

S P V I Public Company Limited
Interim report and interim financial information
For the three-month and six-month periods ended
30 June 2022



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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 June 2022, the related statements of comprehensive income for the three-month and six-month periods then ended, and the related statement of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 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 Thai Standards on Auditing 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.

P. Koonarangsri

Patcharawan Koonarangsri

Certified Public Accountant (Thailand) No. 6650

EY Office Limited

Bangkok: 4 August 2022

S P V I Public Company Limited
Statement of financial position
As at 30 June 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 June 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)
Assets			
Current assets			
Cash and cash equivalents	4	82,445	99,443
Trade and other receivables	3, 5	106,064	76,546
Inventories	6	391,135	324,716
Other current assets	7	12,903	10,760
Total current assets		<u>592,547</u>	<u>511,465</u>
Non-current assets			
Equipment	8	74,057	74,277
Right-of-use assets	9	135,696	145,592
Intangible assets		30,330	22,143
Other non-current assets		31,319	24,412
Deferred tax assets		13,511	13,895
Total non-current assets		<u>284,913</u>	<u>280,319</u>
Total assets		<u>877,460</u>	<u>791,784</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 30 June 2022

(Unit: Thousand Baht)

	Note	30 June 2022 (Unaudited but reviewed)	31 December 2021 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	3, 10	228,827	116,632
Dividend payable		165	80
Current portion of long-term lease liabilities		56,787	50,784
Income tax payable		8,791	13,104
Other current liabilities		1,196	1,956
Total current liabilities		295,766	182,556
Non-current liabilities			
Long-term lease liabilities - net of current portion		84,272	97,591
Provision for long-term employee benefits		20,684	19,584
Total non-current liabilities		104,956	117,175
Total liabilities		400,722	299,731
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		20,000	20,000
Unappropriated		216,928	232,243
Total shareholders' equity		476,738	492,053
Total liabilities and shareholders' equity		877,460	791,784

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 June 2022

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

	Note	2022	2021
Profit or loss			
Revenues			
Sales		1,376,370	1,157,331
Service income		5,191	6,496
Other income	11	9,797	13,569
Total revenues		<u>1,391,358</u>	<u>1,177,396</u>
Expenses			
Cost of sales		1,241,530	1,056,100
Cost of services		1,842	1,812
Selling and distribution expenses		87,313	74,028
Administrative expenses		25,267	22,622
Total expenses		<u>1,355,952</u>	<u>1,154,562</u>
Operating profit		35,406	22,834
Finance cost		(1,978)	(1,839)
Profit before income tax expenses		33,428	20,995
Income tax expenses	12	(6,445)	(4,146)
Profit for the period		26,983	16,849
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>26,983</u>	<u>16,849</u>
Basic earnings per share	13		
Profit		<u>0.07</u>	<u>0.04</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.



(Unaudited but reviewed)

S P V I Public Company Limited
Statement of comprehensive income
For the six-month period ended 30 June 2022

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

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Profit or loss			
Revenues			
Sales		2,613,879	2,528,378
Service income		11,372	13,114
Other income	11	22,418	23,549
Total revenues		<u>2,647,669</u>	<u>2,565,041</u>
Expenses			
Cost of sales		2,351,116	2,296,631
Cost of services		3,961	4,141
Selling and distribution expenses		172,242	150,683
Administrative expenses		48,456	45,643
Total expenses		<u>2,575,775</u>	<u>2,497,098</u>
Operating profit		71,894	67,943
Finance cost		(3,836)	(4,722)
Profit before income tax expenses		68,058	63,221
Income tax expenses	12	(13,376)	(12,548)
Profit for the period		54,682	50,673
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>54,682</u>	<u>50,673</u>
Basic earnings per share	13		
Profit		<u>0.14</u>	<u>0.13</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.



(Unaudited but reviewed)

S P V I Public Company Limited

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2022

(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021	200,000	39,810	20,000	152,465	412,275
Dividend paid (Note 14)	-	-	-	(43,999)	(43,999)
Total comprehensive income for the period	-	-	-	50,673	50,673
Balance as at 30 June 2021	<u>200,000</u>	<u>39,810</u>	<u>20,000</u>	<u>159,139</u>	<u>418,949</u>
Balance as at 1 January 2022	200,000	39,810	20,000	232,243	492,053
Dividend paid (Note 14)	-	-	-	(69,997)	(69,997)
Total comprehensive income for the period	-	-	-	54,682	54,682
Balance as at 30 June 2022	<u>200,000</u>	<u>39,810</u>	<u>20,000</u>	<u>216,928</u>	<u>476,738</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 six-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before tax	68,058	63,221
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	44,755	38,417
Reversal of allowance for expected credit losses	-	(628)
Reduction of inventories to net realisable value (reversal)	(4,059)	3,718
Gain on disposals of equipment	(1)	(1)
Provision for long-term employee benefits	1,100	1,011
Interest income	(31)	(28)
Interest expenses	3,117	4,022
Reduction in lease payment by lessors	(1,679)	(3,186)
Gain on lease modification	(397)	-
Profit from operating activities before changes in operating assets and liabilities	110,863	106,546
Operating assets (increase) decrease:		
Trade and other receivables	(29,518)	172
Inventories	(63,438)	125,209
Other current assets	(2,143)	2,876
Other non-current assets	(6,907)	584
Operating liabilities increase (decrease):		
Trade and other payables	118,649	(19,983)
Other current liabilities	(760)	(535)
Cash flows from operating activities	126,746	214,869
Cash received from interest income	31	28
Cash paid for income tax	(17,305)	(14,116)
Net cash flows from operating activities	109,472	200,781



