

S P V I Public Company Limited
Report and interim financial statements
For the three-month period ended 31 March 2018



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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 31 March 2018, 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.

S. Ratananurak

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753

EY Office Limited
Bangkok: 7 May 2018

S P V I Public Company Limited
Statement of financial position

(Unit: Thousand Baht)

		As at	As at
	<u>Note</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	4	36,638	33,341
Current investments	5	74,303	103,279
Trade and other receivables	6	30,699	32,290
Inventories	7	197,481	217,207
Other current assets	8	5,529	6,433
Total current assets		<u>344,650</u>	<u>392,550</u>
Non-current assets			
Other long-term investments	9	10,000	10,000
Equipment	10	41,745	40,730
Intangible assets		17,524	19,847
Leasehold right		8,106	6,221
Other non-current assets		19,082	18,423
Deferred tax assets		5,361	5,139
Total non-current assets		<u>101,818</u>	<u>100,360</u>
Total assets		<u>446,468</u>	<u>492,910</u>

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





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

(Unit: Thousand Baht)

	As at	As at
Note	31 March 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	11 120,556	177,858
Dividend payable	59	59
Income tax payable	2,690	1,815
Other current liabilities	1,281	888
Total current liabilities	124,586	180,620
Non-current liabilities		
Provision for long-term employee benefits	11,185	10,806
Total non-current liabilities	11,185	10,806
Total liabilities	135,771	191,426
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	12,289	12,289
Unappropriated	58,598	49,385
Total shareholders' equity	310,697	301,484
Total liabilities and shareholders' equity	446,468	492,910

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 31 March 2018

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

	<u>Note</u>	<u>2018</u>	<u>2017</u>
Profit or loss			
Revenues			
Sales		604,664	478,740
Service income		3,492	4,145
Other income	12	6,104	3,354
Total revenues		<u>614,260</u>	<u>486,239</u>
Expenses			
Cost of sales		531,313	425,197
Cost of services		581	762
Selling expenses		54,057	41,797
Administrative expenses		16,823	15,631
Total expenses		<u>602,774</u>	<u>483,387</u>
Profit before finance cost and income tax expenses		11,486	2,852
Finance cost		(180)	(142)
Profit before income tax expenses		11,306	2,710
Tax income expense	13	(2,093)	(650)
Profit for the period		9,213	2,060
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>9,213</u>	<u>2,060</u>
Basic earnings per share	14		
Profit		<u>0.02</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 2018

(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2017	200,000	39,810	10,766	25,239	275,815
Total comprehensive income for the period	-	-	-	2,060	2,060
Balance as at 31 March 2017	<u>200,000</u>	<u>39,810</u>	<u>10,766</u>	<u>27,299</u>	<u>277,875</u>
Balance as at 1 January 2018	200,000	39,810	12,289	49,385	301,484
Total comprehensive income for the period	-	-	-	9,213	9,213
Balance as at 31 March 2018	<u>200,000</u>	<u>39,810</u>	<u>12,289</u>	<u>58,598</u>	<u>310,697</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

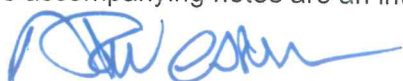
Cash flow statement

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Profit before tax	11,306	2,710
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	5,393	5,342
Allowance for doubtful accounts (reversal)	(21)	225
Reversal of reduction of inventories to net realisable value	(464)	(972)
Loss on disposals/write-off of equipment	783	449
Reversal of allowance for impairment of equipment	(57)	(444)
Allowance for impairment of intangible assets	949	-
Allowance for impairment of guarantee fund	296	-
Provision for long-term employee benefits	379	320
Gain on disposals of investments in trading securities	(155)	(92)
Unrealised loss (gain) on changes in value of current investments in trading securities	5	(2)
Interest income	-	(238)
Interest expense	1	-
Profit from operating activities before changes in operating assets and liabilities	18,415	7,298
Operating assets (increase) decrease:		
Trade and other receivables	1,612	(623)
Inventories	19,948	(13,067)
Other current assets	904	(5,564)
Other non-current assets	(955)	(1,083)
Operating liabilities increase (decrease):		
Trade and other payables	(57,302)	(10,003)
Other current liabilities	393	(71)
Cash flows used in operating activities	(16,985)	(23,113)
Cash received from interest income	-	452
Cash paid for income tax	(1,440)	(1,075)
Net cash flows used in operating activities	<u>(18,425)</u>	<u>(23,736)</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

Cash flow statement (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	<u>2018</u>	<u>2017</u>
Cash flows from investing activities		
Decrease in current investments	29,126	41,381
Proceeds from sales of equipment	13	-
Acquisitions of equipment	(5,168)	(1,009)
Increase in intangible asset	(248)	(13)
Increase in leasehold right	(2,000)	-
Net cash flows from investing activities	<u>21,723</u>	<u>40,359</u>
Cash flows from financing activities		
Cash paid for interest expenses	(1)	-
Net cash flows used in financing activities	<u>(1)</u>	<u>-</u>
Net increase in cash and cash equivalents	3,297	16,623
Cash and cash equivalents at beginning of period	<u>33,341</u>	<u>16,067</u>
Cash and cash equivalents at end of period	<u><u>36,638</u></u>	<u><u>32,690</u></u>

Supplemental disclosures of cash flows information:

Non-cash related transaction

Dividend payable	59	53
Transfer inventory to equipment	242	430

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 periods ended 31 March 2018

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 2018, the Company operates 41 branches (31 December 2017: 40 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.




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1.3 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 (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

(b) Financial reporting standards that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.



