



SINGER®

บริษัท ซิงเกอร์ประเทศไทย จำกัด (มหาชน)
Singer Thailand Public Company Limited

ANNUAL REPORT 2019



Candy Series



จักรกระป๋องสีชมพู
รุ่น 3223R



จักรกระป๋องสีฟ้า
รุ่น 3223G

ข้อมูลจำเพาะทางเทคนิค

สี	ชมพู / เขียวมินต์
จำนวนลวดลายในตัว	23 ลวดลาย
ระบบเย็บรั้งดุม	4 ขั้นตอน
ความยาวฝีเข็มสูงสุด	0 - 4.2 มม.
ความกว้างฝีเข็มสูงสุด	0 - 5 มม.
เข็มจักรที่ใช้	SINGER CAT No.2020N #9 - #18
น้ำหนัก	5.9 กก.
กว้าง x ยาว x สูง	23 x 43 x 35 ซม.
ระบบไฟฟ้า	220 - 240 โวลต์

คุณสมบัติพิเศษ



เหมาะสำหรับผู้เริ่มต้น



เย็บรั้งดุม 4 ขั้นตอน



จำนวน 23 ลวดลาย



ปรับตำแหน่งเข็มได้ 2 ระดับ
ซ้าย / กลาง



บริเวณฐานจักรสามารถ
ถอดปรับเป็นทรงกระบอก



ที่ตัดด้วยในตัว

Financial Highlights

Singer Thailand Public Company Limited & Its Subsidiaries
Highlights of the Consolidated Financial Statements (Million Baht)

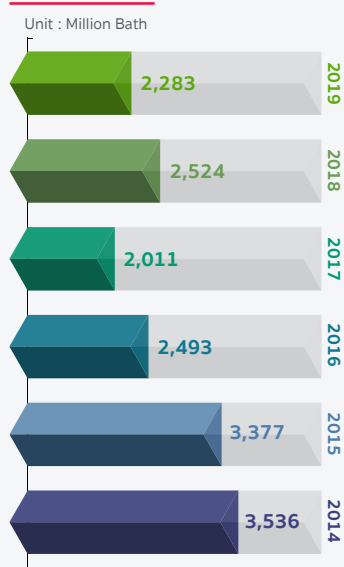
	2562	2561	2560
Total sales & Interest from installment sales	2,282.78	2,523.64	2,011.09
Total Revenues	2,610.37	2,888.02	2,363.41
Gross Margin	1,476.22	1,403.14	1,207.43
Cost of Sales	884.25	1,219.22	1,009.53
Selling and Administrative Expenses	1,407.50	1,610.71	1,340.93
Net Profit (Loss)	165.89	(80.77)	(9.76)
Total Assets	5,906.57	5,092.54	3,500.51
Total Liabilities	3,563.03	3,568.77	1,922.83
Total Shareholder's Equity	2,343.54	1,523.76	1,577.68

Financial Ratio

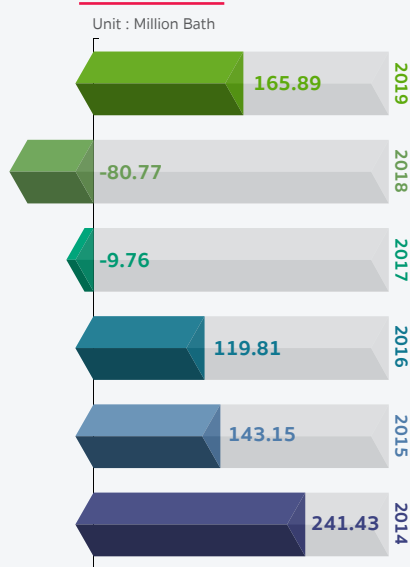
Net Profit (Loss) Ratio (%)	6.36	(2.80)	(0.41)
Return on Equity (%)	8.58	(5.21)	(0.61)
Return on Assets (%)	3.02	(1.88)	(0.29)
Dividend Pay Out Ratio (%)	24.20	-	-
Liabilities Per Equities Ratio	152.04	234.21	1.22
Earnings Per Share (Baht)	0.46	(0.30)	(0.04)
Dividend Per Share (Baht)	0.10	0	0.00
Book value Per Share (Baht)	5.83	5.64	5.84
Total Staff (Persons)	5,224	4,323	12,247

Portfolio Mix	2562	2561	2560
SINGER HP	47	52	82
C4C	42	36	15
Captive	11	12	3

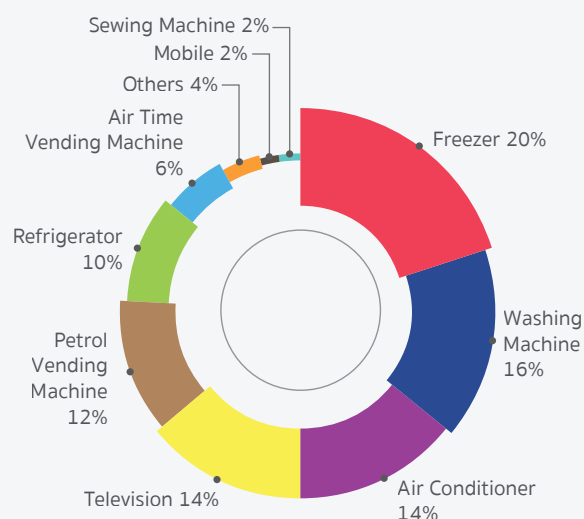
Sales & Interest from installment sales by Year 2014 - 2019



Net Profit / (Loss) by Year 2014 -2019



Sales by Product Line January - December 2019





Vision

To be the market leader of hire purchase products and consumer finance in the country.



Mission

To improve the quality of life of people by offering high quality products and service at affordable prices.

Values

In order to realize our goal of making Singer Thailand not only a highly profitable company but also one of the best managed Companies in Thailand, there are common values we must share and cherish:

People

We believe in our employees, who are key success factor in our business. Thus, all employees of Singer Thailand must be both happy to work for and feel proud of the Company with good opportunities for career advancement.

Customers

It is our goal and also not unusual for Singer Thailand to have life time customers purchase products from the Company over the years. The Company has built this loyal customer base by providing good quality products, ensuring timely collections and close follow-up of accounts. It is important that this continues in the future and that we maintain constant focus on our customers.

Shareholders

We provide a reasonable return to our shareholders while safeguarding their investment.

Partners

We develop our suppliers to be partners in progress and share our growth with them.

Competitors

We conduct our business by conforming to the ethics of our Country and share the social responsibility of the less fortunate.

Community

We conduct our business by conforming to the ethics of our Country and share the social responsibility of the less fortunate.

Communications

We believe that good and sustained internal communication is critical to all our business activities. However, this communication must be in 'two-way' in order to be effective - from Management to employees but also from employees to the Management.

Leadership

We believe in effective leadership. Being a good manager is not enough, all Executives, Managers and Supervisors should also aim at being great leaders. All great leaders have the following qualities: They listen, they communicate well, and they give credit to others for their successes and take full responsibility for poor results. Great leaders also inspire others and they always learn from their successes as well as their failures.



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Report to the Shareholders



Mr. Adisak Sukumvitaya
Chairman of the Board

Dear Shareholders

For the Company, 2019 can be considered to be one of the most successful year in terms of achieving the best positive operating results with the highest Total Consolidated Net Profit for the past 5 years. After 2018, the Company endeavored to revise its strategic management focus together with controlling its operating costs - especially its distribution and debtors administrative expenses to be at the most appropriate level for its business operations - in order to achieve positive net performance results.

For the full year 2019 operating performance results, the Company achieved a year-on- year (YoY) 305% increase in Net Profit that totaled Baht 165.89 million compared to a Total Net Loss of Baht 80.77 in 2018; whereby it is the highest achieved total net profit for the past 5 years. As for total revenues, it was at Baht 2,610.37 million, a decrease from the previous year's total revenues of Baht 2,889.0 million, or a decrease of 9.61% YoY, as a result of the focus being on achieving profits. Despite the lower Total Sales Revenues, the Singer Group of Companies still achieved an increase in the overall Gross Profit Margin to be at 40.4%, since the Company focused on selling those products having a high gross margin together with also focusing on controlling and reducing distribution costs from the previous year. At the same time the overall achieved level of Non-Performing Loans (NPL) was 9.4 %, which is considered to be the lowest for the past 3 years

For this year, the Company is targeting to grow its 'car for cash' loans business that uses vehicle ownership licenses as a collateral. This is subsequent to the Company receiving the personal loans business license under the supervision of the Ministry of Finance, which will give confidence that the Company will operate this business in an equitable manner and in accordance with the rules and regulations of the Bank of Thailand with regards to its market conduct. It is also an opportunity for the Company to build up a new category of consumer credit business to attract an increasing new generation of customers. Apart from personal loans using vehicle ownership licenses as a collateral, the electrical appliances hire-purchase loans are also being better supervised and managed through the use of information and communications technology so as to more effectively control each process in the credit approval procedures. The Company will continue to focus on promoting and selling the Singer Franchise business, in order to expand this business and achieve maximum market coverage.

Y 2020 is considered to be a challenging year for the Company's business operations. The Board of Directors and the Management recognize and are well-aware that the economic environment and the political situation together with other negative



Mr. Kittipong Kanokvilairat
Chief Executive Officer

external factors will all have an impact on the operating performance results of the Company in the immediate future. The ability to maintain sales revenues and to effectively control costs as well as to continue managing the Company's loans customers in remaining good quality borrowers are all key strategies that the Company must adhere to and manage within the current economic environment. As such, the Company hopes that Y 2020 will be another year in which the Company can prove to its Shareholders and other involved Stakeholders that, under the supervision and management of its Board of Directors and the Management, it will continue to drive future business growth for the Singer Group of Companies, as well as will achieve the set business targets as planned. Additionally, all our staff have demonstrated their intent and full commitment to devote the energy and collective will in discharging their responsibilities so as to drive the successful achievement of the stated goals of the Company; as well as recognize the need to continue being responsible towards society through giving ongoing active support and help to local communities in being able to stand up by themselves and be self-sufficient on a firm and sustainable basis; whereby further relevant details are given below in the section on "Corporate Social Responsibility" in this Annual Report.

Singer Thailand Pcl., would like to take this opportunity to thank all our Shareholders, customers, Business Partners and Suppliers together with the Management and all our staff for the valued participation in supporting the Company to achieve continuing business growth. The Company wishes to assure every party that it will conduct its businesses in a professional manner; as well as will further develop the capabilities of the organization together with implementing its policies for corporate social responsibilities so as to be a positive role model for society and to enable the overall society to have ongoing improved quality of life.

A stylized, handwritten signature in black ink, belonging to Mr. Adisak Sukumvitaya.

(Mr. Adisak Sukumvitaya)
Chairman of the Board

A stylized, handwritten signature in black ink, belonging to Mr. Kittipong Kanokvilairat.

(Mr. Kittipong Kanokvilairat)
Chief Executive Officer

Board of Directors



1. Mr. Adisak Sukumvitaya
Chairman of the Board
Member of Nomination and Remuneration
Committee



2. Mr. Kittipong Kanokvilairat
Chief Executive Officer



3. Mr. Lucksananoi Punkrasamee
Chairman of Audit Committee
Independent Director
Member of Nomination and Remuneration
Committee



4. Mr. Bibit Bijaisoradat
Chairman of Nomination and Remuneration
Committee
Independent Director
Member of Audit Committee

Board of Directors



5. Mr. Preecha Prakobkit
Independent Director
Member of Audit Committee



6. Mr. Piranart Chokwatana
Director



7. Mr. Piya Pong-acha
Director



8. Mrs. Nonglak Laksanapokin, Ph.D.
Director

Board of Directors



Mr. Adisak Sukumvitaya

Chairman of the Board

Member of Nomination and Remuneration Committee

Age : 64 Years

Nationality : Thai

Address : 79/125 Panya-Indra Road, Bangchan, Klong Samwa, Bangkok 10510

Company Shareholdings : 1,383,700 shares, 0.34%

Date of Appointment : 13 August 2015

Years of Directorship: : 4 Year 8 months

Meeting Attendance Year 2019 : 8/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
3	1. Director, Chief Executive Officer Jaymart PCL. 2. Chairman of the Board JMT Network Services PCL. 3. Director JAS Asset PCL.	4	-

Educations :

1981	MBA (Economics), Kasetsart University
1979	B.E. (Economics), Kasetsart University

Certifications :

2013	Management Program (CMA.15), Capital Market Academy
2008	Director Accreditation Program (69/2008) Thai Institute Directors Association

Work Experiences in other Listed Companies :

Years	Listed Company	Position
1990 - Present	Jaymart PCL.	Director/ Chief Executive Officer
2004 - Present	Jaymart PCL.	Chairman of the Executive Committee
2012 - Present	JMT Network Services PCL.	Chairman of the Board
2015 - Present	JAS Asset PCL.	Director
1994 - 2012	JMT Network Services PCL.	Director
2002 - 2015	JAS Asset PCL.	Chairman of the Board
1981 - 1984	TISCO Securities PCL.	Research Officer

Other Working Experiences :

Years	Company	Position
2013 - Present	J Asset Management Ltd.	Chairman of the Board
2013 - Present	J Insurance Broker Ltd.	Chairman of the Board
1995 - Present	Singh Buri Cable T.V Co., Ltd.	Director
1995 - Present	JMART TAKSIN Co., Ltd.	Director
2002 - 2005	TAS Asset Ltd.	Director
1985 - 1989	Philips Electronics (Thailand) Ltd.	Product Manager

การดำรงตำแหน่งกรรมการสำคัญที่เกี่ยวข้อง :

Years	Company	Position
2016 - Present	SG Capital Co., Ltd.	Director

Not having any lawsuit case in the past 10 years.

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries.

Board of Directors



Mr. Kittipong Kanokvilairat
Chief Executive Officer
 Age : 46 Years
 Nationality : Thai
 Address : 220/205 Saransiri Ramindra 2, Panya Indra Rd., Bangchan, Klongsamwa, Bangkok 10510
 Company Shareholdings : None
 Date of Appointment : 1 May 2016
 Years of Directorship : 3 Year 11 Months
 Meeting Attendance Year 2019 : 8/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
-	-	-	-

Educations :

1991 - 1994	Bachelor Degree, Assumption University
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Certifications :

2017	Director Certification Program (DCP), 246/2017 Thai Institute of Directors Association (IOD)
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Other Working Experiences (Non Listed Companies) :

Years	Company	Position
2012 - 2014	Brightstar (Thailand) Ltd.	General Manager
1996 - 2002	Motorola (Thailand) Ltd.	Account Manager
1995 - 1996	NEC (Thailand) Co., Ltd.	Marketing Executive

Relevant Important Positions :

Years	Company	Position
2016	SG Capital Co.,Ltd.	Director
2016	SG Service Plus.Co.,th	Director
2017	SG Broker Co.,th	Director

Work Experiences in other Listed Companies :

Years	Listed Company	Position
Jan 2018 - Present	Singer Thailand Public Co., Ltd.	Chief Executive Officer
May 2016 - Present	Singer Thailand Public Co., Ltd.	Director
June 2017 - Dec 2017	Singer Thailand Public Co., Ltd.	Co-Chief Executive Officer
2016 - May 2017	Singer Thailand Public Co., Ltd.	Chief Marketing Officer
2015	Crown Tech Advance Public Co., Ltd.	Chief Commercial Officer
2002-2011	Jaymart Public Co., Ltd.	Chief Marketing Officer

Relation among Family with other Directors and Executives : None.

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Board of Directors



Mr. Lucksananoi Punkrasamee

Chairman of Audit Committee

Independent Director

Member of Nomination and Remuneration Committee

Age : 67 Years

Nationality : Thai

Address : 17 Soi Ramkhamhaeng 118 Yak 15, Sapansoong, Bangkok

Company Shareholdings : None

Date of Appointment : 8 November 2013

Years of Directorship : 6 Years 5 Months

Meeting Attendance Year 2019 : 8/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
3	1. Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Independent Director, MC Group PLC. 2. Chairman of the Board of Directors, Origin Property Public Company Limited 3. Independent Director and Member of Audit Committee SCG Ceramics Public Company Limited	None	None

Educations :

1973	Bachelor Degree in Accounting, Chulalongkorn University
1986	Master Degree (MBA), Chulalongkorn University
-	Certificate in Management Development Program, The Wharton School of the University of Pennsylvania
-	Certificate in Inno - Leadership program, INSEAD University (France)
2008	Certificate "Executive development Program" Graduate School of business, Columbia University

Certifications :

2009	Director Certification Program (DCP), 122/2009 Thai Institute of Directors (IOD)
2004	Director Accreditation Program (DAP), SCC/2004 Thai Institute of Directors (IOD)

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2020 - Present	SCG Ceramics Public Company Limited	Independent Director and Member of Audit Committee
2016 - Present	MC Group Public Company Limited	Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Independent Director
2014 - Present	Origin Property Public Company Limited	Chairman of the Board of Directors
2013 - 2017	The Siam Cement Public Company Limited	Advisor to Vice President - Finance and Investment & CFO
2004 - 2005	The Siam Cement Public Company Limited	Corporate Accounting Director

Other Working Experiences :

Years	Company	Position
2005 - 2012	SCG Accounting Services Co., Ltd.	Managing Director
2015 - 2016	NokScoot Airlines Co.,Ltd	Independent Director

Relevant Important Positions :

Years	Company	Position
2013 - Present	SG Capital Co.,Ltd.	Director

Relation among Family with other Directors and Executives : None.

