

S P V I Public Company Limited
Interim report and interim financial information
For the three-month period ended 31 March 2021



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลคไรซ์ดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

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 2021, and 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 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 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 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: 6 May 2021

S P V I Public Company Limited
Statement of financial position
As at 31 March 2021

(Unit: Thousand Baht)

	Note	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Assets			
Current assets			
Cash and cash equivalents	4	53,682	44,968
Trade and other receivables	3, 5	60,627	67,645
Inventories	6	419,668	455,454
Other current assets	7	17,798	22,173
Total current assets		551,775	590,240
Non-current assets			
Equipment	8	56,283	56,773
Right-of-use assets	9	150,128	162,841
Intangible assets		20,743	18,695
Other non-current assets		20,814	22,509
Deferred tax assets		13,672	13,097
Total non-current assets		261,640	273,915
Total assets		813,415	864,155

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 March 2021

(Unit: Thousand Baht)

	Note	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term loan from financial institution	10	-	122,000
Trade and other payables	3, 11	176,921	135,670
Dividend payable		69	69
Current portion of long-term lease liabilities		43,908	41,889
Income tax payable		16,419	9,721
Other current liabilities		968	1,363
Total current liabilities		238,285	310,712
Non-current liabilities			
Long-term lease liabilities - net of current portion		108,876	121,519
Provision for long-term employee benefits		20,155	19,649
Total non-current liabilities		129,031	141,168
Total liabilities		367,316	451,880
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		186,289	152,465
Total shareholders' equity		446,099	412,275
Total liabilities and shareholders' equity		813,415	864,155

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 2021

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

	Note	2021	2020
Profit or loss			
Revenues			
Sales		1,371,047	731,577
Service income		6,618	3,554
Other income	12	9,980	10,648
Total revenues		<u>1,387,645</u>	<u>745,779</u>
Expenses			
Cost of sales		1,240,531	643,498
Cost of services		2,329	547
Selling and distribution expenses		76,655	64,125
Administrative expenses		23,021	21,772
Total expenses		<u>1,342,536</u>	<u>729,942</u>
Operating profit		45,109	15,837
Finance cost		(2,883)	(903)
Profit before income tax expenses		42,226	14,934
Income tax expenses	13	(8,402)	(2,836)
Profit for the period		33,824	12,098
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>33,824</u>	<u>12,098</u>
Basic earnings per share	14		
Profit		<u>0.08</u>	<u>0.03</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 three-month period ended 31 March 2021

(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2020	200,000	39,810	18,335	120,828	378,973
Dividend paid (Note 15)	-	-	-	(40,000)	(40,000)
Total comprehensive income for the period	-	-	-	12,098	12,098
Balance as at 31 March 2020	<u>200,000</u>	<u>39,810</u>	<u>18,335</u>	<u>92,926</u>	<u>351,071</u>
Balance as at 1 January 2021	200,000	39,810	20,000	152,465	412,275
Total comprehensive income for the period	-	-	-	33,824	33,824
Balance as at 31 March 2021	<u>200,000</u>	<u>39,810</u>	<u>20,000</u>	<u>186,289</u>	<u>446,099</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 2021

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Profit before tax	42,226	14,934
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	17,622	17,799
Allowance for expected credit losses (reversal)	(561)	990
Reduction of inventories to net realisable value	1,677	2,322
Gain on disposals of equipment	(1)	-
Provision for long-term employee benefits	506	563
Gain on disposals of investments in open-end fund	-	(294)
Interest expenses	2,356	689
Reduction in lease payment by lessors	1,389	-
Profit from operating activities before changes in operating assets and liabilities	65,214	37,003
Operating assets (increase) decrease:		
Trade and other receivables	7,579	21,400
Inventories	33,053	172,730
Other current assets	4,375	7,728
Other non-current assets	1,695	(120)
Operating liabilities increase (decrease):		
Trade and other payables	41,042	(224,819)
Other current liabilities	(395)	3,676
Cash flows from operating activities	152,563	17,598
Refund of withholding tax deducted of source	-	889
Cash paid for income tax	(2,279)	(1,875)
Net cash flows from operating activities	<u>150,284</u>	<u>16,612</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 2021

(Unit: Thousand Baht)

