

S P V I Public Company Limited
Report and interim financial statements
For the three-month period ended
31 March 2017



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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 2017, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Wichart Lokatekrawee

Certified Public Accountant (Thailand) No. 4451

EY Office Limited

Bangkok: 2 May 2017

S P V I Public Company Limited
Statement of financial position

(Unit: Thousand Baht)

		As at	As at
	<u>Note</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents	4	32,690	16,067
Current investments	5	47,212	88,499
Trade and other receivables	6	33,526	33,342
Inventories	7	166,843	153,234
Other current assets	8	11,525	5,362
Total current assets		<u>291,796</u>	<u>296,504</u>
Non-current assets			
Restricted bank deposits	9	160	160
Other long-term investments	10	10,000	10,000
Equipment	11	39,997	42,375
Intangible assets		19,084	20,486
Leasehold right		6,564	6,679
Other non-current assets		16,869	15,786
Deferred tax assets		4,709	4,883
Total non-current assets		<u>97,383</u>	<u>100,369</u>
Total assets		<u>389,179</u>	<u>396,873</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 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	13	100,730	110,733
Dividend payable		53	53
Other current liabilities		674	745
Total current liabilities		<u>101,457</u>	<u>111,531</u>
Non-current liabilities			
Provision for long-term employee benefits		9,847	9,527
Total non-current liabilities		<u>9,847</u>	<u>9,527</u>
Total liabilities		<u>111,304</u>	<u>121,058</u>
Shareholders' equity			
Share capital			
Registered			
400,000,000 ordinary shares of Baht 0.50 each		<u>200,000</u>	<u>200,000</u>
Issued and fully paid up			
400,000,000 ordinary shares of Baht 0.50 each		200,000	200,000
Share premium		39,810	39,810
Retained earnings			
Appropriated - statutory reserve	14	10,766	10,766
Unappropriated		27,299	25,239
Total shareholders' equity		<u>277,875</u>	<u>275,815</u>
Total liabilities and shareholders' equity		<u>389,179</u>	<u>396,873</u>

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 2017

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

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Profit or loss			
Revenues			
Sales		478,740	410,511
Service income		4,145	4,310
Other income	15	3,354	3,237
Total revenues		<u>486,239</u>	<u>418,058</u>
Expenses			
Cost of sales		425,197	362,639
Cost of services		762	1,020
Selling expenses		41,797	41,879
Administrative expenses		15,631	15,940
Total expenses		<u>483,387</u>	<u>421,478</u>
Profit (loss) before finance cost and income tax expenses		2,852	(3,420)
Finance cost		(142)	(136)
Profit (loss) before income tax expenses		2,710	(3,556)
Income tax expenses	12	(650)	(182)
Profit (loss) for the period		2,060	(3,738)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>2,060</u>	<u>(3,738)</u>
Basic earnings (loss) per share	16		
Profit (loss)		<u>0.01</u>	<u>(0.01)</u>
Weighted average number of ordinary shares (shares)		<u>400,000,000</u>	<u>400,000,000</u>

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


S P V I Public Company Limited
บริษัท เอส พี วี โส จำกัด (มหาชน)



(Unaudited but reviewed)

S P V I Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016	200,000	39,810	10,509	28,360	278,679
Total comprehensive income for the period	-	-	-	(3,738)	(3,738)
Balance as at 31 March 2016	<u>200,000</u>	<u>39,810</u>	<u>10,509</u>	<u>24,622</u>	<u>274,941</u>
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>

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



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S P V I Public Company Limited
บริษัท เอส พี วี โป จำกัด (มหาชน)

(Unaudited but reviewed)

S P V I Public Company Limited

Cash flow statement

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit (loss) before tax	2,710	(3,556)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	5,342	5,114
Increase in allowance for doubtful accounts	225	16
Decrease in reduction of inventory to net realisable value	(972)	(1,284)
Loss on write-off of equipment	-	1,257
Loss on disposals/write-off of equipment	449	691
Reversal of allowance for impairment of equipment	(444)	-
Provision for long-term employee benefits	320	263
Gain on disposals investmetns in trading securities	(92)	(330)
Unrealised gain on changes in value of current investmetns in trading securities	(2)	(7)
Interest income	(238)	(124)
Profit from operating activities before changes in operating assets and liabilities	7,298	2,040
Operating assets (increase) decrease:		
Trade and other receivables	(623)	13,273
Inventories	(13,067)	29,671
Other current assets	(5,564)	2,419
Other non-current assets	(1,083)	28
Operating liabilities increase (decrease):		
Trade and other payables	(10,003)	(6,433)
Other current liabilities	(71)	783
Cash flows from (used in) operating activities	(23,113)	41,781
Cash received from interest income	452	45
Cash paid for income tax	(1,075)	(524)
Net cash flows from (used in) operating activities	<u>(23,736)</u>	<u>41,302</u>