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Board of Directors



Mr. Bibit Bijaisoradat

Chairman of Nomination and Remuneration Committee

Member of Audit Committee

Independent Director

Age : 59 Years

Nationality : Thai

Address : 1174 Rama IV Road, Klong Toey, Bangkok 10110

Company Shareholdings : None

Date of Appointment : 13 May 2009

Years of Directorship: : 10 Years 11 Months

Meeting Attendance Year 2019 : 7/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
1	1. Chairman of the Board, Sammakorn PCL.	3	-

Educations :

1983	Bachelor Degree, Political Science in International Relations, Chulalongkorn University
1985	MBA Business Administration, NIDA

Certifications :

	Director Certification Program (DCP)
	Audit Committee Program (ACP)
	Improving the Quality of Financial Reporting (QFR), Thai Institute of Directors (IOD)
	Succession & Effective Leadership Development (CEO)

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2002 - Present	Sammakorn PCL	Chairman of the Board
2002 - 2018	Thai Insurance PCL	Chairman of the Board Audit Committee Nominating & Remuneration
2003 - 2015	RPCG PCL.	Director

Other Working Experiences :

Years	Company	Position
2000 - Present	Mongkol Chaipattana Co. Ltd.	Managing Director
2001 - Present	Suvarnachad Co., Ltd.	Director
2003 - Present	Ruam Thanu Thai Co., Ltd.	Director
2000 - 2017	H. M. Private Property Office	Assistant Manager
2000 - 2017	H. M. Private Development Projects	Vice Director
2006 - 2015	Pure Summakorn Development Co.Ltd.	Director

Relevant Important Positions :

Years	Company	Position
2012 - Present	SG Capital Co., Ltd	Director

Relation among Family with other Directors and Executives : None.

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Board of Directors



Mr. Preecha Prakobkit
Independent Director
Member of Audit Committee
 Age : 71 Years
 Nationality : Thai
 Address : 335 Soi Ladprao 101, Khlong Chao Khun Sing, Wang Thong Lang, Bangkok 10310
 Company Shareholdings : None
 Date of Appointment : 8 August 2016
 Years of Directorship: : 3 Year 8 Months
 Meeting Attendance Year 2019 : 8/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
-	-	-	-

Educations :

1981	Bachelor Degree in Business Administration, Roosevelt University, USA
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Certifications :

2006	Director Accreditation Program (DAP), The Thai Institute of Directors Association
2006	Audit Committee Program (ACP), The Thai Institute of Directors Association

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2012 - 2012	JMT Network Services PCL.	Director, Member of Audit Committee
2005 - 2011	G Steel Public Company Limited	Member of Audit Committee

Other Working Experiences :

Years	Company	Position
2011 - 2014	Amway (Thailand) Ltd.	Advisor
1989 - 2011	Amway (Thailand) Ltd.	Managing Director

Relevant Important Positions :

Years	Company	Position
2016 - Present	SG Capital Co.,Ltd.	Director

Relation among Family with other Directors and Executives : None.

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Board of Directors



Mr. Piranart Chokwatana

Director

Age : 57 Years

Nationality : Thai

Address : 67/41 Soi Ruamruedee, Lumpini, Patumwan, Bangkok

Company Shareholdings : 657,000 shares, 0.16%

Date of Appointment : 10 May 2018

Years of Directorship: : 1 Year 11 months

Meeting Attendance Year 2019 : 8/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
-	-	2	-

Educations :

1985	Beachelor Degree of Chemical Engineering, First Class Honor, Chulalongkron University
1986	Master Degree of Chemical Engineering, California Institute of Technology
1988	Master Degree of Business Administration (MBA), Thammasat University

Certifications :

-	-
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Other Working Experiences :

Years	Company	Position
1995	Sun Color O.A Company Limited.	Managing Director
1991	Lan Puu Company Limited	Managing Director

Relevant Important Positions :

Years	Company	Position
2018 - Present	SG Capital Co.,Ltd.	Director

Relation among Family with other Directors and Executives : None.

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Board of Directors



Mr. Piya Pong-acha

Director

Age : 49 Years

Nationality : Thai

Address : 187, 189 Jaymart Building, Ramkhamhaeng Road, Ratpattana, Saphansung, Bangkok 10240, Thailand

Company Shareholdings : None

Date of Appointment : 12 May 2016

Years of Directorship: : 3 Year 11 Months

Meeting Attendance Year 2019 : 8/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
2	1. Director/Executive Director JMT Network Services PCL. 2. Vice Chief Executive Officer Jaymart PCL.	3	-

Educations :

1994	Bachelor Degree in Business Administration Kasem Bundit University
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Certifications :

2011	Director Accreditation Program (DAP) The Thai Institute of Directors Association
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Other Working Experiences :

Years	Company	Position
Jan 2018 - Present	Jaymart PCL.	Vice Chief Executive Officer
2012 - Present	JMT Network Services PCL.	Director/Executive Director
2013 - Present	J Asset Company Limited	Director
2013 - Present	J Insurance Broker Co., Ltd.	Director
2011 - Present	JMT Plus Company Limited.	Director
2012 - 2017	JMT Network Services PCL.	CEO
1998 - 2012	JMT Network Services PCL.	Marketing Director

Relevant Important Positions :

Years	Company	Position
2016 - Present	SG Capital Co., Ltd.	Director

Not having any lawsuit case in the past 10 years.

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries.

Board of Directors



Ms. Nonglak Laksanapokin, Phd.

Director

Age : 59 Years

Nationality : Thai

Address : 8/555 Laddaville 5, Bang Kruai-Sai Noi Rd, Bang Bua Thong, Nonthaburi 11110

Company Shareholdings : None

Date of Appointment : 28 April 2016

Years of Directorship: : 4 Year

Meeting Attendance Year 2019 : 6/8

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
-	-	-	-

Educations :

2016 - 2018	Doctor of Philosophy Program in Peace Studies Mahachulalongkornrajavidyalaya University
1984 - 1987	Master of Science Prince of Songkla University
1980 - 1984	Bachelor of Science Prince of Songkla University

Certifications :

2004	Director Accreditation Program Thai Institute of Directors
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Work Experiences in other Listed Companies :

Years	Listed Company	Position
2016 - Present	Singer Thailand Public Company Limited	Director
2016 - 2017	Singer Thailand Public Company Limited	Chief Executive Officer
2018 - Present	Jay Mart Public Company Limited	Chief Internal Audit Officer

2016 - Present	JAS Asset Public Company Limited	Advisor
2012 - 2016	JAS Asset Public Company Limited	Director, Nomination and Remuneration Committee , Chief Executive Officer, and Executive Committee
2000 - 2012	Jay Mart Public Company Limited	Executive Committee
1997 - 2000	M Link Asia Corporation PCL.	Vice President of Operating Department

Other Working Experiences :

Years	Company	Position
1992-1997	Technic Telecom Co. Ltd.	Vice President of Operating Department

การดำรงตำแหน่งกรรมการสำคัญที่เกี่ยวข้อง :

Years	Company	Position
2016 - Present	SG Capital Co., Ltd.	Director
2016 - Present	SG Service Plus Co., Ltd.	Director
2016 - Present	SG Broker Co., Ltd.	Director

Relation among Family with other Directors and Executives : None.

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Management

Singer Thailand Public Company Limited



1. Mr. Kittipong Kanokvilairat
Chief Executive Officer

2. Miss Rapeepan Kantayaporn
Chief Information Officer

3. Ms. Chanthornjira Kongtongmut
Chief Operating Officer and Company Secretary

4. Miss Busaba Kunsiritham
Chief Financial Officer

SG Capital Capital



Miss Auntikorn Phichetkorn
Chief Credit and Asset Officer

Management

Singer Thailand Public Company Limited

Ms. Chanthornjira Kongtongsmut

Position : Chief Operating Officer and Company Secretary

Age : 53 Years

Nationality : Thai

Address : 577/82 Soi Pongpetchniwet, Chatuchak, Bangkok

Company Shareholdings : 3,500 shares 0.00088%

Date of Appointment : 15 May 2016

Educations :

- Master of Business Administration, Industrial Business and Human Resource Development King Mongkut's University of Technology North Bangkok
- Bachelor of Business Economics, The Thai Chamber of Commerce University
- Special Courses Faculty of law "Law and Regulations for the Secretary of Company" Chulalongkorn University

Training :

1. Corporate Secretary Development Program (class2)
2. Fundamental Practice for Corporate Secretary (class22)
3. Fundamental of Law for Corporate Secretaries
Held by the Thai Listed Companies Association

Other Working Experiences :

Years	Company	Position
2016 - Present	Singer Thailand PCL	Chief Operating Officer
2008 - Present	Singer Thailand PCL.	Company Secretary & IR & Public - Communication Manager
2007 - 2008	Singer Thailand PCL.	IR & Public Communication Manager
2004 - 2007	DE Capital Public Company Limited	Investor Relation Director and HR & Admin Manager
1993 - 2004	Singer Thailand PCL.	Investor Relation Manager & Secretary of Audit Committee
1992 - 1993	Singer Thailand PCL.	Investor Relation officer

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Miss Rapeepan Kantayaporn

Position : Chief Information Officer

Age : 59 Years

Nationality : Thai

Address : -

Company Shareholdings : None

Date of Appointment : 17 June 2016

Educations :

- Master Degree in Business Management, Rangsit University
- Mini Software Engineering, Kasetsart University
- Bachelor Degree in Science, Prince of Songkla University

Training :

-

Other Working Experiences :

Years	Company	Position
2013 - 2016	CPS Consulting Co., Ltd.	Project Director
2011 - 2013	V-Smart Co., LTD.	Project Director
2005 - 2010	Innova Software Co., Ltd.	Project Manager
2003 - 2004	e-Discover Co., Ltd.	Project Manager
1995 - 2003	Semiconductor Venture International (Public) Co., Ltd.	Senior Manager of IT division
1987 - 1994	B Grimm Engineering (Public) Co., Ltd.	Senior System Analyze
1986 - 1987	Loxley Ltd.	Senior Programmer
1983 - 1986	Niyompanich Co., Ltd., Chiangmai	Head of EDP

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Management

Singer Thailand Public Company Limited

Miss Busaba Kunsiritham

Position : Chief Financial Officer

Age : 44 Years

Nationality : Thai

Address : 276/1 Eakachai Rd., Bangklongpharn, Bangbon, Bangkok 10150

Company Shareholdings : None

Date of Appointment : 2 May 2019

Educations :

2008 - 2010	Master Degree in Applied Finance (Financial Risk Management Stream) Macquarie University, Australia
2003 - 2005	Master Degree in Business Administrative (MBA) Chulalongkorn University, Thailand
1994 - 1998	Bachelor Degree in Accounting (2 nd class honor) Thammasat University, Thailand

Certifications :

-

Other Working Experiences :

Years	Company	Position
2017-2019	Pricewaterhousecoopers ABAS Limited	Associate Partner
2015-2017	Pricewaterhousecoopers ABAS Limited	Director
1998-1999	KPMG Audit (Thailand)	Audit Assistant

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

SG Capital Capital

Miss Auntikorn Phichetkorn

Position : Chief Credit and Asset Officer

Age : 53 Years

Nationality : Thai

Address : 978/45 Baromrachchonanee Rd., Bangbunru, Bangpat, Bangkok

Company Shareholdings : None

Date of Appointment : 16 July 2018

Educations :

1989	Bachelor Degree of Arts in Home Economics Rajabhat Institute Suan Dusit Bangkok Thailand
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Working Experiences :

Years	Company	Position
2014 - June 2018	Chayo Asset Management Company Limited	Managing Director
Jan 2014 - Jun 2014	Bank of Ayudhaya PCL., Krungsri Auto Collection CR Team Management UPC	Assistant Vice President, Collection CR team
2012 - 2013	Bank of Ayudhaya PCL., Total Services Solution PCL.	Assistant Vice President, Collection R&L CoE team

Working Experiences :

Years	Company	Position
2004 - 2012	The Hongkong and Shanghai Banking Corporation Limited	Assistant Vice President, Recovery Consumer Credit Risk.
2003 - 2004	DBS Thai Danu Bank PCL.	Associates II Consumer Credit Quality Dept.
2002 - 2003	Citibank, N.A.	Collection & Support Manager
1996 - 2002	Citibank, N.A.	OA Supervisor
1989 - 1995	Dawa International Machinery Co., Ltd.	Assistant Credit Manager

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Not having any relation among family with other Directors and Executives

Not being a director or executive in any business which may cause conflicts of interest or having a business competition with the company and its subsidiaries

Not being the director who involved to manage all staff, employee or consultants who receive regular salary.

Not being the specialist service provider such as the independent auditor or Independent Legal Consultant

Not having any significant business relationship which may result in an inability to make independent decisions

Not having any lawsuit case in the past 10 years.

Board of Directors and Management

Singer Thailand Public Company Limited

Board of Directors

Mr. Adisak Sukumvitaya	Chairman of the board
Mr. Kittipong Kanokvilairat	Chief Executive Officer
Mr. Lucksananoi Punkrasamee	Independent Director
Mr. Bibit Bijaisoradat	Independent Director
Mr. Preecha Prakobkit	Independent Director
Mr. Piranat Chokwatana	Director
Mr. Piya Pongacha	Director
Mrs. Nonglak Laksanapokin, Phd.	Director

Audit Committee

Mr. Lucksananoi Punkrasamee	Chairman of Audit Committee
Mr. Bibit Bijaisoradat	Member of Audit Committee
Mr. Preecha Prakobkit	Member of Audit Committee

Nomination and Remuneration Committee

Mr. Bibit Bijaisoradat	Chairman of Nomination and Remuneration Committee
Mr. Lucksananoi Punkrasamee	Member of NRC
Mr. Adisak Sukumvitaya	Member of NRC

Executive Committee

Mr. Piya Pongacha	Chairman of Executive Committee
Mrs. Nonglak Laksanapokin, Phd.	Vice Chairman of Executive Committee
Mr. Kittipong Kanokvilairat	Chief Executive Officer and Member
Miss Rapeepan Kantayaporn	Member
Miss Auntikorn Phichetkorn	Member
Miss Busaba Kunsiritham	Member
Miss Chanthornjira Kongtongsmut	Secretary

Risk Management Committee

Mr. Kittipong Kanokvilairat	Chairman of Risk Management Committee
Mrs. Nonglak Laksanapokin, Phd.	Member
Miss Rapeepan Kantayaporn	Member
Miss Auntikorn Phichetkorn	Member
Miss Chanthornjira Kongtongsmut	Member

Management

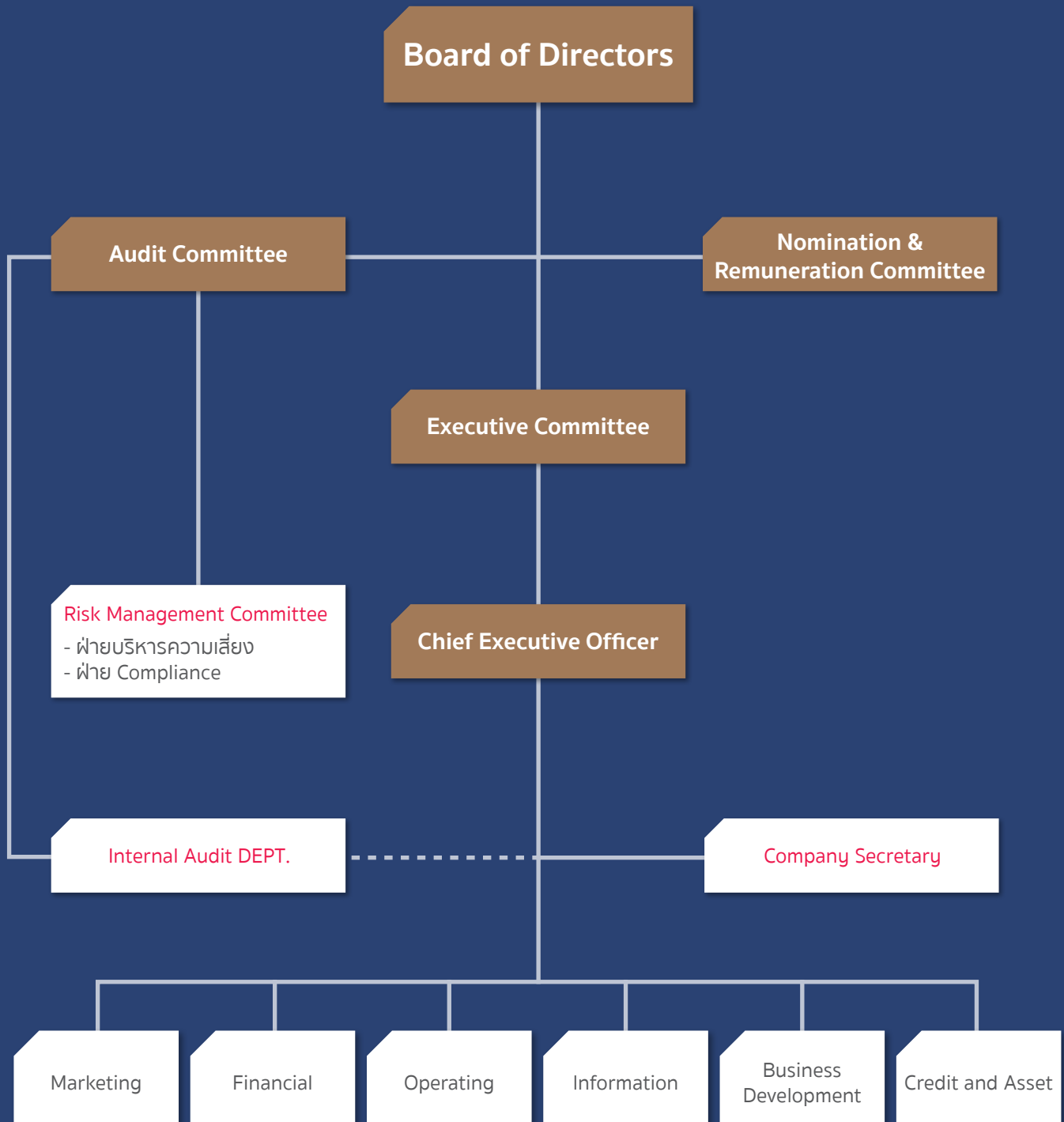
Mr. Kittipong Kanokvilairat	Chief Executive Officer
Miss Rapeepan Kantayaporn	Chief Information Officer
Miss Chanthornjira Kongtongsmut	Chief Operating Officer
Miss Busaba Kunsiritham	Chief Financial Officer

SG Capital Capital

Management

Miss Auntikorn Phichetkorn	Chief Credit and Asset Officer
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Organization Chart



Company Profile and Information

Singer Thailand Public Company Limited

Registration No: 0107537000050

Head Office

72 CAT Telecom Tower, 17th Floor., Charoen Krung Rd., Bangrak, Bangkok 10500

Telephone: 66-2-352-4777

Fax: 66-2-3524799

Call Center: 66-2-234-7171

Service Hotline: 668-1840-4555

Home page : www.singerthai.co.th

Main Business :

- Distribution and Sales of home appliances. Sewing Machines, and commercial appliances and other products
- Hire Purchase - Installment Payments services, Vehicle Loan, Personnel Loan, Captive Finance
- After sales services, Maintenance or repairs of appliances

Financial Year /Accounting Period

January 1 to December 31

Legal Advisor

CMT Counsellor Co., Ltd.