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 six-month period ended 30 June 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Proceeds from sales of equipment	1	1
Acquisitions of equipment	(15,611)	(7,125)
Increase in intangible assets	(13,630)	(5,066)
Cash paid for right-of-use assets	(181)	-
Net cash flows used in investing activities	<u>(29,421)</u>	<u>(12,190)</u>
Cash flows from financing activities		
Increase in short-term loans from financial institution	480,500	598,830
Repayment of short-term loans from financial institution	(480,500)	(720,830)
Dividend paid	(69,912)	(43,987)
Payment of principal portion of lease liabilities	(24,148)	(18,007)
Cash paid for interest expenses	(2,989)	(3,417)
Net cash flows used in financing activities	<u>(97,049)</u>	<u>(187,411)</u>
Net increase (decrease) in cash and cash equivalents	(16,998)	1,180
Cash and cash equivalents at beginning of period	<u>99,443</u>	<u>44,968</u>
Cash and cash equivalents at end of period	<u>82,445</u>	<u>46,148</u>

Supplemental disclosures of cash flows information:

Non-cash related transaction

Payable for purchase of equipment	-	4,227
Payable for purchase of intangible assets	276	1,454
Additions to right-of-use assets and lease liabilities	18,913	4,850
Transfer inventory to equipment	1,078	1,693

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



S P V I Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2022

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 June 2022, the Company operates 73 branches (31 December 2021: 66 branches).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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.



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 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

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		Pricing policy
	ended 30 June		
	<u>2022</u>	<u>2021</u>	
<u>Transactions with major shareholder</u>			
(IT City Public Company Limited)			
Purchases of goods	38	437	Approximate market price
Purchases of fixed assets	-	66	Market price
Service expenses	-	5	Prices agreed by the parties
Dividend paid	20,300	12,760	At the declared rate
<u>Transactions with related parties</u>			
Sales of goods	22,634	11,013	Market price
Purchases of goods	290	2,132	Market price
Service expenses	1,265	1,095	Prices agreed by the parties
Logistics and distribution fee	2,237	2,004	Prices agreed by the parties



(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods
ended 30 June

Pricing policy

	<u>2022</u>	<u>2021</u>	
<u>Transactions with major shareholder</u>			
(IT City Public Company Limited)			
Sales of goods	-	1,140	Market price
Purchases of goods	137	804	Approximate market price
Purchases of fixed assets	-	77	Market price
Service expenses	-	8	Prices agreed by the parties
Dividend paid	20,300	12,760	At the declared rate
<u>Transactions with related parties</u>			
Sales of goods	46,919	11,826	Market price
Purchases of goods	1,669	2,993	Market price
Service expenses	2,762	2,611	Prices agreed by the parties
Logistics and distribution fee	4,328	4,127	Prices agreed by the parties

The balances of the accounts as at 30 June 2022 and 31 December 2021 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	<u>30 June</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>
<u>Trade and other receivables - related parties (Note 5)</u>		
Related companies (related by common shareholders and common directors)	5,278	5,800
Total trade and other receivables - related parties	5,278	5,800
<u>Trade and other payables - related parties (Note 10)</u>		
Major shareholders	40	239
Related companies (related by common shareholders and common directors)	7,298	6,444
Total trade and other payables - related parties	7,338	6,683



(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2022 and 2021, the Company had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	5.7	5.7	12.9	11.9
Post-employment benefits	0.3	0.3	0.5	0.6
Total	<u>6.0</u>	<u>6.0</u>	<u>13.4</u>	<u>12.5</u>

4. Cash and cash equivalents

(Unit: Thousand Baht)

	30 June	31 December
	<u>2022</u>	<u>2021</u>
Cash	1,848	4,417
Bank deposits	80,597	95,026
Total	<u>82,445</u>	<u>99,443</u>

As at 30 June 2022, bank deposits in savings accounts and fixed deposits carried interests between 0.05 and 0.25 percent per annum (31 December 2021: between 0.05 and 0.25 percent per annum).