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


S P V I Public Company Limited
บริษัท เอสพีวี จำกัด (มหาชน)

(Unaudited but reviewed)

S P V I Public Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2017

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
Cash flows from investing activities		
Decrease (increase) in current investments	41,381	(35,998)
Proceeds from disposals of equipment	-	21
Acquisitions of equipment	(1,009)	(2,000)
Increase in intangible assets	(13)	(45)
Net cash flows from (used in) investing activities	<u>40,359</u>	<u>(38,022)</u>
Cash flows from financing activities		
Cash paid for interest expenses	-	(190)
Dividend paid	-	(1)
Net cash flows used in financing activities	<u>-</u>	<u>(191)</u>
Net increase in cash and cash equivalents	16,623	3,089
Cash and cash equivalents at beginning of period	<u>16,067</u>	<u>30,211</u>
Cash and cash equivalents at end of period	<u><u>32,690</u></u>	<u><u>33,300</u></u>

Supplemental disclosures of cash flows information:

Non-cash related transaction

Dividend payable	53	38
Transfer inventory to equipment	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 period ended 31 March 2017

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.

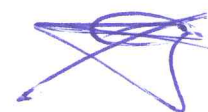
As at 31 March 2017, the Company operates 33 branches (31 December 2016: 33 branches).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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



1.3 New financial reporting standards

During the period, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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

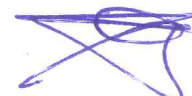
The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

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>2017</u>	<u>2016</u>	
<u>Transactions with major shareholder</u>			
(IT City Public Company Limited)			
Sales of goods	15	-	Approximate wholesale market price
Purchases of goods	72	604	Approximate market price
Purchases of fixed assets	-	8	Market price
<u>Transactions with related parties</u>			
Sales of goods	159	174	Market price
Purchases of goods	135	1,335	Market price
Purchases of fixed assets	10	-	Market price
Service expenses	1,171	2,369	Prices agreed by the parties
Logistics and distribution fee	1,260	1,258	Prices agreed by the parties

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2017 and 31 December 2016 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	31 March 2017	31 December 2016
<u>Trade and other receivables - related parties (Note 6)</u>		
Major shareholder	15	-
Related companies (related by common shareholders and common directors)	-	354
Total trade and other receivables - related parties	<u>15</u>	<u>354</u>

Trade and other payables - related parties (Note 13)

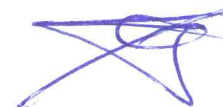
Major shareholder	-	15
Related companies (related by common shareholders and common directors)	1,570	1,353
Total trade and other payables - related parties	<u>1,570</u>	<u>1,368</u>

Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, the Company had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	<u>2017</u>	<u>2016</u>
Short-term employee benefits	5.0	5.0
Post-employment benefits	0.2	0.1
Total	<u>5.2</u>	<u>5.1</u>



(Unaudited but reviewed)

4. Cash and cash equivalents

(Unit: Thousand Baht)

	31 March 2017	31 December 2016
Cash	1,527	2,345
Bank deposits	31,163	13,722
Total	32,690	16,067

As at 31 March 2017, bank deposits in savings accounts and fixed deposits carried interests between 0.1 and 3.99 percent per annum (31 December 2016: between 0.10 and 0.88 percent per annum).

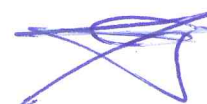
5. Current investments

(Unit: Thousand Baht)

	31 March 2017	31 December 2016
Investments in Krungsri Star Plus Fund - fair value	35,104	56,410
Fixed deposit	12,108	32,089
Total	47,212	88,499

As at 31 March 2017, 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 2016: between 0.9 and 2.0 percent per annum).

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.