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>2018</u>	<u>2017</u>	
<u>Transactions with major shareholder</u>			
(IT City Public Company Limited)			
Sales of goods	-	15	Approximate wholesale market price
Purchases of goods	50	72	Approximate market price
Purchases of fixed assets	10	-	Market price
<u>Transactions with related parties</u>			
Sales of goods	163	159	Market price
Purchases of goods	132	135	Market price
Purchases of fixed assets	-	10	Market price
Service expenses	1,349	1,171	Prices agreed by the parties
Logistics and distribution fee	1,459	1,260	Prices agreed by the parties

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

(Unit: Thousand Baht)

	<u>31 March</u>	<u>31 December</u>
	<u>2018</u>	<u>2017</u>
<u>Trade and other receivables - related parties (Note 6)</u>		
Related companies (related by common shareholders and common directors)	129	268
Total trade and other receivables - related parties	<u>129</u>	<u>268</u>
<u>Trade and other payables - related parties (Note 12)</u>		
Related companies (related by common shareholders and common directors)	1,845	2,976
Total trade and other payables - related parties	<u>1,845</u>	<u>2,976</u>

Directors and management's benefits

During the three-month periods ended 31 March 2018 and 2017, the Company had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	5.4	5.0
Post-employment benefits	0.2	0.2
Total	<u>5.6</u>	<u>5.2</u>

4. Cash and cash equivalents

	(Unit: Thousand Baht)	
	31 March <u>2018</u>	31 December <u>2017</u>
Cash	10,975	5,231
Bank deposits	25,663	28,110
Total	<u>36,638</u>	<u>33,341</u>

As at 31 March 2018, bank deposits in savings accounts and fixed deposits carried interests between 0.1 and 0.63 percent per annum (31 December 2017: between 0.10 and 1.00 percent per annum).

5. Current investments

	(Unit: Thousand Baht)	
	31 March <u>2018</u>	31 December <u>2017</u>
Investments in Krungsri Star Plus Fund - fair value	74,303	103,279
Total	<u>74,303</u>	<u>103,279</u>

Current investments in held for trade investments for which fair value is measured or disclosed in the financial statements are categorised within Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly.

6. Trade and other receivables

	(Unit: Thousand Baht)	
	31 March 2018	31 December 2017
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	129	268
Total trade receivables - related parties	129	268
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	22,024	26,613
Past due		
Up to 3 months	5,674	3,287
3 - 6 months	341	74
6 - 12 months	168	148
Over 12 months	193	190
Total	28,400	30,312
Less: Allowance for doubtful debts	(317)	(338)
Total trade receivables - unrelated parties, net	28,083	29,974
Total trade receivable - net	28,212	30,242
<u>Other receivables</u>		
Other receivables - unrelated parties	2,487	2,048
Total other receivables	2,487	2,048
Total trade and other receivables - net	30,699	32,290




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7. 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 2018 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2018	13,546
Less: Reversal of reduction of inventory value during the period	<u>(464)</u>
Balance as at 31 March 2018	<u><u>13,082</u></u>


8. Other current assets


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

	(Unit: Thousand Baht)	
	31 March 2018	31 December 2017
Value added tax refundable	724	3,391
Deposits	1,168	904
Others	<u>3,637</u>	<u>2,138</u>
Total other current assets	<u><u>5,529</u></u>	<u><u>6,433</u></u>

9. Other long-term investments

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




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10. Equipment

Movements of equipment account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2018	40,730
Acquisitions during the period - at cost	5,168
Transfer from inventory	242
Disposals and write-off during the period	(796)
Decrease in allowance for impairment	57
Depreciation for the period	(3,656)
Net book value as at 31 March 2018	<u>41,745</u>

11. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2018	31 December 2017
Trade payables - related parties	26	135
Trade payables - unrelated parties	102,969	159,681
Other payables - related parties	1,819	2,841
Other payables - unrelated parties	15,742	15,201
Total trade and other payables	<u>120,556</u>	<u>177,858</u>

12. Other income

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	<u>2018</u>	<u>2017</u>
Selling support income	5,210	2,759
Commission income	225	49
Gain on exchange	302	133
Gain on disposal investments in trading securities	155	92
Interest income	-	238
Others	212	83
Total	<u>6,104</u>	<u>3,354</u>




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 periods ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2018</u>	<u>2017</u>
Current income tax:		
Interim corporate income tax charge	2,315	476
Deferred tax:		
Relating to origination and reversal of temporary differences	(222)	174
Income tax income reported in the statements of comprehensive income	<u>2,093</u>	<u>650</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. Commitments and contingent liabilities**15.1 Operating lease commitments**

15.1.1 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.

15.1.2 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 2018 and 31 December 2017, future minimum lease payments required under these non-cancellable operating lease contracts and service contracts were as follows:

	(Unit: Million Baht)	
	31 March 2018	31 December 2017
Payable:		
Less than 1 year	38.3	38.4
In over 1 year and up to 5 years	45.1	28.9
In over 5 years	6.3	5.5

15.2 Guarantees

As at 31 March 2018, there were outstanding bank guarantees of approximately Baht 29.4 million (31 December 2017: Baht 29.2 million) issued by bank on behalf of the Company in respect of the purchase of goods and services as required in the ordinary course of business of the Company.

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 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.

17. Event after the reporting period

On 4 April 2018, the meeting of the Annual General Meeting of the Company's shareholders passed a resolution approving the dividend payment for year 2017 to the Company's shareholders at Baht 0.04 per share or a total dividend of Baht 16 million. The Company will pay the dividend within 25 April 2018.

18. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 7 May 2018.




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