	<u>2021</u>	<u>2020</u>
Cash flows from investing activities		
Decrease in other current financial assets	-	122,571
Proceeds from sales of equipment	1	-
Acquisitions of equipment	(2,869)	(4,839)
Increase in intangible assets	(4,164)	(388)
Cash paid for right-of-use assets	-	(1,006)
Net cash flows from (used in) investing activities	<u>(7,032)</u>	<u>116,338</u>
Cash flows from financing activities		
Increase in short-term loans from financial institution	442,657	-
Repayment of short-term loans from financial institution	(564,657)	-
Payment of principal portion of lease liabilities	(10,087)	(10,156)
Cash paid for interest expenses	(2,451)	(689)
Net cash flows used in financing activities	<u>(134,538)</u>	<u>(10,845)</u>
Net increase in cash and cash equivalents	8,714	122,105
Cash and cash equivalents at beginning of period	44,968	36,905
Cash and cash equivalents at end of period	<u>53,682</u>	<u>159,010</u>

Supplemental disclosures of cash flows information:

Non-cash related transaction

Payable for purchase of equipment	652	-
Payable for purchase of intangible asset	827	-
Transfer inventory to equipment	1,056	513
Increase (decrease) in right-of-use assets	(681)	125,397
Transfer from prepaid rental expense to right-of-use assets	-	287



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 period ended 31 March 2021

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 2021, the Company operates 59 branches (31 December 2020: 57 branches).

1.2 COVID-19 Pandemic

The COVID-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have impact on the environment in which the Company operators. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.3 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.




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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.

1.4 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. 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 adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

Furthermore, the Company elected to adopt the amendments to TFRS 16 Leases relating to COVID-19-related rent concessions. These amendments provide a practical expedient that permits a lessee to not assess whether rent concessions are lease modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met, i.e., the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2021; and there is no substantive change to other terms and conditions of the lease.

The Company apply the practical expedient all to rent concessions that meet the above conditions and the impact of this application, amounting to Baht 1.4 million, due to changes in lease payments resulting from rent concessions, was recognised in profit or loss for the three-month period ended 31 March 2021. There was no impact on the opening balance of retained earnings.



b) **Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Company believes that adoption of these amendments 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 2020.

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 31 March		
	<u>2021</u>	<u>2020</u>	
<u>Transactions with major shareholder</u>			
(IT City Public Company Limited)			
Sales of goods	1,140	-	Market price
Purchases of goods	367	285	Approximate market price
Purchases of fixed assets	11	6	Market price
Service expenses	3	-	Prices agreed by the parties
<u>Transactions with related parties</u>			
Sales of goods	813	116	Market price
Purchases of goods	861	812	Market price
Service expenses	1,516	1,569	Prices agreed by the parties
Logistics and distribution fee	2,123	1,692	Prices agreed by the parties





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(Unaudited but reviewed)

The balances of the accounts as at 31 March 2021 and 31 December 2020 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
<u>Trade and other receivables - related parties (Note 5)</u>		
Major shareholders	1,045	-
Related companies (related by common shareholders and common directors)	423	125
Total trade and other receivables - related parties	<u>1,468</u>	<u>125</u>
<u>Trade and other payables - related parties (Note 11)</u>		
Major shareholders	324	-
Related companies (related by common shareholders and common directors)	1,535	2,227
Total trade and other payables - related parties	<u>1,859</u>	<u>2,227</u>
<u>Directors and management's benefits</u>		

During the three-month periods ended 31 March 2021 and 2020, the Company had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

For the three-month periods
ended 31 March

	<u>2021</u>	<u>2020</u>
Short-term employee benefits	6.2	6.0
Post-employment benefits	0.3	0.4
Total	<u>6.5</u>	<u>6.4</u>

4. Cash and cash equivalents

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
Cash	3,010	5,529
Bank deposits	50,672	39,439
Total	<u>53,682</u>	<u>44,968</u>



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As at 31 March 2021, bank deposits in savings accounts and fixed deposits carried interests between 0.05 and 0.25 percent per annum (31 December 2020: between 0.05 and 0.25 percent per annum).