(Unaudited but reviewed)

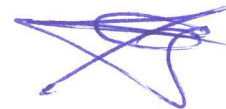
6. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2017	31 December 2016
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	15	260
Past due		
Up to 3 months	-	94
Total trade receivables - related parties	15	354
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	28,499	26,211
Past due		
Up to 3 months	3,231	4,605
3 - 6 months	99	3
6 - 12 months	23	557
Over 12 months	638	195
Total	32,490	31,571
Less: Allowance for doubtful debts	(438)	(213)
Total trade receivables - unrelated parties, net	32,052	31,358
Total trade receivable - net	32,067	31,712
<u>Other receivables</u>		
Other receivables - unrelated parties	1,459	1,630
Total other receivables	1,459	1,630
Total trade and other receivables - net	33,526	33,342



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7. Allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

Balance as at 1 January 2017	14,237
Less: Reversal of allowance for diminution in value of inventory during the period	(972)
Balance as at 31 March 2017	<u>13,265</u>

8. Other current assets

The outstanding balance of other current assets as at 31 March 2017 and 31 December 2016 are as follows:

(Unit: Thousand Baht)

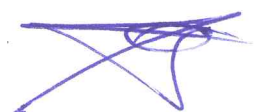
	31 March 2017	31 December 2016
Value added tax refundable	2,579	2,999
Deposits	5,896	92
Others	3,050	2,271
Total other current assets	<u>11,525</u>	<u>5,362</u>

9. Restricted bank deposits

The Company pledged fixed deposits at bank totaling approximately Baht 0.2 million (31 December 2016: Baht 0.2 million) with a bank to secure the credit facilities of the Company.

10. Other long-term investments

As at 31 March 2017, the Company had other long-term investments amount of Baht 10 million (31 December 2016: Baht 10 million) 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 three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2017	42,375
Acquisitions during the period - at cost	1,009
Transfer from inventory	430
Disposals and write-off during the period	(449)
Reversal of allowance for impairment	444
Depreciation for the period	(3,812)
Net book value as at 31 March 2017	<u>39,997</u>

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 periods ended 31 March 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Current income tax:		
Interim corporate income tax charge	476	-
Deferred tax:		
Relating to origination and reversal of temporary differences	174	182
Income tax expenses reported in the statements of comprehensive income	<u>650</u>	<u>182</u>





13. Trade and other payables

(Unit: Thousand Baht)

	31 March 2017	31 December 2016
Trade payables - related parties	129	225
Trade payables - unrelated parties	92,130	98,543
Other payables - related parties	1,441	1,143
Other payables - unrelated parties	7,030	10,822
Total trade and other payables	100,730	110,733

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

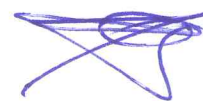
(Unit: Thousand Baht)

For the three-month periods
ended 31 March

	<u>2017</u>	<u>2016</u>
Selling support income	2,759	2,033
Commission income	49	399
Gain on exchange	133	208
Gain on disposal investments in trading securities	92	330
Interest income	238	124
Others	83	143
Total	3,354	3,237




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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. Commitments and contingent liabilities

17.1 Operating lease commitments

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



17.1.2 The Company has entered into several operating lease agreements and service agreement in respect of the lease of office building, warehouse and branch areas. The terms of the agreements are generally between 1 and 21 years.


As at 31 March 2017, 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	33.6
1 to 5 years	25.7
More than 5 years	5.4

17.2 Guarantees

As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 31.2 million (31 December 2016: Baht 29.8 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.



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18. Segment information

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

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

19. Event after the reporting period

On 4 April 2017, the meeting of the Annual General Meeting of the Company's shareholders passed a resolution approving the dividend payment for the year 2016 to the Company's shareholders at Baht 0.012 per share or a total dividend of Baht 4.8 million. The Company will pay the dividend within 25 April 2017.

20. Reclassification

The Company has reclassified the following items in the statement of comprehensive income for the three-month period ended 31 March 2016 to conform to the classification of current year.

	(Unit: Thousand Baht)	
	As reclassified	As previously reported
Selling expenses	41,879	33,212
Administrative expenses	15,940	24,607

The reclassifications had no effect to previously reported loss for the three-month period ended 31 March 2016 or shareholders' equity.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 2 May 2017.



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