20 Bubhajit Building, 7-9 Floor., North Sathorn Rd., Bangkok 10500, Thailand

External Auditor

KPMG Phoomchai Audit Ltd.

195 Empire Tower, 50-51 Floor., South Sathorn Rd., Bangkok 10120, Thailand

Registrar

Thailand Securities Depository Company Ltd.

62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Debentures Holder Representative

Registrar and Paying Agent

CIMB Thai Bank Public Company Limited

Registered Capital

Baht 702,000,000

(at 702,000,000 Ordinary Shares with a Par Value of Baht 1.00)

Paid-up Capital: Baht 401,505,235

Date of Listing on the SET

June 28, 1984

Investors can access, for the purpose of reviewing and analysis, detailed information regarding the issue of new shares or securities by the Company in the Annual Statement of the Company (Form 56-1) posted on www.sec.or.th OR on the company's website at www.singerthai.co.th.

SINGER THAILAND GROUP

SINGER®
Singer Thailand



Registration
27 June 2012



Registration
7 September 2012



Registration
18 June 1985

SG CAPITAL

SG SERVICE PLUS

SG BROKER

SG Capital Co.,Ltd.
(SGC)

Registered to change its name
on 25 July 2016
Registration no. 0105555093704

SG Service Plus Co.,Ltd.
(SGS)

Registered to change its name
on 25 July 2016
Registration no. 0105504001951

SG Broker Co.,Ltd.
(SGB)

Registered to change its name
on 25 July 2016
Registration no. 0105528021196

- 99.99% Owner Ship-

- Hire Purchase of Home
Appliance, Sewing Machine,
Commercial Products and
Other Products

- C4C (Rod Tum Ngern)

- Captive Finance

- 99.88% Owner Ship-

- Service

- 99.99% Owner Ship-

- Life Assurance Broker

Investments in Subsidiary Companies

Company Name and Address	Capital		Percentage of Investment	Business
SG Capital Co., Ltd. 72 CAT Telecom Tower, 17 th Floor, Charoen Krung Road, Bangrak, Bangkok 10500 Tel : 0-2352 -4777 Fax : 0-2352-4799	Registered Capital Ordinary Shares Paid-up Capital	Baht 1,450,000,000 1,450,000 Shares Baht 1,450,000,000	99.99%	<ul style="list-style-type: none"> Hire Purchase of Home Appliance, Sewing Machine, Commercial Products and Other Products C4C (Vehicle Loan Business) Captive Finance Business
SG Service Plus Co., Ltd. 8 Moo 4. Samkok-Sena Road, Bangnomkho, Sena, Pranakhon Si Ayutthaya Tel. 0-3520-1702-5	Registered Capital Ordinary Shares Capital	Baht 5,000,000 5,000 Shares Paid-up Baht 5,000,000	99.88%	Service
SG Broker Co., Ltd. 72 CAT Telecom Tower, 17 th Floor, Charoen Krung Road, Bangrak, Bangkok 10500 Tel : 0-2352 -4777 Fax : 0-2352-4799	Registered Capital Ordinary Shares Paid-up Capital	Baht 4,000,000 40,000 Shares Baht 4,000,000	99.99%	Life Assurance Broker



Policies and Overview of the Company's Operations

Singer Thailand Public Company Limited (the 'Company') is the distributor of various products under the "Singer" brand, such as: sewing machines and various types of household electrical appliances. Additionally, the Company also distributes appliances and equipments for commercial use, such as: refrigerators, coolers, agricultural tools and equipment, mobile phone airtime vending machines, petrol vending machines, and slush ice machines; as well as acts a distributor of various brands of mobile phone products and accessories. All these product offerings are aimed at meeting, in a comprehensive manner, the various and different needs of its customers that consist of household consumers and small business operators, and that are sold through Company-owned Branch retail sales Outlets as well as through numerous sales agents/representatives of the Company. More than 80% of the total sales are made on a hire-purchase installment basis; whereby the Company offers consumer/end-user financing through SG Capital Co., Ltd., a Subsidiary Company in which the Company has a 99.99% equity shareholding.

Business Operating Strategies

The Company has adjusted its strategy and business model from previously being fully focused on the core household consumers and customers segment to being more focused on small business customers, through emphasizing sales of commercial products and appliances that are used for generating revenues for small business operators and entrepreneurs. This is in order to reduce the risks on being solely dependent on the household customers group.

The Company has also turned to targeting and capturing more small retail shop operators (or 'show huay') as its customers; whereby these small retailers, totaling several hundreds of thousands throughout Thailand, are located in all the small towns and rural villages throughout the country with as much as a total of 10 - 20 shops in every small town or village. These small retailers are the new target customers for the Company with the aim of facilitating and helping them to raise the overall level of their business activities as well as to achieve their potential competitive capabilities.

Significant changes and developments to the Company

In 1892, Singer Sewing Company of the USA appointed Kim Hua Heng Co., Ltd as the local dealer/distributor for its sewing machines in Thailand. Thereafter, in 1905, the Singer Sewing Company itself establish a branch operation in Thailand, under the name of Singer Sewing Machine Co. Ltd., with the aim of distributing its sewing machines together with accessory products associated with sewing machines that were imported from overseas. The Company also started to introduce the concept of hire-purchase installment sales of its products for the first time in 1925; whereby this service concept became the recognized business model for Singer - both in Thailand and overseas in many Asian countries. From that time onward and for more than 50 years thereafter, the Company sold and distributed only its sewing machines. Then in 1957, the Company began to sell other home electrical appliances, starting with refrigerators. Then, on 24 November, 1969, "Singer Thailand Co., Ltd." was established and registered under the laws of Thailand to take over the operations of the existing Singer Sewing Machine Co., Ltd. that ceased to operate its business activities, with an initial total registered capital of Baht 60.0 million that was then increased to a total registered capital of Baht 270.0 million; whereby the Singer Thailand Co., Ltd. was then approved to be listed on the Stock Exchange of Thailand (SET) on 4 January, 1994 as a public listed company and changed its name to be "Singer Thailand Public Company Limited". Currently, the Company has a registered capital of Baht 702 million that is fully paid up with a capital increase of Baht 401,505,235

As such, from the original beginning of its business activities in Thailand and up to the present, the Company has conducted and operated its businesses in an honest manner and with integrity, together with being responsible towards society as a whole, and actively participated in the development of the Thailand's economy; whereby, 24 May, 2004 was an auspicious day for the Company in that His Majesty the King graciously granted the "Royal Warrant" and associated Royal Garuda Emblem to Singer Thailand Public Company Limited. This is considered to be a great honor and a most auspicious moment in the history of the Company and for all its Staff.

Important milestones for the Company during the past few years are as follows:

- In 2009, the Company focused on implementing a ‘pre-approval’ credit system through the approval process of its Credit Center Officers, which resulted in a decrease in total sales of approximately more than 20% compared to the previous year. But the Company is committed to continue using this system, in order to achieve an overall improved quality for its hire purchase installment accounts.
- In 2011, the Company started to significantly expand its business activities into the commercial customers segment, especially those small retail business operators located in key provinces. It resulted in a clearly apparent increase in total sales from this newly targeted customers segment - especially for sales of refrigerators and beverage cooler products, freezers, and online mobile phone airtime vending machines.
- In 2011, the Company received the “SET Awards 2011” for listed companies” in the “Best Investor Relations Award” category.
- In 2012, the Company achieved a total sales revenue mix of 60% for household consumers/ customers and 40% for commercial/small business customers, especially with sales of refrigerators/beverage coolers being the leading products followed by washing machines and air conditioners. The Company is still committed to further developing and growing the commercial/small business operators customer segment.
- In 2012, on 27 June 2102, the Company established the Singer Leasing (Thailand) Co., Ltd., with a registered and fully paid up capital of Baht 850 million, that received and took over and then operated the consumer finance business and hire-purchase services; whereby all the existing portfolio of hire- purchase customer accounts were transferred from Singer Thailand Pcl.
- In 2012, on 7 September, 2012, the Company changed and registered the name of the Singer Industry Co., Ltd. to be Singer Service Plus Co., Ltd., with a registered capital of Baht 5.0 million, so as to operate the core business of providing quality after sales services together with on-site repairs and maintenance services of all brands of electrical appliances and various other products at the consumers’ homes.
- In 2012, the Company received from the SET the “SET Awards 2012” for listed companies in the “Best Investor Relations Award” category - again for the second consecutive year,
- In 2013, at the annual SET Awards event, the Company received from the SET the “Outstanding Investor Relations Award” - yet again for the third consecutive year.
- In 2013, on 19 December 2013, Singer Leasing (Thailand) Co., Ltd. increased its registered and paid up capital to Baht 1,450 million, with the Singer Thailand Pcl. having a 99.99% equity shareholding.
- In 2015, the majority Shareholder of the Company was Singer (Thailand) BV., a legal entity registered in the Netherlands with an equity Shareholding of 40.0% during the year up to 4 June 2015. Then on 5 June, 2015, Singer (Thailand) BV sold all its shares, with Jaymart Pcl., a legal entity registered in Thailand purchasing 24.99% of the Company’s shares; whereby this then resulted in Jaymart Pcl. now becoming the majority Shareholder of the Company.
- On 18 December, 2015, Singer (Broker) Co., Ltd. implemented a capital increase; whereby its current total registered and paid up capital is now Baht 4.0 million (with a total of 40,000 ordinary common shares at a par value of Baht 100.00 per share); whereby Singer Thailand Pcl. has a 99.99% equity shareholding.
- On 25 July, 2016 the Company changed and registered the names of 3 Subsidiary Companies as follows;
 - Singer Leasing (Thailand) Co., Ltd. to be SG Capital Co., Ltd.
 - Singer Service Plus Co., Ltd. to be SG Service Plus Co., Ltd.
 - Singer (Broker) Co., Ltd. to be SG Broker Co., Ltd.
- In 2016, The Company received the “Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the fourth time.

- In 2017, SG Capital Co., Ltd., the subsidiary of Singer, started the new business, Rod Tum Ngern (making money vehicles) in the first quarter by providing credit and financing service to customers, both legal business entities and individual consumers through making use for their vehicle ownership licenses in being pledged as a collateral for personal loans with the Company; whereby vehicles licenses that are accepted as a collateral can be for passenger cars, commercial cars as well as large 6 or 10 wheels trucks.
- In 2019, the Board of Directors of the Singer Thailand Pcl, approved a resolution on 27 February 2019, to implement a capital increase of not more than Baht 432 million, through the issue of 432,000,000 new ordinary shares with a par value of Baht 1.00 per share that will be used in a Right Offering to existing Shareholders at the rate of 5 existing shares to 4 new shares at the price of Baht 4.89 per new shares . As such a total of 216,000,000 ordinary shares with a par value of Baht 1.00 per share will be allocated for this Rights Offering, together with another 108,000,000 new ordinary shares for supporting the redemption of the previous issue of Singer WARRANT -1 warrants as well as another lot of not more than 108,000,000 new ordinary shares for supporting the redemption of the previously issue of Singer “SINGER - W2 warrants. These Singer Warrants will be redeemed for new ordinary share at the rate of 2 warrants for 1 new ordinary shares.
- On 22 April, 2019, the Company received a total of Baht 643 million from the issue of new ordinary shares and allocation of 131,505,235 new shares issued for the capital increase with a par value of Baht 1.00 per share; whereby the Company then registered the change in its registered capital from Baht 270,000,000 to Baht 702,000,000 with a paid up capital of Baht 401,505,235. The Company also registered a change in its shareholding structure; whereby Jay Mart Pcl., its majority Shareholder with a 24.99% shareholding now holds a total of 30.26% equity in the Company as a result of this capital increase.
- In 2019, The Company received the “Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the fifth time.

Subsidiary Companies



•• SG Capital Co. Ltd. (SGC)

The full 100% of the shares of SG Capital Co., Ltd. (SGC) is held by Singer Thailand Pcl.. SGC started its operations on 27 June, 2012 under the name of Singer Leasing (Thailand) Co., Ltd., with a registered and fully paid up capital of Baht 1,450 million and with its registered office at 72 CAT Telecom Tower, Floor 17, Charoen Krung Road, Bangrak, Bangkok, through the transfer of the hire-purchase loans business together with all the associated loans receivables portfolio assets from Singer Thailand Pcl., so as to then operate the hire-purchase loans business thereafter. As such, this complete transfer of the hire-purchase loans business was approved by a resolution of the Board of Directors of Singer Thailand Pcl., at the Board Meeting held on 26 November, 2012; whereby SGC was to undertake the hire-purchase loans services for various home appliances sold under the SINGER brand. SGC was also assigned to expand its loans services for other brands of home appliances together with other loan products to be offered to existing Singer Thailand and also non-Singer Thailand customers in the future, so as to grow its business on a sustainable basis.

On 25 July, 2016, the Company's Board of Directors approved a resolution to change the company's name from Singer Leasing (Thailand) Co., Ltd., to be Singer Capital Co., Ltd., (SGC); whereby only the name of the corporate entity was changed.

So as to acquire only quality customers with positive credit worthiness, SGC became a full member of the National Credit Bureau Co. Ltd. on 23 January, 2013; whereby members can undertake a full credit check of individual persons or corporate entities.

SGC has the following strategies for its business operations

1. Being “Customer Centric”, through having an insight into and full understanding of the customer’s needs and then offering various loans services that genuinely address those needs;
2. Being at the customer’s “Top of Mind”, through focusing on employing quality people, and creating teams with a Service Mindset so as to provide the best customer experience and then to have them refer SGC’s loans services by word of mouth;
3. Not competing on pricing;
4. Closely monitoring the quality of its debtor customers; and establishing a target maximum NPL limit for each type of loan products.

SGC offers credit services to general consumers and to SME businesses with the following 3 loan products:

1. SINGER Hire-Purchase of home appliances

SGC provides loans for purchases of SINGER home appliances sold by Singer Thailand Pcl. to customers wishing to buy home appliances on a hire-purchase basis, through making an agreement to be a hire-purchase customer of SGC. Hire-purchase loans applicants must pass the credit scoring criteria determined by the Company; whereby hire purchase loans can be obtained for 12 to 36 months.

The loans services offered are divided into 3 categories of products as follows:

- a) Home Appliances; such as: refrigerators, washing machines, TV’s, and water purifiers;
- b) Commercial (Get Rich) Machines or Appliances; such as: petrol vending machines, washing machines, freezers, coffee making machines, online mobile phone airtime vending machines; and
- c) Mobile phones.

Target Customers:

The target customers for home appliances and mobile phones loans are those general consumers living throughout Thailand, who wish to buy these products on a hire-purchase basis with low monthly payments and friendly credit services; whereby the majority of customers have low monthly income, or who are farmers without have any regular income documentation and cannot access credit given by other financial institutions.

The target customers for the Commercial (Get Rich) Machines or Appliances loans are those operators of small and medium enterprises within local communities; such as: general retail stores, food service outlets, apartments for rent; as well as medium business operators wishing to provide various convenient consumer appliances for their staff and employees.

Sales and services channels, and selling process:

SGC offers loans to those consumers or purchasers wishing to buy products offered on a hire-purchase basis, with the loans service being sold via the sales representatives of Singer Thailand Pcl., who are deployed throughout the country. The sales representative will offer the loans services and the associated terms and conditions; whereby the Credit Approval Center will undertake the credit check of the applicant’s credit worthiness. Upon the loan application being approved, the customer will become a hire-purchase customer of SGC, to whom the loan repayments will be made.

