before finance cost and income tax expenses		(1,321)	5,376
Finance cost		(455)	(2,986)
Profit (loss) before income tax expenses		(1,776)	2,390
Income tax revenues (expenses)	12	225	(543)
Profit (loss) for the period		(1,551)	1,847
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>(1,551)</u>	<u>1,847</u>
Basic earnings (loss) per share	16		
Profit (loss)		<u>(0.004)</u>	<u>0.005</u>
Weighted average number of ordinary shares (shares)		<u>400,000,000</u>	<u>400,000,000</u>

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(Unaudited but reviewed)

S P V I Public Company Limited

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 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	17	-	-	-	(8,000)	(8,000)
Total comprehensive income for the period		-	-	-	1,847	1,847
Balance as at 30 September 2015		<u>200,000</u>	<u>39,810</u>	<u>10,075</u>	<u>23,028</u>	<u>272,913</u>
Balance as at 1 January 2016		200,000	39,810	10,509	28,360	278,679
Dividend paid	17	-	-	-	(8,000)	(8,000)
Total comprehensive income for the period		-	-	-	(1,551)	(1,551)
Balance as at 30 September 2016		<u>200,000</u>	<u>39,810</u>	<u>10,509</u>	<u>18,809</u>	<u>269,128</u>

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(Unaudited but reviewed)

S P V I Public Company Limited

Cash flow statement

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Profit (loss) before tax	(1,776)	2,390
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	14,567	13,687
Increase (decrease) in allowance for doubtful accounts	(63)	476
Write-off bad debts	7	510
Increase in reduction of inventory to net realisable value	268	3,354
Loss on disposals/write-off of equipment	1,334	3,044
Provision for long-term employee benefits	788	559
Gain on disposals investments in trading securities	(659)	(266)
Gain on change in value of current investments in trading securities	(41)	(7)
Interest income	(683)	(334)
Interest expenses	3	5
Profit from operating activities before changes in operating assets and liabilities	13,745	23,418
Operating assets (increase) decrease:		
Trade and other receivables	3,907	3,597
Inventories	68,450	77,959
Other current assets	1,809	8,012
Other non-current assets	(547)	(1,916)
Operating liabilities increase (decrease):		
Trade and other payables	(46,496)	(27,739)
Other current liabilities	2,560	296
Cash flows from operating activities	43,428	83,627
Cash received from interest income	245	313
Cash paid for income tax	(3,058)	(3,048)
Net cash flows from operating activities	<u>40,615</u>	<u>80,892</u>

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(Unaudited but reviewed)

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Cash flow statement (continued)

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

	<u>2016</u>	<u>2015</u>
Cash flows from investing activities		
Increase in current investments	(27,248)	(140,727)
Increase in other long-term investments	(10,000)	-
Acquisitions of equipment	(13,889)	(28,217)
Proceeds from sales of equipment	21	86
Increase in intangible asset	(648)	(7,286)
Net cash flows used in investing activities	<u>(51,764)</u>	<u>(176,144)</u>
Cash flows from financing activities		
Cash paid for interest expenses	(3)	(5)
Dividend paid	(7,979)	(7,961)
Net cash flows used in financing activities	<u>(7,982)</u>	<u>(7,966)</u>
Net increase (decrease) in cash and cash equivalents	(19,131)	(103,218)
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>11,080</u></u>	<u><u>24,769</u></u>

Supplemental disclosures of cash flows information:

Non-cash related transaction

Dividend payable	60	39
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Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 30 September 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.




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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


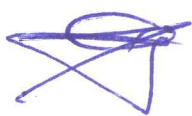

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

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 30 September		Pricing policy
	2016	2015	
<u>Transactions with major shareholder</u> (IT City Public Company Limited)			
Sales of goods	-	13,612	Approximate wholesale market price
Purchases of goods	-	-	Approximate market price
Service fee expenses	-	291	Prices agreed by the parties
Dividends	-	-	At the declared rate
<u>Transactions with related parties</u>			
Sales of goods	376	165	Market price
Purchases of goods	599	564	Market price
Purchases of fixed assets	-	12	Market price
Service expenses	989	1,582	Prices agreed by the parties
Logistics and distribution fee	1,287	1,478	Prices agreed by the parties




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(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September		Pricing policy
	2016	2015	
Transactions with major shareholder (IT City Public Company Limited)			
Sales of goods	-	77,179	Approximate wholesale market price
Purchases of goods	670	38	Approximate market price
Purchases of fixed assets	8	-	Market price
Service fee expenses	-	1,071	Prices agreed by the parties
Dividends	2,320	2,320	At the declared rate
Transactions with related parties			
Sales of goods	832	709	Market price
Purchases of goods	2,586	1,366	Market price
Purchases of fixed assets	-	182	Market price
Service expenses	4,490	6,040	Prices agreed by the parties
Logistics and distribution fee	3,845	4,391	Prices agreed by the parties

The balances of the accounts as at 30 September 2016 and 31 December 2015 between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	30 September 2016	31 December 2015
Trade and other receivables - related parties (Note 6)		
Related companies (related by common shareholders and common directors)	96	258
Total trade and other receivables - related parties	96	258
Trade and other payables - related parties (Note 13)		
Major shareholder	-	92
Related companies (related by common shareholders and common directors)	2,184	2,149
Total trade and other payables - related parties	2,184	2,241

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Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	5.0	4.8	14.9	14.4
Post-employment benefits	0.1	0.1	0.4	0.3
Total	<u>5.1</u>	<u>4.9</u>	<u>15.3</u>	<u>14.7</u>

4. Cash and cash equivalents

	(Unit: Thousand Baht)	
	30 September 2016	31 December 2015
Cash	2,291	1,217
Bank deposits	8,789	28,994
Total	<u>11,080</u>	<u>30,211</u>

As at 30 September 2016, bank deposits in savings accounts and fixed deposits carried interests between 0.1 and 0.875 percent per annum (31 December 2015: between 0.125 and 1.10 percent per annum).