(Unaudited but reviewed)

5. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	1,436	111
Past due		
Up to 3 months	32	14
Total trade receivables - related parties	1,468	125
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	43,102	54,781
Past due		
Up to 3 months	12,453	9,331
3 - 6 months	284	-
Over 12 months	601	611
Total	56,440	64,723
Less: Allowance for expected credit losses	(665)	(1,226)
Total trade receivables - unrelated parties, net	55,775	63,497
Total trade receivable - net	57,243	63,622
<u>Other receivables</u>		
Other receivables - unrelated parties	3,384	4,023
Total other receivables	3,384	4,023
Total trade and other receivables - net	60,627	67,645

6. Reduction of inventories to net realisable value

Movements in the reduction of inventories to net realisable value account during the three-month period ended 31 March 2021 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2021	37,083
Add: Reduction of inventory value during the period	1,677
Balance as at 31 March 2021	38,760




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(Unaudited but reviewed)

7. Other current assets

The outstanding balance of other current assets as at 31 March 2021 and 31 December 2020 are as follows:

	(Unit: Thousand Baht)	
	31 March 2021	31 December 2020
Input tax and value added tax refundable	13,825	18,639
Advance payments for purchase of goods	720	193
Others	3,253	3,341
Total other current assets	<u>17,798</u>	<u>22,173</u>

8. Equipment

Movements of equipment account during the three-month period ended 31 March 2021 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2021	56,773
Acquisitions during the period - at cost	3,396
Transfer from inventory	1,056
Depreciation for the period	(4,942)
Net book value as at 31 March 2021	<u>56,283</u>

9. Right-of-use assets

Movement of right-of-use assets account during the three-month period ended 31 March 2021 are summarised below:

	(Unit: Thousand Baht)
Net book value as at 1 January 2021	162,841
Addition during the period	6,076
Reduction in lease modification	(6,757)
Reduction in lease payment by lessors	(1,245)
Depreciation for the period	(10,787)
Net book value as at 31 March 2021	<u>150,128</u>



(Unaudited but reviewed)

10. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	31 March 2021	31 December 2020
Promissory notes	2.97	-	50,000
Short-term loan	2.97	-	72,000
Total			122,000

In 2021, the Company has fully repaid the principal and interest of short-term loans. As at 31 March 2021, the short-term credit facilities of the Company which have not yet been drawn down amounted to Baht 200 million (31 December 2020: Baht 78 million).

11. Trade and other payables

(Unit: Thousand Baht)

	31 March 2021	31 December 2020
Trade payables - related parties	409	843
Trade payables - unrelated parties	157,841	108,813
Other payables - related parties	32	-
Other payables - unrelated parties	5,016	6,801
Accrued expenses - related parties	1,418	1,384
Accrued expenses - unrelated parties	12,205	17,829
Total trade and other payables	176,921	135,670

12. Other income

(Unit: Thousand Baht)

For the three-month
periods ended 31 March

	2021	2020
Selling support income	7,039	8,206
Selling promotion income	2,727	1,511
Commission income	86	154
Gain on disposal investments in open-end fund	-	293
Others	128	484
Total	9,980	10,648



13. 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 period ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2021</u>	<u>2020</u>
Current income tax:		
Interim corporate income tax charge	8,977	3,716
Deferred tax:		
Relating to origination and reversal of temporary differences	(575)	(880)
Income tax income reported in the profit or loss	<u>8,402</u>	<u>2,836</u>

14. 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.

15. Dividend

On 30 March 2020, the Board of Directors Meeting no.2/2020 passed a resolution approving the payment of interim dividend in respect of income for the year 2019 of Baht 0.10 per share, or a totaling of Baht 40 million. The Company paid such dividend in April 2020.

16. Commitments and contingent liabilities**16.1 Lease and service commitments**

16.1.1 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.



(Unaudited but reviewed)

16.1.2 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 31 March 2021 and 31 December 2020, future minimum payments were as follows:

	(Unit: Million Baht)	
	31 March 2021	31 December 2020
Payable:		
Within 1 year	16.4	17.6
In over 1 and up to 5 years	14.4	12.2

16.2 Guarantees

As at 31 March 2021, there were outstanding bank guarantees of approximately Baht 135.4 million (31 December 2020: Baht 87.2 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.

17. 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.



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18. Event after the reporting period

On 2 April 2021, the meeting of Annual General Meeting of the Company's shareholders passed a resolution approving the dividend payment for year 2020 to the Company's shareholders at Baht 0.11 per share or a total dividend of Baht 44 million. The Company will pay the dividend within 26 April 2021.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 6 May 2021.