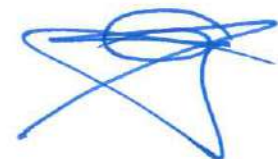

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(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Thousand Baht)

	30 June 2022	31 December 2021
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	5,138	5,749
Past due		
Up to 3 months	140	51
Total trade receivables - related parties	5,278	5,800
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	87,805	54,054
Past due		
Up to 3 months	7,458	12,329
3 - 6 months	1,793	4
Over 12 months	598	598
Total	97,654	66,985
Less: Allowance for expected credit losses	(598)	(598)
Total trade receivables - unrelated parties, net	97,056	66,387
Total trade receivable - net	102,334	72,187
<u>Other receivables</u>		
Other receivables - unrelated parties	3,730	4,359
Total other receivables	3,730	4,359
Total trade and other receivables - net	106,064	76,546



(Unaudited but reviewed)

6. Reduction of inventories to net realisable value

Movements in the reduction of inventories to net realisable value account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2022	39,477
Less: Reversal reduction of inventory value during the period	<u>(4,059)</u>
Balance as at 30 June 2022	<u>35,418</u>

7. Other current assets

The outstanding balance of other current assets as at 30 June 2022 and 31 December 2021 are as follows:

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
Input tax and value added tax refundable	6,785	5,819
Advance payments for purchase of goods	893	494
Others	5,225	4,447
Total other current assets	<u>12,903</u>	<u>10,760</u>

8. Equipment

Movements of equipment account during the six-month period ended 30 June 2022 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2022	74,277
Acquisitions during the period - at cost	11,429
Transfer from inventory	1,078
Depreciation for the period	<u>(12,727)</u>
Net book value as at 30 June 2022	<u>74,057</u>

  
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9. Right-of-use assets

Movement of right-of-use assets account during the six-month period ended 30 June 2022 are summarised below:

	(Unit: Thousand Baht)
Net book value as at 1 January 2022	145,592
Additions	181
Addition during the period	18,913
Reduction in lease modification	(131)
Depreciation for the period	(28,859)
Net book value as at 30 June 2022	<u>135,696</u>

10. Trade and other payables

	(Unit: Thousand Baht)	
	30 June 2022	31 December 2021
Trade payables - related parties	101	2,684
Trade payables - unrelated parties	199,762	75,901
Other payables - related parties	6,437	3,299
Other payables - unrelated parties	8,052	8,783
Accrued expenses - related parties	800	700
Accrued expenses - unrelated parties	13,675	25,265
Total trade and other payables	<u>228,827</u>	<u>116,632</u>




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(Unaudited but reviewed)

11. Other income

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Selling support income	7,080	7,311	13,884	14,350
Selling promotion income	1,842	6,114	6,656	8,841
Gain in lease modification	320	-	397	-
Gain on disposal of equipment	1	-	1	-
Commission income	38	47	52	133
Interest income	31	28	31	28
Others	485	69	1,397	197
Total	9,797	13,569	22,418	23,549

12. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June	
	<u>2022</u>	<u>2021</u>
Current income tax:		
Interim corporate income tax charge	5,666	4,876
Deferred tax:		
Relating to origination and reversal of temporary differences	779	(730)
Income tax income reported in the profit or loss	6,445	4,146



(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended
30 June

	<u>2022</u>	<u>2021</u>
Current income tax:		
Interim corporate income tax charge	12,992	13,853
Deferred tax:		
Relating to origination and reversal of temporary differences	384	(1,305)
Income tax income reported in the profit or loss	<u>13,376</u>	<u>12,548</u>

13. Basic earnings per share

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

14. Dividend

On 2 April 2021, 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 2020 of Baht 0.11 per share, or a total of Baht 44 million. The Company paid such dividend in April 2021.

On 4 April 2022, 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 2021 of Baht 0.175 per share, or a total of Baht 70 million. The Company paid such dividend in April 2022.

15. Commitments and contingent liabilities

15.1 Capital commitments

As at 30 June 2022, the Company had capital commitments of approximately Baht 8.3 million (31 December 2021: Baht 2.9 million), relating to the contract for website development project and computer software.

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15.2 Lease and service commitments

15.2.1 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.

15.2.2 The Company has entered into several contracts in respect of lease of the low value assets and service agreement in respect of the warehouse and branch areas. The terms of the agreements are generally between 1 and 5 years.

As at 30 June 2022 and 31 December 2021, future minimum payments were as follows:

	(Unit: Million Baht)	
	30 June 2022	31 December 2021
Payable:		
Within 1 year	13.9	20.3
In over 1 and up to 5 years	10.8	12.9

15.3 Guarantees

As at 30 June 2022, there were outstanding bank guarantees of approximately Baht 104.7 million (31 December 2021: Baht 99.6 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.

16. 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, which revenue is recognised at a point in time, 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.