Farmer Model

From March 2018 onward, SGC revamped its selling business model so as to make the actual seller of the products to be responsible for looking after the loans customer and for collecting the loans repayments - or what is called the Farmer Model. Under this new selling business model, the appliance seller has the responsibility of monitoring and collecting the installment repayments or for chasing the customer to make timely installment repayments via the various available payments collection channels. In the event that the seller collects the repayment installment, the amount


collected has to be paid into the Company's bank accounts by the end of each day via the established company's mobile banking application.

Under this new business model, the compensation for the seller depended and fluctuated based on the quality of the loan repayments by the hire-purchase customers whom the seller is directly responsible to look after. This differs from the previous selling business model in which the seller receives only the product's sales commission without taking into consideration the quality of the customer's loans account.

Credit Approval Process

Applications for hire-purchase loans for home appliances and other products will be evaluated by the Credit Control Officer Centers, CCO, that is deployed in 10 locations throughout Thailand. This CCO operates under a special oversight committee (the Credit Operation Committee and Branch Operation Committee), that overrules both the credit or loans approval policies and procedures together with the training of the sales representatives.

2. Hire-Purchase / Leasing and Automobile Title-Backed Loans

SGC offers Hire-Purchase/HP/Leasing loans and Automobile Title-Backed Loan - or personal loans that have vehicle license ownership as a collateral of the the "Rod Tum Ngern"  scheme that was launched in June 2017, namely:

Business Policy

The core policy of the loan products is to be at the "Top of Mind" of SME business operators, who require credit services or loans that genuinely meet the needs of their small business activities, through having sales teams possessing relevant credit services experience and expertise together with being committed to providing excellent and speedy service.

Target customers and competitive strategies

1. Large business operators who are individual persons or juristic entities

The main credit service is an Automobile Title-Backed Loan product, with a credit limit of between Baht 10 - 30 million.

Competitive strategies:

- consider offering a credit line that is specifically suited and appropriate to each respective applicant's needs (or Customization);
- speed of services as well as of the process for credit approval and funds transfer;
- services being provided by the Area Manager and team of business relationship management specialists to large business operators, through clearly focusing on the loans products being offered and the straight forward terms and conditions, so as to build full confidence on the part of the customers.

2. Medium size business operators, who are individual persons or juristic entities

The main credit service is loans using a vehicle ownership license as a collateral, through a Sales and Lease Back loan product and also an Automobile Title-Backed Loan product, with a credit limit of between Baht 3 - 10 million.

Competitive strategies

- consider offering a credit line that is suited and appropriate to each respective applicant's needs;
- speed of services as well as of the process for credit approval and funds transfer;
- services being provided by the Branch outlet Manager and team of business relationship management specialists, who are knowledgeable about credit services and able to offer clear recommendations about the loans to be offered in a straight forward manner.

3. Small sized business operators and individual persons

The main credit service is a loans using a vehicle ownership license as the collateral, through a Sales and Lease Back loan product and also an Automobile Title-Backed Loan product, with a credit limit of between Baht 50,000

- Baht 3.0 million

Competitive Strategies

- speed of services as well as of the process for credit approval and funds transfer;
- providing credit services that are delivered by business relationship management teams, who are knowledgeable about the appropriate loans product, that is offered to the customer in a clear and straight forward manner;
- use a push marketing tactics in offering the credit services at the customer's workplace.

Sales and services channels and process

The teams of business relationship management specialists for the loan products that use a vehicle ownership licenses document as the collateral, are attached to 15 Branch Offices throughout Thailand, in order to provide associated services to loan applicants in every province - except the 3 Southern most provinces of Thailand.

Currently , SG Capital Co. Ltd. has received the Personal Loans Business License that is under the oversight if the Ministry of Finance, which will assure customers that the company will conduct its business in an equitable manner in accordance with the specific requirements of the Bank of Thailand with regard to its Market Conduct.

3. Loans for new machinery purchases (Captive Finance)

Business Model

SGC offers hire-purchase loans for the buying of machinery from the manufacturer or distributor/dealer, who are business partners of SGC; whereby a MOU is executed with regard to the terms and conditions for buying back the machinery purchased in the event that the borrower defaults on repayments or is not able to repay the loans any more.

Target customers:

The target customers for this Captive Finance product consists of 2 groups, as follows:

1. Machinery Distributors/Dealers

The Distributors/Dealers targeted by SGC are the manufacturers or the distributors/dealers, who import machinery for sale to various industries, such as: the metal industry, printing industry, large scale embroidering or decorating machinery, and automotive assembly industry for ordinary and electric vehicles.

2. The machinery users or the borrower in the hire-purchase loans

Individual persons and corporate entities targeted by SGC are those buyers of such machinery on a hire-purchase basis, who are selected by the machinery distributors/dealers that are SGC's business partners, as being buyers with a good potential to make use of the purchased machinery sold by the distributors/dealers; whereby SGC will be responsible for another credit checking process of the loan applicant in accordance with the criteria established by SGC.



● SG Service Plus Co., Ltd. (SGS)

SG Service Plus Co. Ltd. is a Subsidiary Company, in which Singer Thailand Pcl. has a 99.88% shareholding, started operations on 7 September, 2012.

SG Service Plus Co., Ltd., (SSPL), Business License No.0105504001951, with a total registered capital of Baht 5 million and its registered offices at 8, Moo 4, Samkok -Sena Road, Bangnomkho, Amphur Sena, Pranakon Sri Ayutthaya Province 13110, operates after sales services for the installation, repairs, and maintenance of all types and brands of electrical appliances together

with selling the associated accessories or spare parts under the control of Singer Thailand Pcl. As such, the company aims to be a top-quality provider of after sales services just like your immediate neighborhood appliance repairman. The company changed its corporate name on July 25, 2016; whereby the company's Board of Directors passed a resolution to change the company's name from Singer Service Plus Co., Ltd., (SSPL) to be SG Service Co., Ltd., (SGS), through changing only the company's name.

In 2018, the company undertook various proactive initiatives and focused on providing speedy services through investing in a new 'application' that enables the customer to monitor and check, in real time, the status of the repairs service; together with implementing a program to support the repair services and sales of accessories corresponding to this new 'application'. Additionally, the company also expanded the scope of its maintenance and repairs services coverage to include large engineering projects as well as bidding for work relating to Government projects, industrial projects, and hotel and resorts projects. As such, the company has expanded its sales revenue channels; such as: undertaking the electrical system wiring work for buildings, laying down the wiring for a LAN network system or a telephone system, buildings improvement and repair work, and installing exhibition booths or stalls; as well as selling genuine spare parts and accessories for SINGER products and also for all other brands of electrical appliances.

With regard to its human resources development, the company has trained and developed its technicians to achieve various standards of technical skills competence - namely: building electrical technician level 1 program and air conditioning technician for small sized commercial air conditioning systems level 1 program - so as to comply with the applicable legal and regulatory requirements of the Department of Skills Development, Ministry of Industry. The company also undertook new products training courses on a continuing basis; as well as created a new generation of technicians to replace older technicians through collaborating, under a bi-partisan MOU to undertake vocational teaching activities, with vocational schools in the Central and Southern provinces of the country.

With regards to the HOTLINE 0-818-404-555 service at its Service Center together with the coordination and assignment of work to technicians, the company covers all areas and all provinces through having 156 technicians operating from the established network of 190 Branch Offices of Singer Thailand Pcl., so as to enable SGS to provide its services throughout the country in a comprehensive manner.

SG BROKER

• SG Broker Co., Ltd.

SG Broker Co., Ltd., operates as an agent in the direct selling of both life and non-life insurance policies, through the network of the sales representatives of Singer Thailand Pcl., and the subsidiary companies, who have the applicable insurance brokerage license. The only activities relating to life insurance business involve following up on the payment of the applicable premiums on the current active policies; whereby the insured party sends in the premiums payments directly to the Muang Thai Insurance Pcl. While for the non-life insurance business undertaken together with the non-life insurance business partners, involves those business partners developing new insurance products/the appropriate insurance coverage terms and conditions that correspond to the premium payable for those group of customers who have placed their vehicles as a collateral for loans from SG Capital Co., Ltd.

SG Broker Co., Ltd. effected a capital increase on 18 December, 2015; and currently has a registered and paid up capital of Baht 4 million (with a total of 40,000 shares at a par value of Baht 100.00 per share), whereby Singer Thailand Pcl. has a 99.9% equity shareholding. On 25 July, 2016 the Board of Directors of the Company resolved to change and register the name of Singer (Broker) Co., Ltd. to be SG Broker Co., Ltd. (SGB), whereby changed only the name of the juristic person.

Relationships between the Singer Thailand group and the majority Shareholding group

Singer Thailand Pcl., and the Companies within the Group has agreed to cooperate in conducting business with Jaymart Pcl. and its Group of Companies, that is now a direct majority Shareholder of the Company. The Company has undertaken various business operations with Jaymart Pcl. as necessary and appropriate within the framework as specified by the Company's Board of Directors, such as: selling mobile telephone products and accessories that are purchased through Jaymart Pcl., at the best possible prices from manufacturers of the best quality and brands. The sales activities of mobile telephone products are aimed at enabling the Company to expand its customers base as well as to increase its overall sales revenues on a continuing basis, as well as to enhance the creditability for the products offerings of the Company. Additionally, the Company has outsourced some debt collections activities to JMT Network Services Pcl., under an agreement to provide debt collections and follow-up services for specific categories/ groups of debtors as agreed; whereby the Company is required to pay debt collections services fees as specified in the outsourcing services agreement that is valid for 1 year effective from as of 29 September, 2017 to 28 September 2018.

Corporate Objectives and Long Term Goals

Singer Thailand Pcl. (the "Company") is the distributor and seller of SINGER brand products, such as sewing machines and various household electrical appliances. Additionally, the Company also distributes and sells commercial machinery and equipment, such as: coolers, freezers, agricultural tools and equipment, online mobile phone airtime vending machines, petrol vending machines, slush ice making machines; as well as being a dealer for various brands of mobile phones and associated accessories. The Company is also a provider of consumer and commercial loans relating to hire-purchase/leasing together with a captive finance for the purchase of machinery and equipment and also automobile title-backed loans. This is in order to address and meet the needs of consumers and commercial customers in a more comprehensive manner, as well as to expand the overall customers base as much as possible together with spreading the overall business risks of varied targeted customers in each respective borrower group, and also to enable the achievement of the Company's established business goals and targets.

As such, for 2020 - 2023, the Company has set targets in growing its total revenues at 50%, 30% and 30% year-on-year respectively, from the increased sales of its core business, together with moving forward in the continuing to expand its Singer franchise business or its Branch Outlets network so as to access consumers at the Tambon level. Currently, Singer Thailand has a total of 1,115 Branch Outlets covering a total of 763 Tambons located in 475 Amphurs (or Districts) throughout the country. With regard to the personal loans using vehicle ownership licenses as a collateral, it remains a "star product" that will support the ongoing positive and robust business growth of Singer Thailand in terms of achieved total revenues and profits. Furthermore, subsequent to receiving the Personal Loans Business License from the Bank of Thailand, the Company is also developing and preparing to launch new products together with expanding its team of sales representatives.



Business Operations of the Company

Singer Thailand Public Company Limited is the distributor of products and appliances under the ‘SINGER’ brand, such as: sewing machines and various electrical home appliances. Additionally, the Company distributes various appliances for commercial use, such as: beverage coolers/refrigerators, agricultural equipment and tools, mobile phone airtime vending machines, petrol vending machines and slush ice machines. These products and appliances are aimed at meeting the needs of household consumers together with small local business/commercial operators.

Direct sales of these products and appliances, on a hire- purchase installment basis, are made through the network of over 5,000 Singer sales representatives, who are dispersed over more than 167 branch outlets located throughout Thailand; whereby this results in that the Company having a sales network covering all provinces in Thailand to distribute its sewing machines, electrical home appliances, and also various appliances for commercial use.

SINGER products and appliances can be divided into 2 major categories as follows:

Household electrical appliances

- Sewing machines and accessories (ie: sewing machines, sewing needles, general lubricating oil in drip bottles and scissors;)
- Home appliances: refrigerators, washing machines, gas stoves, and air conditioners;
- Audio and Video products: Flat screen LED TVs, Smart TVs , and home theatre systems.

Commercial Appliances

- Coolers: freezers, beverage coolers, wine cooler cabinets, bakery freezers and slush ice machines;
- Vending machines: mobile phone airtime vending machines, petrol vending machines and drinking water vending machines.
- Agricultural equipment and tools: water pumps, and rice milling machine.

On 5 June, 2015, the Company underwent a major change in its shareholding structure, whereby the former majority Shareholder group, SINGER (Thailand) B.V., with a 40% equity shareholding, sold all of its shares. Thereafter, Jaymart Pcl., a Thailand legal entity, became the new majority shareholder with a 24.99% equity shareholding, which then changed to 30.26% after the subscription to a capital increase of the company in 2019. In 2016, the Company also launched the sales of mobile phone products through the Company’s distribution channel, in the form of direct sales through Singer shops and the Singer sales network. As such, the Company has changed its products sales and distribution procedures together with its collections processes, corresponding to and in support of the required distribution of mobile phones and accessories products that were different from those procedures used in selling home appliances, which was was previously the core business of the Company

Additionally, the Company also benefited from the debt collection services business operations of the associated JMT Network Services Pcl., in the managing and servicing the Company’s hire-purchase customers’ accounts with overdue installment payments.

This major change in the Company’s shareholdings structure and business operations structure is a key turning point for Singer’s overall operations in Thailand; whereby it is now a combination of the strengths of the new majority Shareholder group together with those of the Company, so as to effectively enable and support future business growth.

Therefore, the distribution of the Company’s products from the last half of 2015 onwards has changed dramatically from formerly distributing and selling mainly ‘Singer’ branded products and appliances in cash and also on a hire-purchase basis to now having 3 core business groups - namely: household electrical appliances, commercial appliances and equipment, and various other additional products and brands - such as, Samsung, OPPO, Huawei, Vivo and other smart mobile phones and associated accessories.

The Company offers hire-purchase installment sales through SG Capital Co., Ltd., a Subsidiary Company in which Singer Thailand Pcl., has a 99.99% equity shareholding; whereby the direct sales activities are made through the Singer branch outlets network, sales staff and sales representatives, and also through the authorized dealers located throughout Thailand. The majority of products and appliances distributed and sold by Singer Thailand are outsourced for production, on an ‘Original Equipment Manufacturer (OEM)’ basis, mostly by quality local manufacturers.

Revenues Structure of the Company (including interest income)

The overall sources of revenues, as shown below, are separated by geographical areas as well as by types of products and appliances:

(in Baht Million)

Value of Total sales in Thailand/ Export by products/appliances category	2019	%	2018	%	2017	%
Washing Machine	326,843	14	292,738	12	151,549	8
Refrigerator	206,631	9	224,038	9	121,679	6
Freezer	364,154	16	306,290	12	221,140	11
Television	326,995	14	528,652	21	168,317	9
Sewing Machine	31,400	2	185,020	7	45,837	2
Air Conditioner	284,852	13	221,955	9	249,328	12
ATVM	120,934	5	230,174	9	367,498	18
Petrol Vending Machine	220,914	10	114,104	5	227,418	11
Mobile Phone	31,077	1	226,738	9	240,380	12
Sub Total	1,913,800	84	2,329,709	93	1,790,146	89
Other products sold	368,985	16	193,930	7	220,941	11
Total Export Sales	-	-	-	-	-	-
Total Sales & Interest Income	2,283,785	100	2,523,639	100	2,011,087	100

Note: The Company conducts sales operations business only through one core business unit, as well as only in Thailand; and as such no other financial information is disclosed by separate or for other business units

Revenue structure of Singer Thailand's (STL) Subsidiary Companies

(In Baht million)

Business Activity/Category	Operating under	% Equity shareholding by STL	2019	%	2018	%	2017	%
Income for Sales								
Singer Thailand PCL. (STL)	STL	100.00	1,529,385	58.6	1,876,283	65.0	1,375,775	58.2
Income-Interest hire-purchase installments								
- SG Capital Co., Ltd. (SGC)	SGC	99.99	753,400	28.9	647,356	22.4	635,312	26.9
- Singer Thailand PCL. (STL)	STL	100.00	-	-	-	-	-	-
Income from services								
- Singer Thailand PCL (STL)	STL	100.00	66,003	2.6	80,777	2.8	192,646	8.2
- SG Service Plus Co., Ltd. (SGS)	SGS	99.88	8,516	0.3	17,951	0.6	16,799	0.7
Income from life insurance policies brokerage								
- SG Broker Co., Ltd. (SGB)	SGB	99.99	3,160	0.1	5,178	0.2	3,396	0.1
Other income								
- Singer Thailand PCL. (STL)	STL	100.00	37,003	1.4	126,126	4.4	52,745	2.2
- SG Capital Co., Ltd. (SGC)	SGC	99.99	206,967	7.9	128,862	4.5	83,978	3.6
- SG Service Plus Co., Ltd. (SGS)	SGS	99.88	5,875	0.2	5,259	0.2	2,622	0.1
- SG Broker Co., Ltd. (SGB)	SGB	99.99	58	0.0	232	0.0	132	0.0
Total			2,610,367	100.0	2,888,024	100.0	2,363,405	100.0

Market situation and Competitive environment

(a) Marketing Policies and Activities and Competitive Strategies

The Company deploys a strategy of direct selling on a hire-purchase installment basis together with cash sales. As such, all hire-purchase installment sales are undertaken through continuing strict regulations so as to minimize any possible losses as much as possible. All products and appliances sold by the Company are of good quality that are on par with or even better than comparable products sold by other manufacturers, as well as with regard to selling prices on a cash purchase basis being the same or similar as other brands. The Company's customers base is mostly made up of provincial households and residents; whereby the Company has 2 main sales systems, as follows:

1. "Singer direct retail sales" to consumers through the network of Singer sales staff and representatives, and
2. Wholesales through its network of authorized dealers/distributors, together with 'group sales' that focus on selling sewing machines and associated accessories, freezers, beverage coolers, wine cooler cabinets, and other small home electrical appliances.