5. Current investments

	(Unit: Thousand Baht)	
	30 September 2016	31 December 2015
Investments in Krungsri Star Plus Fund - fair value	79,821	68,992
Investments in TMB Aggregate Bond Fund - fair value	-	25,077
Investments in TMB M Plus Fund - fair value	9,684	9,578
Fixed deposit	42,090	-
Total	<u>131,595</u>	<u>103,647</u>

As at 30 September 2016, the Company had current investments in the form of fixed deposit account with maturity over three months, carried interest between 0.9 and 2.0 percent per annum (31 December 2015: at the rate 1.7 percent per annum).

(Unaudited but reviewed)

6. Trade and other receivables

(Unit: Thousand Baht)

	30 September 2016	31 December 2015
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	96	258
Total trade receivables - related parties	96	258
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	21,017	28,147
Past due		
Up to 3 months	6,572	4,296
3 - 6 months	269	437
6 - 12 months	495	41
Over 12 months	154	7
Total	28,507	32,928
Less: Allowance for doubtful debts	(206)	(269)
Trade receivables - unrelated parties, net	28,301	32,659
Total trade receivable - net	28,397	32,917
<u>Other receivables</u>		
Other receivables - unrelated parties	1,288	181
Total other receivables	1,288	181
Total trade and other receivables - net	29,685	33,098

7. Allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the nine-month period ended 30 September 2016 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2016	14,338
Add: Increase in allowance of diminution in value of inventory during the period	268
Balance as at 30 September 2016	14,606




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8. Other current assets

The outstanding balance of other current assets as at 30 September 2016 and 31 December 2015 are as follows:

	(Unit: Thousand Baht)	
	30 September 2016	31 December 2015
Value added tax refundable	393	3,038
Deposits	1,462	411
Others	3,580	1,897
Total other current assets	5,435	5,346

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. Other long-term investments

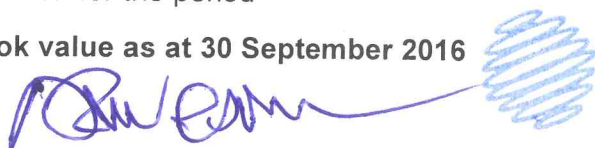

	(Unit: Thousand Baht)	
	30 September 2016	31 December 2015
Fixed deposit	10,000	-

As at 30 September 2016, the Company had other long-term investments in the form of fixed deposit account with maturity over 1 year carried interest 2.25 percent per annum.

11. Equipment

Movements of equipment account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2016	43,596
Acquisitions during the period - at cost	13,889
Disposals and write-off during the period	(1,355)
Depreciation for the period	(11,196)
Net book value as at 30 September 2016	44,934

12. 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 and nine-month periods ended 30 September 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

For the three-month periods
ended 30 September

	<u>2016</u>	<u>2015</u>
Current income tax:		
Interim corporate income tax charge	-	818
Deferred tax:		
Relating to origination and reversal of temporary differences	89	(550)
Income tax expenses reported in the statements of comprehensive income	<u>89</u>	<u>268</u>

(Unit: Thousand Baht)

For the nine-month periods
ended 30 September

	<u>2016</u>	<u>2015</u>
Current income tax:		
Interim corporate income tax charge	-	1,367
Deferred tax:		
Relating to origination and reversal of temporary differences	(225)	(824)
Income tax (revenues) expenses reported in the statements of comprehensive income	<u>(225)</u>	<u>543</u>





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13. Trade and other payables

(Unit: Thousand Baht)

	30 September 2016	31 December 2015
Trade payables - related parties	536	525
Trade payables - unrelated parties	84,452	130,679
Other payables - related parties	1,648	1,716
Other payables - unrelated parties	10,316	10,528
Total trade and other payables	96,952	143,448


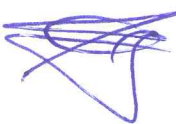

14. Statutory reserve

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.

15. Other income

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Selling support income	1,965	827	6,357	4,422
Commission income	187	1,066	926	2,446
Gain on exchange	164	440	1,023	1,174
Gain on disposal investments				
in trading securities	124	266	659	266
Interest income	262	67	683	335
Others	54	23	858	1,052
Total	2,756	2,689	10,506	9,695




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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. Dividend

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

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

18. Commitments and contingent liabilities

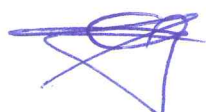
18.1 Operating lease commitments

18.1.1 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.

18.1.2 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 30 September 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	32.1
1 to 5 years	21.0
More than 5 years	5.6



18.2 Guarantees

As at 30 September 2016, there were outstanding bank guarantees of approximately Baht 35.6 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.

19. 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.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 2 November 2016.