With regard to the core product groups (such as: home electrical appliances - especially refrigerators and TVs) that already have a high ownership rate or market penetration together with a low growth potential, the Company has implemented a 'used-products trade in' strategy that covers all brands of such products. This is in order to increase both the market base and total sales revenues; whereby this strategy is also applicable for all brands of home electrical appliances (such as, washing machines and coolers/freezers). The Company has also developed new products and appliances to meet the needs of various customer groups, as well as has continuously improved the overall quality of its products.

Additionally, the Company has continuously launched new products, with the objective of targeting and increasing overall market coverage to include more small business operators (such as: community 'show huay' shops or retail outlets, food service outlets, and coffee shops, as well as apartments, students apartments), by offering various commercial products and appliances (such as, mobile phone airtime vending machines, petrol vending machines, and slush ice machines) that will help increase both the competitive capability and potential revenues of these small business operators.

Distribution/Sales Channels Strategy

The Company sells through the Company's own operated Singer Branch retail outlets, of which there are 167 in total located throughout the country as at the end of last year. There are also more than 5,000 sales staff. The Company also holds training courses for its branch outlet sales staff so as to give them a good level of product knowledge and understanding; whereby these sale staffs are an important driving force in expanding the Company's market base. Approximately 90% of total sales are made on a hire-purchase installment basis; whereby the Company provides this hire-purchase financing service through SG Capital Co., Ltd., a Subsidiary Company in which the Company has a 99.9% equity holding.

With regards to controlling the overall quality of the customer hire-purchase installments accounts, SG Capital Co., Ltd., carries out a thorough credit check of these customers as well as their eventual accounts - both at the pre-selling and post-sales stage; whereby the established Credit Control Office verifies and approves all hire-purchase customers before the sale is made. The credit approval process includes making use of the Company's own internal customers' database as well as checking with the database of the National Credit Bureau. While post-sale checking involves the Account Checker monitoring and reviewing the accuracy of the customer's hire-purchase account details, in order to ensure whether or not the account corresponds exactly to the approved credit limits and conditions; or making actual visits to the customer's home. Currently, there are more than 100 Account Checkers responsible for reviewing all hire-purchase customer accounts, through working under the direct control of as well as being monitored by the Credit Control Department.

Industry trends and the competitive environment

With the current overall economic situation and trends for 2020, a GDP growth of -2% from 2019 is forecasted (based on the latest distributed announcement by the Bank of Thailand) due to the ongoing novel corona virus crisis resulting with a significant downturn and slowdown of the tourism industry and total exports as well as from the upcoming drought crisis and the delayed legislative approval of the 2020 Government budget. Further, there is slowdown in imports of machinery and equipment from China as a result of shortage of Chinese manufacturing manpower resources amidst the corona virus in China.

Hire purchase business for electrical products and appliance

The hire purchase services business in Thailand is divided into 2 major groups, with each having different customers base and characteristics; ie:

The first group consists of these major players: Ayudhaya Capital Services Pcl., (Krungsri First Choice) and AEON Thana Sinsap (Thailand) Pcl., with each offering consumer financing for various other products apart from electrical appliances, such as: telecoms products, office equipment, home furniture, motor cycles, and automobiles; whereby they provide the hire-purchase loans and purchasing loans services through all their dealer retailer shops.

The second group focuses mainly on durable products with a long lifecycle together with household electrical appliances; whereby, currently, only Singer Thailand Pcl. uses a direct sales and marketing approach for hire-purchase installment sales through its own network of branch outlets as well as sales representatives and debt collectors.

Given that household electrical appliances (such as: TVs and refrigerators) already have a high ownership rate and market penetration and, thereby, a low potential market growth, the Company Management views that market growth can be achieved through implementing a 'replacement market' and associated 'trade in' marketing strategies by offering that all types and brands of used home appliances can be traded in for new SINGER products or appliances, together with a possible 'cash back' payment of up to Baht 1,000 - 5,000 per appliance. Further, such trade in transactions to purchase new appliances can be made on an easily affordable hire-purchase installment plan, together with benefiting from Singer Thailand's quality after-sales services through its nationwide network of branch outlets. This approach is aimed at the Company being able to achieve increased sales of all the products and appliances that are sold and distributed by the Company.

Sewing Machines

Many manufactured consumer products used in everyday life (such as: shirts, blouses, trousers, skirts, dresses, bags, shoes, bed sheets, pillow cases etc.) all need sewing machines in their production process. Therefore, various types of sewing machines are widely used for large scale manufacturing as well as for medium and small-scale production together with general sewing machines for home use.

The sewing machines market consists of 2 segments: industrial sewing machines used to manufacture everyday consumer products on an industrial scale; and well-known brands of sewing machines that are used for sewing clothes in the home (such as: Singer, Janoma, Elvira, Brother, and Juki) together with other various low-end brands and inexpensive machines imported from China to compete in this market.

Sewing machines are very durable appliances, with a considerably long -life cycle, depending on the proper usage and upkeep. Currently, there is a growing demand for sewing machines; especially those using new technology and modern applications that make them into a 'computerized' sewing machine and that are more efficient and productive as well as being modern and compact. These modern appliances can be used at home to make uniquely designed or handcrafted sewn products, as well as are popular and appropriate in the age of "Do it Yourself" (DIY) trends.

Important Changes in the Competitive Environment

At present, there are many large banking companies in Thailand offering consumer finance services together with credit card companies, such as; General Card Services Co., Ltd., Krungsri Ayutthaya Pcl.(KCC), Krungthai Card Pcl., (KTC),and Citi Consumer Products Co., Ltd. (CitiBank card). While there are also ‘non-bank’ companies that include AEON Thana Sinsap (Thailand) Pcl. (AEONTS card), Krungsri Ayudhaya Capital Services Co. Ltd. (Krungsri First Choice card - KFC), and Easy Buy Pcl., (Easy Buy card), that are all focused on offering hire-purchase installment services and personal loans; and also Singer Thailand Pcl. (SINGER) that is focused on providing only hire- purchase installment services of products and appliance for more than 130 years.

These non-bank companies can be divided into 2 groups, each with respectively different business models and marketing focus, such as AEONTS, EASY BUY and Krungsri First Choice that focus on hire-purchase installment services and personal loans for customers with good credit history and a monthly income of not less than Baht 4,000. While Singer Thailand targets grassroot provincial customers, living in the provinces and rural areas, and who work mostly within the agricultural sector.

Competition among these companies are based on deploying different business models; whereby the first group (ie: AEONTS, KFC and EASY BUY) compete on offering speedy credit approval and the interest rate charged. While companies in the second group, that target customers in the provinces with an agricultural-based livelihood, compete on establishing and building long term relationships with their customers living in local provincial communities through offering good pre-sales and after sales services. Moreover, such direct sales strategies must also keep in mind the ongoing needs of their customers through continually offering new services and also new products that exactly meet their customers’ ongoing requirements. These companies conduct direct sales business operations, combining the cost of funds together with the costs of both pre-sale and after-sales services in calculating the charges to be made to the customer.

Competition among these companies are based on deploying differing business models. The first group (ie: AEONTS, KFC and EASY BUY) compete on offering speedy credit approval and the interest rate charged; while companies in the second group, that target customers in the provinces with an agricultural-based livelihood, compete on establishing and building long term relationships with their customers living in local provincial communities through offering good pre-sales and after sales services. Moreover, such direct sales strategies must also keep in mind the ongoing needs of their customers, through continually offering new services and also new products that exactly meet their customers’ ongoing requirements

Sourcing Products and Appliances

After 2002, the Company changed from ordering its sewing machines from Singer Industry (Thailand) Co., Ltd. to outsourcing the manufacture of imported complete sewing machines from overseas manufacturers and suppliers, since importing complete sewing machines was less expensive than the total cost of local assembly from imported sewing machine component kits. These complete products, purchased from overseas manufacturers, account for approximately 3% of the total value of the product range and revenues of the Company.

As for other electric appliances, the Company also outsources these products from quality manufacturers on an Original Equipment Manufacturer (OEM) basis; namely from the following domestic home appliances manufacturers and suppliers of SINGER branded home appliance products:

1. Haier Electronic Pcl. - for refrigerators and air conditioners
2. Panasonic Appliance Cold Chain (Thailand) Co., Ltd. - for wine cooler cabinets
3. Lucky Flame Co., Ltd. - for gas stoves
4. ADT On-Line Co., Ltd. - for mobile phones airtime vending machines and petrol vending machines
5. Softway Commercial Co., Ltd. - for slush ice machines, ice making machines and ice-cream making machines

6. Sanden Intercool Thailand Public Co., Ltd. - for freezers and beverage coolers
7. PSI Corporation Co., Ltd. - for water purifiers
8. Family Corporation Co., Ltd. - for rice cookers, convection ovens and electric fans

Additionally, apart from offering SINGER branded electrical products and appliances, the Company also collaborates with Jaymart Pcl. in distributing and selling several brands and models of smart phones/mobile phones and associated accessories, which enables the Company to expand its customer base to include new customer groups.

Environmental Impacts

The Company fully recognizes the importance for the need to conserve energy usage as well as to protect the environment; and, therefore, has actively campaigned and promoted the use of 'energy-efficient' electrical products and appliances as one of its many corporate social responsibility related activities.

As such, the Company has continually developed new energy-efficient electrical products and appliances; whereby all electrical products or appliances distributed and sold by the Company are quality certified and carry the "No. 5 electricity energy-efficient" emblem. Furthermore, all SINGER refrigerators have been developed to use cooling refrigerants that do not harm the environment or destroy the world's ozone layer - namely: "NON CFC" and "C-Pentane" that have '0-level certification' with regard to destroying the ozone layer.

Since the Company does not have its own products or appliances manufacturing facilities, it makes use of Original Equipment Manufacturers (OEMs) that have quality production processes; as well as specifically avoids any manufacturers with low quality products. This is achieved through continually having a products Quality Assurance Unit that checks, screens and selects those products possessing only the established required quality standards; as well as through the Company selecting only those OEM companies that also give importance to environmental impacts and other associated issues as mentioned above.

The Company is fully committed to conducting its businesses based on good quality operating standards for the maximum benefit and interest of society together with those of the consumers on continuing basis.



Risk Factors

Overview of the Company's Risk Management Activities

In order to be aware of the various potential risks that may impact the Company's ongoing business operations, the Company has determined principles and operating procedures guidelines regarding the management of risks; as well as has undertaken regular reviews together with improving the established procedures on a continuous basis. This is to enhance the Company's operational standards and preparedness in facing any potential risks that may occur in the future. As such, the established principles and operating procedures for managing risks together with the potential risks that may occur and impact the Company's ongoing business operations can be summarized below as follows:

- **Principles of Risk Management**

The Company manages various risks relating to the many aspects of its business operations; namely: managing risks relating to customer hire-purchase accounts; managing risks relating to the targeted market segments; managing risks relating to financial liquidity; managing risks relating to the business operations; managing risks relating to human resources; and managing various other potential risk factors - such as: natural disasters (ie: floods, earthquakes or tsunamis). As such, the Company adheres to the following key principles of risk management:

- **Having joint responsibilities and active participation by both the respective operating Business Units and involved Supporting Departments in managing the relevant risk factors:** The Business Unit responsible for undertaking the operational activities where the risks may occur is directly responsible for the continuous management of those risks, so that the degree of those risks are managed and minimized to an acceptable level as appropriate to the respective targeted financial gains and benefits. At the same time, the involved Supporting Department has the responsibility to support and assist the Business Unit so as to be able to jointly achieve the set targets and objectives, and to being jointly responsible for managing those operational risks together with the Business Unit in an effective manner.
- **Having the overall management and control of risks undertaken independently by an autonomous group:** A corporate Risk Management Committee has been established as a separate and independent internal unit, reporting directly to the Audit Committee; whereby various risk management working groups or teams will be set up, comprising of the various respective "risk owners", who will be responsible for jointly giving opinions and advice regarding various specific risks factors in an independent and credible manner together with proposing measures to control and manage those risks to be at acceptable levels.
- **Having clearly defined risk management policies:** The Corporate Risk Management Committee is directly responsible for determining the Risk Management Policies within the established framework and guidelines specified by the Company's Board of Directors.
- **Having a comprehensive management of all types of risks arising from the Company's business operations:** All the various types of potential external risks, that have been identified and expected to possibly arise from the business operations of the Company, are to be taken into consideration together with those risks that may occur internally within and at all levels of the organization.
- **Having an evaluation of the achieved results in managing and mitigating the identified risks for each operating Business Unit:** The operating Business Units will set up various "Risk Owner" Working Groups/Teams, to be responsible for evaluating their respective operational risks factors together with the effective operational results after having identified and assessed the respective risks and also the respective risk management measures implemented.

- **Risk Management Procedures**

In order to achieve a fully effective management of all risks within the organization, the Company has determined the Corporate Risk Management Procedures that consist of the following key processes:

- **Determining Risks:** This is the process of identifying various relevant risks in terms of the types and causes of those risks together with any associated issues regarding both the internal and external risks; whereby this includes the current risk factors being faced by the Company together with any expected potential new risks that may occur in the future.
- **Assessing Risks:** This is the process of assessing the identified and potential risks factors, through using various available risk assessment tools and methods as suitable and appropriate; whereby these processes must be regularly audited and approved, as well as reviewed within an appropriate timeframe.
- **Monitoring and Controlling Risks:** This is the process of monitoring and controlling that the risk management activities are in accordance with established respective policies, regulations and procedures as well as with the overall scope of the risks. This is to ensure that the risk management activities correspond to the Risk Management Policies and to the accepted level of risks as approved by the Board of Directors; whereby this will be achieved through monitoring and controlling activities that are undertaken on a regular and continuous basis.
- **Reporting Risks:** This is the process of reporting on all the various types of risks in a fully comprehensive manner; whereby the reported information must be appropriate and adequate so as to achieve the maximum possible degree of risk management effectiveness.

As such, so as to avoid possible financial losses and to support the various Business Units to be able to conduct their operations in a continuous and uninterrupted manner, these risk management best practices have been determined and designed to take into consideration the ongoing changes in the business operating environment - namely: both in a normal business operations mode and a crisis mode.

Risk Factors for the Business Operations of the Company/Group of Companies can be summarized as follows:

1. Risks relating to target markets and sales operations

Electrical appliances sales business

Due to the increasing competitiveness of this market after the establishment of the AEC Free Trade Area that has resulted in restrictions and large decreases of the import duties and also in many new overseas players entering the electrical appliances market coupled with the establishment of additional new sales channels - such as: online sales. These new market factors have created intense competition in the electrical appliances sales and distribution business, and enabled consumers to now easily access new sales channels like online sales; whereby this may impact the Company's sales operations and its total revenues. As such, the Company has then developed new sales channels like its franchised business activities, so that sales representatives can maintain ongoing customer relationships and also increase their customers base.

Car for Cash' loans business

Namely, the business of providing consumer credit with vehicle ownership licenses used as collateral that is currently a very competitive market, in which the trend is that there will be many, many players in the future due to the possible high financial returns depending on the marketing strategies deployed by each player to attract more customers than the other players - such as: rate of interest charged, length of installment payments terms, or speedy services and fast credit approval. However, based on the Company's policy regarding the car for cash business - namely: being the No.1 choice for SME business operators, who need credit services that genuinely meet their exact business requirements; the Company has, thus, clearly defined its targeted customer groups together with the associated competitive sales strategies so as to meet the targeted customer's needs through focusing on both speed and quality of services. This has then enabled the Company to greatly expand its customers base together with having specific operating practices and dedicated sales teams with direct relevant experience in this business.

Captive Finance

Namely, the business of providing hire-purchase loans services for customers, who purchase various machines, appliances and equipments, by the manufacturer or dealers/distributors of those machines, appliances and equipments. As such, the Company has established its sales teams with extensive experience and expertise in this business to look after and take care of its target customers, together with operating procedures and practices from the beginning to the end of the selling cycle and process; as well as has established business alliances with various importers of machinery, appliances and equipments, whereby they have signed an MOU which includes a key condition with the manufacturers that they agree to buy back the machinery, appliances or equipments.

2. Risks relating to the customer hire-purchase accounts

Given that the customer hire purchase account is the very heart and core of our business operations, the Company has, thus, determined and implemented a system of procedures and practices to manage this core loans portfolio, through separating and classifying this loans business into various types of loans accounts based on the specific machinery, appliance or equipment purchased so as to enable a more effective analysis of the relevant risks involved. As such, there are 3 main groups of such loan accounts: namely: 1. Electrical appliance hire- purchase loan accounts; 2. Car for Cash loan accounts; and 3. Machinery & Equipment hire-purchase loan accounts. From the data base, as at the end of 2019, the overall loans portfolio has increased year-on-year (YoY); whereby the electrical appliances hire-purchase loan accounts grew by 47% YoY, while the Car for Cash loan accounts came second in growing by 42% YoY and the Machinery & Equipment hire-purchase loan accounts grew by 11% YoY.

In operating a credit business and providing various types of loans, the Company has faced many challenges and risks relating to the quality of the borrowers, who may be delinquent on installment payments or default on their loan so as to become a bad debt. As such, in the past the Company has always endeavoured to control the level of bad debts (to be at an approximate average of 10%) as well as to manage the problem of fraudulent activities or misconducts by the staff.

Therefore, ever since 2016 the Company has established a sound system of internal control procedures and processes that have become more effective over the years; whereby the Company has changed the system for accepting loans repayments from its customers. So as to be more convenient to customers and also to prevent any fraudulent misconducts by its staff, the Company has changed from a system in which the sales representative collects the installment payments directly from the customer to a system of sending installment repayment slips to every customer, who are then able to make the installment payment via various payments channels - such as: at commercial banks or via the counter service system. However, if customers want the sales representative to collect the installment in person, the Company has established a 'mobile application' to allow and enable the sales representative to collect payments directly from the customer; whereby the sales representative is then required to send a SMS via this "app" upon receiving payments from customers so as to record that the customer's payment has been received; and this SMS message will be sent to the Central Credit Control Unit of the Company. The sales representative is then required to remit the payment to the Company at the end of every day. If this is not done, then the central Internal Audit Unit will send a reminder to the sales representative to send in the payment by the end of that day.

As such, financial damages and losses suffered by the Company as a result of fraudulent misconducts by staff members from 2015 to 2019 have totaled Baht 38.7 million, Baht 50.6 million, Baht 15.8 million, Baht 5.4 million and Baht 8.1 million respectively. The total loss of Baht 50.6 million in 2016 was due to the fact that the Company only implemented the installment repayments acceptance channels changes in October 2016. It can be seen that the Company has experienced greatly improved overall management and internal controls systems, which has resulted in significant decreases in financial damages and losses due to fraudulent misconducts by staff members. Further, the Company still has a policy to control such financial damages and losses resulting from fraudulent misconducts by staff members to not more than 0.1% of total revenues; whereby the Company has established procedures to undertake legal prosecution - in both civil and criminal courts - of whoever commits any fraudulent acts or misconducts; and after the initial judgment and verdict is given, the Company will closely follow up on the involved debt and also take further legal action to enforce the legal judgment in a comprehensive manner till the end of the case accordingly.

The abovementioned changes and improvements implemented to the operational practices and procedures has resulted in the overall level of bad debts to greatly improve, whereby as at the end of 2019 it was at 9.25 %; and the Company expects that it can still achieve continuing decreases in the levels of bad debts. Nevertheless, the Company still faces ongoing risks in the event that the overall level of bad debts increases in the future, which may then impact business operations; therefore the Company has determined various measures to manage such risks as follows:

1) Minimizing risks relating to the quality of portfolio of outstanding loans

- Determined measures and procedures to strictly control and oversee the loan accounts, starting from the initial credit scoring process, the monitoring and follow-up procedures, to the assessment process as well as the legal prosecution process in the event of payment defaults.
- For the electrical appliance hire-purchase loans accounts, there have been revised procedures through now using the ‘farmer model’; whereby the sales representative will participate in the being responsible for any installment payments default of his/her customer, through not only receiving a share of each and every installment repayment but also having a part of his/her sales commission deducted in the event of an installment payment default.
- For the vehicle for cash loans, a maximum of 60% of the assessed value of the vehicles (based on a used vehicle price evaluation) will given as a loan; whereby in the event of a payment default, the Company will make an assessment of whether the then current value of the vehicle used as a collateral will still cover any potential financial loss or at least mitigate any loss to be as small as possible.
- For the new machinery or equipment hire-purchase loans, the Company will make an agreement with the machinery/equipment dealer/distributor that, in the event of a repayment default by the customer, the dealer/distributor will buy back the machinery/equipment in question or will be responsible to repay the loan balance instead of the customer. As such, this will minimize the risks with regard to the flexibility in reselling any repossessed piece of machinery/equipment.
- The Company has established a working group with special expertise and experience in managing loan accounts that have missed payments or are in default, which is specifically responsible for managing problem loan accounts, with the authority to choose the best way of collecting the outstanding loans; whereby the primary objective of this working group is to improve the overall quality of the outstanding loans receivables assets, so as to eventually minimize the overall potential loan losses to the lowest possible amount.
- The Company has a working group responsible for selling any impaired loan accounts, based on the framework and operating guidelines as approved by the Board of Directors.

2) Resolving the problems of fraudulent misconducts by the staff

- There has been a complete revision of the set of working procedures, through the increased use and assistance of technology; such as: use of a centralized computer application in managing the extensive data base relating to granting credit approvals at the HO level instead of at the branch level, together with storing and maintaining all data in a central server instead of recording the data on paper that is then kept at the respective branches.
- There have been changes in accepting installment payments, through allowing customers to pay via the Counter Service payment and also via the Mobile Banking application platforms instead of paying cash to the sales representatives.
- With regards to the Good Corporate Governance aspects, the Company continues to stress on its existing policy of “Zero Tolerance” for any acts of corruption or fraud, that was initiated and has been continually implemented since 2010.

- In 2019, the Company has implemented internal audit controls and speedy monitoring in accordance with the established strict internal audit and controls procedures.

Financial Risks

The Company has the normal financial business operations risks, and have policies to manage such financial risks accordingly as per the details given below:

Risks relating to changes in the interest rates

The Company has a policy to borrow funds from commercial banks or other financial institutions and institutional investors; whereby there are inherent risks due to the fluctuating interest rates that are based on the situation in the capital and money markets. Therefore, the Company will not specify borrowing funds from only one particular commercial bank or financial institution, so as to spread out the risks and costs of funds over various sources of capital. As such, the majority of our capital funds come from the proposed issue of debentures that have a more stable rate of interest; whereby, as at the end of 2019, the Company has outstanding debentures with a total value of Baht 2,850 million (or equal to 79.98 % of our Total Liabilities. Apart from this, the Company has interest income from all the outstanding hire-purchase and other loan accounts that is growing every year in accordance with the increased overall growth in credits granted by the Company each year, resulting the increase in achieved profits gained from the overall rate of increase in interest charges booked each year.

Risks relating to maintaining various financial ratios

The business operations of the Company require borrowing funds from various sources - both commercial banks and other financial institutions as well as institutional investors. As such, the Company must comply with the terms and conditions of the loan agreements executed with the creditors regarding the financial ratios to be maintained. Given the increased financial and loan obligations, this has resulted in risks for the Company in being able to maintain the various financial ratio obligations - or debt covenants - to which the Company must comply as follows:

Financial Terms and Conditions	Financial Ratio to be maintained, according to the debt covenants with the financial institutions	Financial Ratio as at December 31, 2017	Financial Ratio as at December 31, 2018	Financial Ratio as at December 31, 2019
Debt to Equity Ratio (D/E Ratio)	NOT exceeding 3:1 times	1.22	2.34	1.52
Ratio of hire purchase loans accounts defaulting on more than 3 months installment payments/ total hire purchase loans accounts	NOT exceeding 10 %	11.66	10.48	9.25
Ratio of total hire-purchase loans to interest bearing debts	NOT less than 1.35:1 times	1.65	1.27	1.42
Current Ratio	NOT less than 1.50:1 times	4.78	1.25	3.71

The Company has negotiated with various financial institutions to review and revise the financial ratios that form the existing debt covenants to be more appropriate to the preset business situation; whereby the Ratio of Net Total Value of Hire-purchase Borrowers to total Interest -bearing Debts have now been revised in Quarter 4/2019 and the Company is able to meet this revised debt covenant as required by the financial institutions.

As such, the criteria as stated in the the rights agreement to issue debentures requires that Interest Bearing Debt to Equity Ratio does not exceed 3:1. Based the Financial Statements for the year 2017, 2018 and 2019, this Interest Bearing Debt to Equity

Ratio was at 0.82, 1.84 and 1.22 times respectively, there is the risk that the Company may not be able to maintain this required financial ratio as stated in the respective rights agreement to issue debentures.

Nevertheless, the Company has offered to sell an additional 131.5 million ordinary shares at a value of Baht 4.89 per share, through a rights offering to existing Shareholders. as of April 22, 2019, for which the Company has received the full proceeds from the sale of these new ordinary shares totaling Baht 643 million, resulting in the Total Shareholders' Equity, as stated in the FY/2019 Financial Statement, to be increased from Baht 1,523.76 million to Baht 2,343.54 million. And as such, the Total Debt/Equity Ratio has adjusted downwards accordingly. If there are new significant investments made, then the Debt/Equity Ratio will not increase upwards and will still remain within the financial ratio criteria as established and required by the financial institutions. Additionally, the Company has in place measures to maintain the Debt/Equity Ratio and the overall capital structure of the Company at an appropriate level.

Risks relating to foreign currency exchange rates

Risks relating to foreign currency exchange rates that arise will impact the Company's operations with regard to importing products and goods from overseas suppliers that account for not more than 3% of the total sales revenues of the Company; whereby currently the Company has a policy to mainly purchase products and goods from local suppliers. As such, there will be only a slight impact on the overall costs of goods sold for some imported products and goods, such as: sewing machines and accessories. However, the Company can minimize any such impact by adjusting the selling price in line with any increases in the cost price coupled with the decrease in import duties on sewing machines and accessories imported from China in accordance with the Free Trade Agreement (FTA) signed between the Thai Government and China, whereby the majority of imports are subject to an import duty of 0%.

Credit Risks

Namely, risks relating to customers and Business Partners being unable to repay the credit and loans granted by the Company upon coming due in accordance with the credit lines or loans agreements, which involve credit lines given to Business Partners as well as hire-purchase loans, car for cash loans and other short term loans granted to customers. As such, the Management group manages such credit risks through establishing policies and operating procedures to effectively controlling the credit approval process as appropriate. Thus, the Company does not expect any significant risks from granting credits lines and loans.

Additionally, there is no concentration of borrowers in any one area or market sector, since the Company's customers base is extensive and geographically varied. As such, the high level of credit risks are reflected in the prices of loans for the respective types of loans - trade receivables, hire-purchase account loans, loans with vehicle ownership licenses used as a collateral, and other types of consumer loans as stated in the accounts within the Statement of Financial Position of the Company.

Risks relating to products or services

Electrical Appliances: The majority of products sold by the Company consists of those products supplied under an OEM (Original Equipment Manufacturer) agreement with appliance manufacturers; whereby this arrangement requires relying on the experience and expertise of those suppliers, who are selected and who have their manufacturing management systems approved by the Thai Industrial Standards Institute (TISI). As such, the Company does not target any specific manufacturer, which would then result in a monopoly together with an advantageous bargaining power over the Company by only one supplier, so as to achieve the required costs of goods appropriate to the Company's business operations. Thus, procurement procedures and associated criteria have been established in selecting products suppliers for the Company, in order to ensure only those quality manufacturers possessing the required manufacturing standards are chosen, with consideration regarding the associated technological advancements also taken into account that will result in accessing products incorporating the most up-to-date technology. Additionally, the Company regularly manages its inventory on hand so as to ensure that, in the event of any products showing a decreasing stock movement and signs of not being in demand in the market anymore, the Company can then undertake a sales campaign - such as a special promotions, to quickly clear out such products from its inventory.

Other Financial Products - such as Car for Cash Loans or Hire Purchase of New Machinery or Equipments In order to ensure that other financial products or credit financing services developed and offered by the Company comply with the Government's legal requirements together with both the established appropriate risk assessment and operations management procedures, strict approval processes for these financial products and services offerings have been established by the Management and Board of Directors prior to being offered to customers. This also involves seeking additional advice from external legal experts as part of the decision making process by Management in the event of any possible legal issues arising - such as: required business licenses.

Risks relating to the overall financial liquidity of the Group of Companies

Risks relating to the ability to source sufficient funds needed for investments within the required time frame, which may then result in damages being caused to the Company; or risks in being able to source funds but only at a high interest costs, that may then affect both the profit & loss results and also the capital base of the Company.

Risks relating to the financial liquidity will originate from both internal and external factors; whereby the internal factors depend on the total assets base and its composition as well as on the level of total liabilities together with having sufficient reserve of liquid assets for use as and when required. As for the external factors, these mainly depend on the liquidity in the capital markets, interest rate increases and overall investors' confidence. The Company has, therefore, added new sources of capital funds - such as: issuing debentures, in addition to borrowing funds from financial institutions.

Additionally, there are also risks relating to fluctuating interest rates - both in borrowing funds and in giving credit services or consumer loans; since loans interest income is based on a fixed and flat rate while borrowed funds are based on floating interest rates. As such, in the event of any changes in the interest rates for borrowed funds, this will then affect the 'spread' between interest income received and interest costs paid.

As for risks arising from fluctuations in foreign currency exchange rates, this will have an impact on the Company's activities in importing products for sales from overseas suppliers; whereby such imported goods, on average, account for not more than 3% of the Company's total sales revenues, since currently the Company has a policy to mainly source products from local manufacturers and suppliers. Therefore, such risks relating to foreign currency exchange rates will only have a small impact on the Company's costs of goods for this small amount of imported products - such as: components and accessories for sewing machines. Nevertheless, the Company is able to mitigate and minimize the impact from such risks by adjusting selling prices upwards to correspond to the increased costs of goods, as well as by benefiting from the decreased import duties for sewing machines and accessories imported from China in accordance with the Government's policy in signing a Free Trade Agreement (FTA), which mainly charge an import duty rate of 0 %

Risks relating to compliance with the Government's rules and regulations on our business operations

Subsequent to the Bank of Thailand issuing operating guidelines relating to its oversight of the credit services business using vehicle ownership licenses as collateral, which will become effective as of Quarter 1/2019, this may affect our 'car for cash' business, which will need to obtain a business license within the required deadline. As such, the Company has already started the process to apply for the abovementioned business license through engaging legal consultants who are specialists and experts in applying for business licenses. While at the same time, the Company has determined associated operating procedures that are in accordance with the established Market Conduct principles and practices as announced by the Bank of Thailand, in order to be well-prepared to start operations in compliance with the appropriate and applicable laws and regulations immediately upon being granted the business license.

Risks relating to being sued by customers: The Company has complied with the applicable consumer protection laws and regulations as well as with the Civil and Commercial Code as applicable and appropriate - such as: with regard to loans agreements, interests rates charged, penalty interest rates and fees charged for any delinquent payments, and repossession of loan collateral assets. Additionally, the Company has determined applicable and appropriate criteria for considering and approving loan applications - from assessing the credit risk of the applicant regarding the ability to repay the loan together with assessing

the guarantor, so as to minimize potential loans repayment defaults; as well as has established operating processes for loans repayment and collections, for equitable repossession loans collateral assets in accordance with and corresponding to all applicable laws and regulations. As such, the Company is confident that there is minimal chance of being sued by our customers.

As for the petrol vending machines business, the Company must comply with the established laws and regulations of involved Government agencies - such as: the Laws on Weights and Measures Act that require an inspection of the equipment used for selling petrol to ensure that it meets the specified standards of the manufacturer before being used, and also that must subsequently be inspected every 2 years. The Company must also comply with the regulations of the Department of Energy Business, Ministry of Energy, which is involved in checking and ensuring that the petrol vending equipments meet the specified public safety standards of operations. As such, for these matters, the Company coordinates with the equipment manufacturers and the relevant Government Agencies involved, so as to correctly comply with these operational regulations. In the event that there is a need to correct or rectify any deficiencies, then such corrective actions will be taken immediately, so as to prevent and be protected from the risks in breaching any specified operating regulations

Risks relating to the collaterals or guarantees for the loans business

Risks relating to the loans agreement and associated collaterals or guarantees given, or to losses resulting from the collateral assets for the car for cash loans and for the machinery/equipment hire-purchase loans in the event that the collateral assets given disappear or are lost and cannot be located or is damaged; whereby this will negatively affect the business. As such, the Company has determined measures to minimize such risks by setting up a safety vault for keeping important documents together with strict access control procedures; as well as having in place insurance coverage on such collateral assets.

With regard to risks relating to not being able to locate loan collateral assets, the Company has determined a policy to grant loans by having a guarantor together with a policy to get to Know Your Customer (KYC), as well as a policy for close monitoring, chasing up of installment payments and achieving timely debt collections.

Risks relating to the Business Continuity Plans

Given the occurrence of natural disasters - whether it was the tsunami, political rallies, or the most recent Pah Bhug tropical storm - that may have an impact on the business should the disaster occur at the Company's HO or Branch outlets so as to disrupt normal business operations, apart from having a system of data back-up on a daily basis, the Company has also established emergency business operations plans and procedures in the event of such a crisis situation, in order to minimize, as much as possible, any resultant disruptive impacts to the business operations and to be able to return to normal business operations mode in an effective manner.

Risks relating to human resources

The Company's human resources is considered to be one of its key success factors, as well as being a cause for risks for continuous smooth business operations - such as: key people retiring or resigning, which may result in some business disruptions. As such, the Company has attached much importance to all its staff; as well as to take good care of their well-being and best interests as if they were part of one and the same family, together with supporting them to work in job positions that are appropriate to their respective responsibilities and capabilities.

Furthermore, in this regard, the Company has managed such human resources related risks through undertaking regular training and skills development programs for the staff at every level of the organization, together with establishing a Staff Retirement Provident Fund so that the staff will not be affected in terms of their financial resources upon reaching retirement.

Risk factors relating to repossession products or goods

It is normal that the hire-purchase loans business has inherent risks relating to repossession products or goods used as the loans granted; whereby this is also considered to be an unavoidable factor. Further, even if the products or goods are repossessed,

there is also a further risk in having decreased revenues together with having increased inventory on hand. On the other hand, the repossessed products or goods are considered to be a compensating factor for customers discontinuing to repay their loans, as the Company is able to resell those products or goods in the second-hand market so as to compensate for the financial losses resulting from the default payments, even if the products or goods sold result in a loss between the reselling price and the remaining book value of the associated loan account. Further, in some cases, there may be additional costs in repairing or reconditioning the repossessed items to be resold - namely (Loss on Repossession). However, repossessing products or goods is another marketing strategy deployed in the hire-purchase loans business.

Management of risks relating to the business operations

Risks relating to business operations means any risks from any operational errors or mistakes made in undertaking business activities; as well as any risks in having in place inadequate control procedures with regard to the operating procedures and processes, staff actions, and the operating systems; or relating to the information technology and communications systems in use; or even relating to any external factors and situations. All such risks may result in both direct and indirect losses to the Company's total revenues or its customer's loan accounts.

• Guidelines in managing risks relating to the business operations

Risks relating to the business operations means risks relating to any operational errors or mistakes made in undertaking the business activities; or risks relating to any deficiencies in the internal controls with regards to established operating procedures, staff actions, and operating systems or any external factors - all of which will result in losses that both can and also cannot be measured in monetary terms - such as: the Company's reputation and business opportunity losses. Given that the Company has expanded its business operations in varying directions - both in terms of increasing sales channels for its existing businesses together with adding new business activities, this has, therefore, resulted in additional business operations risks corresponding to the added businesses.

However, the Company has established procedures in launching new product or service offerings; thus, so as to assess the associated risks and to ensure that there are effective controls process in place to review and manage the potential risks in operating its varied businesses, the Company has determined and published a Handbook of Standard Operating Procedure (or SOP) for each respective business operations procedures

Risks relating to Agreement on Fees charged for the use of the Product Brand Name and Trademark

On 1 August, 2015, the Company signed an Agreement on Fees Charged for the use of the Product Brand Name and Trademark with Singer Company Limited S.a.r.l and as well as with Singer Asia Limited. These new agreements refer to the rights to use the brand name and trademark given under the Principal Agreement between Singer Asia Limited and The Singer Company Limited (Isle of Man).

As such, these 2 Agreements stipulates the fees payment of US Dollars 0.25 million for the rights to use the brand name to Singer Company Limited S.a.r.l together with the fees payment equal to 0.5% of total sales revenues for the use of the trademark to Singer Asia Limited for a period of 10 years, effective from 1 August 2015 to 31 July, 2025, unless either Party to the agreements gives notice, 12 months in advance, to terminate the Agreement on Fees Charged for the Use of the Trademark, to be effective from 31 July 2020 onwards; or to terminate the Agreement on the Fees Charged for the use of the Brand Name, to be effective as of 31 July, 2025.

Risks relating to Financial Instruments

Credit Risks

Holders of Debentures issued by the Company have a risk in not receiving the interest payable or even the principal amount due in the event that the business operating results of the issuer does not go as planned or if the assets of the issuer are

not sufficient enough to meet the debts owed. Therefore, prior to deciding whether or not to invest, the investor must analyse, from the financial information given in the rights offering documents and prospectus for the sale of the financial instruments, the financial status together with the capability of the issuer to repay the debts, so as to evaluate the involved credit risks relating to the issuer. The investor can also refer to the credit ratings issued by the Credit Rating Agencies as part of the decision whether or not to make an investment. If the credit rating given to the proposed debentures to be issued is low, this means that the overall credit risk relating to the debentures and the issuer itself is high; and thus the return from the debentures to be received by the investor should also be high, so as to offset the potential related risks from the investment in question. However, the credit rating given is not, in itself and in any way, a recommendation to buy, sell or to retain the debentures issued; whereby the credit rating given can be changed or withdrawn at any time during the validity of the debentures. The investor should closely follow any news or information of the issuing company of the debentures together with any ongoing changes to and updates for the credit rating in question from the website of the Office of Securities & Exchange Commission (SEC) and of the Stock Exchange of Thailand (SET) or that of the Thai Bond Market Association.

Price Risk

The risk relating to the holder of debentures may only be able to sell the debentures at a price that is lower than the stated par value per share or the actual purchased price, in the event that the holders wish to sell before the maturity date, namely: when the interest rate in the market increases the price of debentures will become lower. As such, in general, the price of those debentures with a remaining validity that is longer will be more impacted by the changes of the rates of interest in the market.

Liquidity Risk

There is a risk relating to the inability of debenture holders to sell the debentures at the secondary market at any time before the maturity date of the debentures and at the desired selling price, since there is limited trading activities for financial instruments in the Thai BEX. Debenture holders can buy/sell them at commercial banks, securities companies or other juristic entities that are licensed to trade in debt financial instruments. Additionally, holders of debentures may not be able to sell them prior to the maturity date of the debentures, since the issuer may have registered restrictions in the transfer of debenture ownership with the SEC, whereby only major institutional investors or major investors are allowed to do so.

Credit Risk

- Policy in giving credit services

The Singer Group of Companies has a policy to stress on growing its credit services business in a careful and measured manner; whereby in approving any new loans the Company will consider, on an individual borrower basis, the capability to repay the loan and the collateral or guarantee given together with the appropriate rate of return or interest rate to be charged given the involved credit risks. The Singer Group will focus on expanding its credit services into those market sectors where the Company has experience together with having acceptable risks and offering appropriate rates of return. In the event that the Company wishes to enter a new market sector, a detailed comprehensive assessment and analysis will be made by the Group of the business opportunities and various involved risk factors.

The policy on collateral and guarantees will differ according to the type of credit and loans, with the Company having a strict policy regarding the applicable collateral assets and guarantees to be given, together with the measures and mechanisms in preserving the value of the collateral assets so as to effectively manage the risks of any potential financial losses. Nevertheless, in approving credit and loans for each customer the Company has in place specific credit approval procedures and criteria for considering the credit application, through taking into consideration the qualifications of the applicant in a clear and strict manner so as to ensure that only quality borrowers will be given the loan; while, at the same time, in still being able to meet the needs of the customer. The Company has a special unit responsible for checking each credit or loan application, and to ensure that the credit approval process is undertaken in accordance with the specified process as established by the Company.

As for hire-purchase loans, which are retail loans and accounts for the majority of the Company's loans business, the Company has a policy to proactively expand this business especially in the market sector that has growth potential and level of financial returns appropriate to the risks factors. The Company has a policy to determine the standards for the hire-purchase and small retail loans in a systematic manner through a credit scoring process as used by the National Credit Bureau (NCB)

Additionally, the Company is still continuing to further develop the credit approval process so as to achieve speedy and faster credit approval. As such, this is to meet the demands of customers with regard to the sufficient amount of credit approved, as well as to achieve a balance in the overall credit risks of the Company that will enable the targeted expansion of this retail loans business in line with established goals of the Company.

- **Credit approval and Credit approval authority**

The Executive Committee has assigned the credit approval process together with the various credit approval authority to the Credit Committee, that is responsible for overseeing both the approval of credit and loans, as well as credit approval authorities in accordance with the established credit approval policies as approved by the Executive Committee.

As such, based on the established policy, the various credit approval authorities have been clearly determined, with any credit approval for the amount exceeding Baht 15,000,000 per customer must be approved by the Credit Committee, since it is a high loan amount.

As for the small retail loans that are lower than Baht 15,000,000 per customer, credit approval procedures and authority have been determined and assigned to be implemented by members of the Management for varying loan amount limits within the established policy relating to credit approval authorities.

- **Policies in managing risks in providing credit services and loans**

In 2019, the Singer Group of Companies further developed the credit risk management procedures and measures, so as to enhance its potential capabilities in providing credit services and loans; namely:

1. Making use of appropriate credit risk management tools, such as:
 - The Company makes use of the National Credit Bureau (NCB) database in assessing loan applications, so as to evaluate the credit risk of captive finance customers wishing to purchase machinery and equipment.
 - The Company reviews the structure and composition of the various existing loans products together with implementing a special project to assess those current highquality borrowers and customers of the Company with a good repayment history.
 - The Group of Companies has determined the maximum ratio of those borrowers or customer with high risk, medium risk and low risk respectively in the combined loans portfolio; whereby this is to be regularly reviewed so as to be appropriate.
 - The Company has established the maximum amount of credit facilities to be given to each respective customers or borrowers groups; whereby involved definitions have been clearly stated in determining how and which groups of customers are related, so as to then combine them together as one group. This is so that credit risks can be effectively managed in avoiding a concentration of loans to any particular group of customers (or loans concentration risk).
2. The Company is prepared to meet the reporting requirements as specified by the Bank of Thailand oversight requirements after having received the Personal Loans Business license.
3. The Company regularly reviews its credit approval policies together with the established credit approval authorities given for various loan amounts, so as to be in line with the current and latest business environment.

Major Shareholders

As at 9 March 2020

No.	Name	No. of Shares	% of Total Shares
1	JAYMART PUBLIC COMPANY LIMITED	121,499,820	30.261
2	Ms. Kulisala Kara	19,973,200	4.975
3	Mr. Chao Kara	15,120,000	3.766
4	Mr. Chairat Kowitjindachai	15,000,000	3.736
5	Mr. Sirisak Sonsophon	10,393,700	2.589
6	THAI NVDR COMPANY LIMITED	9,249,923	2.304
7	KASIKORNBANK PUBLIC COMPANY LIMITED	6,763,100	1.684
8	Mr. Jittiporn Chantaratch	6,500,000	1.619
9	Mr. Direk Takru	5,837,940	1.454
10	SAHA PATHANA INTER HOLDING PUBLIC COMPANY LIMITED	5,637,200	1.404
11	Mr. Kitti Nghammaharat	5,304,800	1.321
12	Mr. Phumchai Chaivanitchakul	5,040,000	1.255
13	Mr. Anucha Aveelastsakul	4,018,500	1.001
14	Mr. Santi Kowitjindachai	3,833,400	0.955
15	I.C.C. INTERNATIONAL PUBLIC COMPANY LIMITED	3,500,000	0.872
16	SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED	3,500,000	0.872
17	BANK LOMBARD ODIER & CO LTD	3,251,600	0.81
18	Mrs. Suyapanee Eueng-Ngern	2,848,600	0.709
19	BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED	2,510,000	0.625
20	I.D.F CO., LTD.	2,450,000	0.61
21	Mr. Thanarat Rak-Ariyapong	2,350,000	0.585
22	Mr. Somsak Srisuthuskul	2,339,060	0.583
23	Mr. natdhanai Nghammaharat	2,142,800	0.534
24	Mr. Sorrawat Nghammaharat	2,105,000	0.524
25	Mr. Anon Phaijitrojana	2,050,000	0.511
Total		263,218,643	65.559

Policy of Dividend Payment

Singer Thailand pcl.'s policy relating to dividend payments is to pay not more than 60% of the annual consolidated Net Profit after tax and after allocating for required legal and other reserves in any year. However, such dividend payments will also depend upon the current economic and business environment, the actual amount of Net Profits, after tax as well as future investment plans.

The history of dividend payments of Singer Thailand PCL., for the past 3 years is as follows

(BAHT)

	Full Year 2019	Full Year 2018	Full Year 2017
Interim Dividend Payment	-	-	-
Final Dividend Payment *	0.10	-	-
Total Dividend Paid	0.10	-	-
Par Value/Share	1	1	1

* In accordance with the resolution of Board of Directors Meeting No. 233, held on 21 February 2020, to be proposed to the scheduled AGM No. 53 to be held on April 24, 2020.

- Note:**
1. The Company registered the change on the par value per ordinary share from Baht 10.00 per share to be Baht 1.00 per share on 10 May 2004.
 2. Singer Thailand pcl. has paid dividend from 1984 onwards

The history of dividend payments of SG Capital Co., Ltd. for the past 3 years is as follows

(BAHT)

	Full Year 2019	Full Year 2018	Full Year 2017
Interim Dividend Payment	-	-	-
Final Dividend Payment *	-	-	-
Total Dividend Paid	-	-	-
Par Value/Share	1,000.00	1,000.00	1,000.00

* In accordance with the resolution of Board of Directors Meeting No. 34, held on 21 February 2020, to be proposed to the scheduled AGM No.9 to be held on April 24, 2020.

Policy for Dividend Payments of Subsidiary Companies

Since Singer Thailand pcl. holds more than 99% in the Subsidiary Companies, therefore dividend payments will depend upon the requirements of the majority Shareholder as considered appropriate and within the legal requirements.

Management Structure

The Company's Board of Directors

Management : The structure and composition of the Company's Board of Directors consist of the Board of Directors itself together with the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee, and the Management Group; whereby the qualifications of Independent Directors and of the Members of the Audit Committee are exactly in accordance with the qualifications specified by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) without any exceptions or other conditions whatsoever.

Meetings of the Board of Directors

The Company's Board of Directors has determined to schedule normal Board Meetings every Quarter together with any special Board Meetings as required during the year. The Company determines the Agenda for such meetings in a clear and concise manner, with the Company Secretary being responsible for and overseeing the dispatching of the Notifications of Board Meetings together with all relevant supporting documents to Board Directors in advance. Board Directors can freely express their opinions without being influenced by any particular person or group of persons.

In 2019, the Board of Directors held a total of 8 Board Meetings - consisting of 8 normal Board Meetings; whereby for each meeting supporting documents for each agenda item being considered were sent out in advance to all Board Directors, so that they may have sufficient time be able to adequately review and study the various issues before each meeting. The Company also held 1 Annual General Shareholders Meeting (AGM) and 1 Extraordinary General Meeting of Shareholders, which was attended by the Board Directors. The attendance record of the respective Board Directors at these meetings during 2019 are summarized as below:

Attendance record of Board Directors during 2019

Board Director	Term of Office	Attendance Record (No. of times attended/No. of times held)				
		AGM No.52	EGM 1/2019	Board Meetings	Audit Committee meetings	Nomination & Remuneration Committee
1. Mr. Adisak Sukumvitaya* (a)	Apr 2017 - Apr 2020(a)	1/1	1/1	8/8	-	4/4
2. Mr. Lucksananoi Punkrasmee**	Apr 2019 - Apr 2022	1/1	1/1	8/8	4/4	4/4
3. Mr. Bibit Bijaisoradat (a)	Apr 2017 - Apr 2020(a)	1/1	1/1	7/8	4/4	4/4
4. Mr. Preecha Prakobkit	Apr 2019 - Apr 2022	1/1	1/1	8/8	4/4	-
5. Mr. Piranart Chokwatana	Apr 2019 - Apr 2022	1/1	1/1	8/8	-	-
6. Mrs. Nonglak Laksanapokin, Phd.*	Apr 2018 - Apr 2021	-	1/1	6/8	-	-
7. Mr. Piya Pong-acha*	Apr 2018 - Apr 2021	1/1	1/1	8/8	-	-
8. Mr. Kittipong Kanokvilairat (a)	Apr 2017 - Apr 2020(a)	1/1	1/1	8/8	-	-

Note: * Board Director representing the majority Shareholder Group

** Board Director possessing the required knowledge and experiences to review the credibility of the Company's Financial Statements

(a) Board of Director retiring by rotation in April 2020 and to be nominated for reappointment as a Board Director for another term at the AGM/2020 to be held on 24 April 2020

Management Group

Management Group of Singer Thailand Pcl.

Mr. Kittipong Kanokvilairat	Chief Executive Officer
Ms. Rapeepan Kantayaporn	Chief Information Officer
Ms. Chanthornjira Kongtongsmut	Chief Operating Officer
Ms. Busaba Kulsiritham	Chief Financial Officer

Management of SG Capital Co., Ltd.

Ms. Auntikorn Pichetkorn	Chief Business Development
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Company Secretary

The Company's Board of Directors Board appointed Ms. Chanthornjira Kongtongsmut, who possesses the required relevant qualifications and experience, as the Company Secretary with the responsibility for overseeing and ensuring that Company acts in compliance with the applicable legal and regulatory requirements as well as in accordance with the principles of good corporate governance, so that the overall management of the Company can be even more effective and efficient. The company fully recognizes the importance of good corporate governance principles and practices. The Company Secretary has successfully attended the Corporate Secretary Development Program (Class2) and the Fundamental Practices for the Corporate Secretary (class 22), together with the Fundamentals of Law and Regulations for Listed Companies for Corporate Secretaries , held by the Thai Listed Companies Association with the support of the SET. Please refer to the qualifications and professional history of the Company Secretary as shown in the Detailed Information on the Management Group - in the Section regarding the Company Secretary.

Remuneration for the Company's Board Directors and the Management Group in 2019

Remuneration for Board Directors : The Nomination and Remuneration Committee, with the responsibility for considering and reviewing the remuneration for Board Directors, had determined, in a clear, concise and transparent manner, the proposed overall remuneration plan that is comparable to other companies in the same industry sector, together with the level of remuneration that is appropriate to experiences and assigned duties, role and additional scope of responsibilities as well as comparable to various other SET listed companies; whereby this proposal is based on the 'Annual Compensation Survey Report - 2016 ' published by the Thai Institute of Directors Association (IOD).

Remuneration & Compensation for the Management Group : The Nomination and Remuneration Committee is responsible for considering and reviewing the remuneration plan for the Management Group, through evaluating the respective job performance for individual Management members as well as comparing the evaluation results with the overall performance results of the Company together with the actual achieved performance results of each Department compared to pre-agreed targets. Additionally, a survey was undertaken of the remuneration and compensation given by comparable companies within the same business sector, so as to have sufficient information on hand.

Total amount of remuneration and compensation for 2019: The Company paid the following total amount of remuneration and compensation to Board Directors and the Management Group, as below:

1. Remuneration for Board Directors: In the form of money

Full name	Singer Thailand Pcl.		SG Capital Co. Ltd		Total (Baht)
	Position	(Baht)	Position	(Baht)	
Mr. Adisak Sukumvitaya	- Chairman of the Board	467,000	Chairman of the Board	82,500	579,500
	- Member of the Nomination & Remuneration Committee	30,000			
Mr. Lucksananoi Punkrasamee	- Chairman of the Audit Committee,	176,000	Director	51,500	549,500
	- Independent Director	292,000			
	- Member of the Nomination & Remuneration Committee	30,000			
Mr. Bibit Bijaisoradat	- Chairman of Nomination & Remuneration Committee	50,000	Director	51,500	534,500
	- Member of the Audit Committee	141,000			
	- Independent Director	292,000			
Mr. Preecha Prakobkit	- Member of the Audit Committee	141,000	Director	51,500	484,500
	- Independent Director	292,000			
Mr. Piranart Chokwatana	Director	292,000	Director	51,500	343,500
Mr. Piya Pong-acha	Director	292,000	Director	51,500	343,500
Mrs. Nonglak Laksanapokin, Phd.	Director	292,000	Director	51,500	343,500
	Total	2,787,000	Total	391,500	3,178,500

Note: - Management who are also Board Directors do not receive any remuneration or compensation for being a Board member and Member of the Executive Committee

2. Remuneration for Board Directors: Other forms

- none-

3. Remuneration for the Management Group: In the form of money

Types	For 2019	
	No. of persons	Total - Baht
Salaries, bonus payments and incentives	6	11,604,346

4. Remuneration for the Management Group: Other forms

Types	For 2019	
	No. of persons	Total - Baht
Company's contribution to the Employee Provision Fund	6	983,394

Note: Disclosures of the remuneration and compensation for the Management Group are shown as a total amount for the total number of people for the defined and announced management positions that correspond to the Company's organization chart.

5. Share Ownership by Directors and Management

Name	Total Share			
	January 1, 2019	Trading During the		December 31, 2019
		BUY	Sell	
1. Mr. Adisak Sukumvitaya	-	1,383,770	-	1,383,770
2. Mr. Lucksananoi Punkrasamee	-	-	-	-
3. Mr. Preecha Prakobkit	-	-	-	-
4. Mr. Bibit Bijaisoradat	-	-	-	-
5. Mrs. Nonglak Laksanapokin, Phd.	-	-	-	-
6. Mr. Piranart Chokwatana	201,100	485,900	30,000	657,000
7. Mr. Piya Pong-acha	-	-	-	-
8. Mr. Kittipong Kanokvilairat	-	-	-	-
9. Ms. Rapeepan Kantayaporn	-	-	-	-
10. Ms. Chanthornjira Kongtongsmut	1,860	1640	-	3,500
11. Ms. Busaba Kulsiritham	-	-	-	-
12. Ms. Auntikorn Pichetkorn	-	-	-	-

As mentioned above they are required to submit a declaration regarding such changes in the ownership of shares of the Company to the office of Company Secretary, in order to enable the Company Secretary to coordinate internally and create a company shareholdings report for submitting to the Securities and Exchange Commission (“SEC”) as required. Furthermore, the Company requires that a disclosure be made, at every Board of Directors Meetings for any changes, of the amount of shares of the Company owned by each Board Director.

Personnel Headcount

1. The Company has a total personnel headcount of 5,224 persons, of whom 699 are employed by the Subsidiary Companies. For 2019, the Company paid total remuneration and compensation of Baht 578.66 million, of which Baht 193.43 million was paid by the Subsidiary Companies; whereby this included basic salaries, bonus payments, overtime payments, living allowances, as well as sales and collections targets-related incentives together with the Company’s contribution to the social security and employee provident funds contributions.

Total No. of Employees and Compensation (by company)

For 2019	Parent Company	Subsidiary Company	Subsidiary Company
	Singer Thailand Pcl.	SG Capital Co. Ltd.	SG Service Plus Co. Ltd
Field or Area personnel (persons)	4,277	241	116
Central HO staff (persons)	226	286	47
Executives & Management Members (persons)	22	8	1
Total No. of Employees (persons)	4,525	535	164
Total Remuneration & Compensation	385.22	162.03	31.41

Human Resources Management Activities of the Company is separated into 2 key aspects, as follows:

1. Human Resource Management (HRM)

1. Job Designing & Job Description: Undertook a review and redesign of the various existing job descriptions for all operating Business Units/Departments
2. Personnel Planning: Undertook a review and assessment of the total number of people in the Company, in order to re-verify the exact total number of personnel that is shown in the HRMS database and employees registry so as to use this information for ongoing personnel planning activities.
3. Recruiting & Selecting qualified personnel: Making use of various sales staff recruitment channels - such as: through existing sales representatives/agents or the Branch Office Managers; whereby the Company also added other Staff recruitment channels - such as, the PR advertisements on the internet, local newspapers, various national and local job search/application related print media, and joint participation to screen and select targeted potential candidates, as well as setting up and participating in various job fairs and recruitment events. This also included employment of new permanent staff as well as updating the existing Hiring & Employee History database. The Company has determined various criteria for the selection of new personnel from applicants for the various open job positions in accordance with the respective requirements for each position, together with for the required screening and background checks as well as for the actual hiring activities to be in accordance with the established Company regulations as well as the required by the labor authorities and the Thai Labor Protection Act (BE 2541 or 1968).
4. Performance Appraisals: The Company has created Staff job performance appraisal procedures and forms that are in accordance with the accepted principles of Performance Management (PM), so that joint participation in the appraisal process can be undertaken by both the Staff and their Superior together with continuous ongoing monitoring actions to enable further suggestions for improvements to be made in the discharge of their duties that correspond to the respective established performance targets for each person.
5. Compensation Management System: The Company's compensation structure includes many forms of remuneration - such as: basic salaries, bonus payments, overtime payments, and special allowances for selected positions, together with sales commission and incentives, various welfare benefits and special assistance allowance; whereby various differing Staff positions will receive different total compensation, depending upon their respective roles and responsibilities in each operating Business Unit/Department. Regular reviews of the welfare benefits and incentive programs for sales Staff are undertaken; whereby actual performance results relating to achieved sales and collections are used to determine the various programs that are appropriate for each respective Sales Staff group.
6. With regard to Staff resignations and employment terminations, the Company adheres to the working regulations that correspond to the established labor laws and are in accordance with the principles of fairness, and equitability, as well as to good morals and business ethics.
7. Welfare & Other Benefits: The Company has a policy to give formal recognition to honor those employees with a long service history with the Company of 5 years or more, through giving a certificate of appreciation together with special gifts or rewards, so as to thank them for and further motivate them in devoting their knowledge, efforts, capabilities and time in discharging their responsibilities for the overall benefit of Company. The Company also provides financial assistance for medical and hospitalization expenses to the immediate family of a Staff member, together with donations in the event of the death of the Staff's father or mother. Other basic Staff welfare benefits are also given - such as: social security contributions; Staff life insurance and accident insurance coverage; Staff uniforms; and transportation to and from work in the event a Staff member lives far from the Company's work place (warehouse facilities and distribution centers); as well as special Staff price for the Company's products together with installment purchase plans. The Company has also established a Singer Staff compensation fund and a Staff cooperative savings fund that

serve as a channel for the Staff to save their earnings or as a source of Staff member loans, at special low interest rates, to help provide relief from any short term financial problems as necessary or needed.

2. Human Resource Development (HRD)

Consists of 3 separated components, namely:

1. Training
 2. Education
 3. Development
- **Training** 2 approaches have been established for the Company's training program, ie: 1) Internal Training and 2) Public Training. However, the Company places more emphasis to 'on the job training' for its Staff, because its field, at all levels and especially the sales Staff, are key to the achievement of the Company's total sales and revenues. Further, the Company undertakes continuous internal training activities and seminars that focus on anti-corruption practices, through educating Staff members, at all levels, to be fully aware of the penalties for any acts of corruption in the discharge of their duties, together other seminars aimed at promoting good business ethics and morals. While support Staff also attend external training courses, that focus on the development of new skills, know how, and capabilities, in order that they will be able to make use of or adapt such new knowledge in undertaking their so as to achieve improved efficiency and effectiveness.
 - **Education** The Company supports continuous self-improvement and self- learning activities for various key Staff positions - such as: for regional/area managers, branch outlets managers, operating Business Units/Department Managers, as well as accountants and accounts reviewers. Further, so as to encourage that Staff at all levels to more effectively save their earnings, guidelines and procedures in creating and making simple income/expense records are made available by the Company. Additionally, self-training tools in the form of VCDs are also made available - such as: guidelines on standards in managing and looking after branch outlets as well as branch office management, together with other self-learning materials or guidelines on selling skills, on communications and presentation skills, and on the products features offered by the Company.
 - **Development** A Mini Training Center has been established to undertake training on branch outlets management and improved IT systems-related working procedures for branch outlets management. Such courses are aimed at being operating guidelines for the branch outlets management group, as well as to prepare those designated to become branch outlets managers, selected from branch outlet Staff who have achieved good job performances and possess appropriate qualifications, so that they are well-prepared to undertake the responsibilities as a branch outlet manager in the future. In order to create sufficient numbers of training staff, various training activities for personnel responsible for Staff training are also undertaken through the 'train the trainers program' together with making available adequate quantities of training tools. This is to create sufficient internal training facilitators required to support the ongoing business expansion plans and increased numbers of required Staff in accordance with the corporate business plans. An improvement of the Training Department organization structure has also been undertaken, so that it better corresponds to the actual required internal training activities as well as to the comply with the Labor Skills Development Act. Additionally, outside training institutions and experts have been contacted to help determine and develop new improved training programs for the Company, that are be more effective as well as efficient.

Report on Good Corporate Governance

Policies on Good Corporate Governance

Singer Thailand Pcl., recognizes the importance of good corporate governance as an effective mechanism in linking the relationships between the interests and benefits of all Stakeholders groups on a sustainable basis, as well as one of the key factors in enabling the Company to achieve the established business objectives and to achieve growth on a sustainable basis for the longer term.

The Board of Directors has established the principles and policies on good corporate governance of the Company as a guideline for Board Directors, Management and all Staff in conducting the businesses of the Company. As such, all Company Board Directors, Management and Staff have also all been made aware of the established required business ethics together with the policies on good corporate governance, so as to demonstrate their joint intent to strictly adhere to these principles and policies. Additionally, the Company has informed and communicated these key policies and principles to everyone within the organization via various channels of communications, such as: the staff orientation program, internal company newsletters, monthly staff-Management meetings and internal PR notices, as well as via the Company's website and through various Company activities. This is to reinforce the awareness of and facilitate full and active cooperation by everyone within the organization on a continuing basis.

Due to the Securities and Exchange Commission and SET has improved the principles of good corporate governance By dividing into 8 practice principles, the Board of Directors agreed to review the good corporate governance policy of the company in order to cover the new practices of good corporate governance principles for listed companies in 2017 which will be a guideline for the organization to achieve operational efficiency and sustainability in the long term.

At the Board of Directors Meeting No.227, on 21 February 2019, a resolution was approved relating to the anti-corruption stance and policies of the Company, policy relating to receiving confidential information and complaints, and also the "Revised - 2014 Policies and Principles on Good Corporate Governance" that has been updated to be more appropriate to the possible changes in the overall business situation and environment or in the applicable legal and regulatory requirements.

Moreover, the Company has a policy to review and update such policies on a regular basis, so that they are always current, timely and appropriate to the ever-changing applicable laws and regulations.

Board Committees

Structure of the Company's Board of Directors

The structure and composition of the Company's Board consist of: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Management Group; whereby the scope of duties and responsibilities of these various Committees are as follows:

Scope of Duties and Responsibilities of the Board of Directors

- The Board of Directors of the Company is required to carry out its duties and responsibilities fully in accordance with all the applicable laws and regulations, together with the objectives and the Articles of Association of the Company, as well as the established Company policies and the resolutions of the Shareholders Meetings in an honest manner and with all due care, so as to protect and ensure that full benefits are achieved for the Company and all Stakeholder groups.
- The Board of Directors must always act with full accountability to the Shareholders of the Company in undertaking activities that will protect the benefits of the Shareholders, with full and transparent disclosures of information to its investors.
- The overall conduct of the Company's businesses is overseen and guided by the Board of Directors, so as to ensure that the Management Group acts in full compliance with the established policies of the Company; whereby, as specified in the Company's Ministry of Commerce Affidavit, any 2 of the following 3 Board Directors - Mr. Adisak Sukumvitaya,

Mrs. Nonglak Laksanapokin, Phd. and Mr. Kittipong Kanokvilairat - signing together and affixing the Company seal, are authorized, in the name of the Company, to legally commit and bind the Company with regards to undertaking any legal actions and fighting any legal proceedings or disputes, together with executing any agreements and financial instruments. However, the Board of Directors retains the right to review and consider making any further changes to the names of the authorized Board Directors as appropriate, in order to achieve maximum management together with operational effectiveness and efficiency of the Company; as well as to assign management and operational authority to the next level of the Management Group further down the line as appropriate.

Board Committees

1. The Chairman of the Board of Directors does not hold the Chairman's position in and is not appointed as a Member of any of the various Board Committees, so as to allow these Board Committees to act in a fully independent manner.
2. The majority of the Members of the Board Committees are Independent Directors; as such, this is to achieve full transparency and genuine independence in the discharge of their responsibilities by the various Board Committees.
3. In order that these Board Committees are full effective in the discharge of their duties and responsibilities as assigned by the Board of Directors as well as in being able to realize and achieve their established objectives and goals, the various Board Committees should have at least 6 meetings during the year, so as to consider and be able to decide on appropriate actions with regard to any relevant matters or issues that are within their scope of responsibility.

The Board of Directors has established various Board Committees to assist it in the good governance oversight, as follows :

The Audit Committee

In accordance with the resolution of the Company's Board of Directors, the Audit Committee was established, consisting 3 Independent Directors, with Mr. Lucksananoi Punkrasamee as the Chairman of the Audit Committee and the Committee Member, who possess the knowledge, experiences and expertise in regards to finance and accounting, as required by the Stock Exchange of Thailand (SET) and other regulatory authorities. This is in order to be able to effectively review the accuracy and creditability of the Company's Financial Statements, as well as to support the development of financial and accounting reporting systems to conform with universally accepted accounting principles and standards, together with assessing the effectiveness and adequacy of the internal controls system as well as the internal audit and risk management procedures, so that they are more concise, comprehensive, appropriate, up to date and fully effective.

The Audit Committee is to discharge its responsibilities and provides any comments with full independence, with the Internal Audit Department being under the responsibility of and reports directly to the Audit Committee. The Audit Committee also consults and works closely with the external Auditors; whereby it meets with the external Auditors, without any members of the Management Group being present, at least once a year in order to obtain their opinions on various matters. Additionally, the Audit Committee can consult with independent external legal advisors, with the Company being responsible for paying all associated expenses. The Audit Committee holds regular meetings with a total of 4 meetings being held during 2019, and reports to the Board of Directors in accordance with the assigned scope of duties and authority, as stated in the Charter for the Audit Committee, as follows:

Scope of duties and authority of the Audit Committee

In the Board of Directors Meeting No. 172, with the Audit Committee attending, a resolution was approved relating to the following overall scope of duties and authority of the Audit Committee:

1. Review that the Company has all the required financial reports, as well as that they are fully accurate and adequate

2. Review and ensure that the Company has a system of internal controls, that are appropriate effective and adequate, as well as with assessing the independence of the Internal Audit Department together with being responsible for approving the appointment and transfer or dismissal and performance appraisal of the Head of the Internal Audit Department - or any other unit responsible for internal audit activities.
3. Review and assess that the Company fully complies with all applicable securities and exchange laws, together with the relevant applicable regulatory requirements of the SET and other laws relating to the business operations of the Company.
4. Consider, select and nominate those deemed fully qualified and independent for appointment as the external Auditors of the Company, together with proposing their compensation as appropriate. The Audit Committee must also meet with the external Auditors, without any members of Management Group being present, at least once a year.
5. Consider and review any proposed related party transactions or any other transactions that may involve possible conflicts of interests. As such, this is to ensure these transactions fully comply with all the relevant applicable laws and regulations of the SET, as well as are reasonable and in the best interests of or for the maximum benefit to the Company.
6. Prepare the Report of the Audit Committee relating to its oversight responsibilities for inclusion in the Company's Annual Report, whereby it is signed by the Chairman of Committee and contains all the key points of information as specified and required by the SET.
7. Undertake any other activities as assigned by the Board of Directors, with the concurrence of the Audit Committee

The Nomination and Remuneration Committee

The Chairman of the Nominations and Remuneration Committee should be fully independent, whereby this Committee comprises of 2 Independent Directors and 1 non-Executive Director. During 2019, the Nomination and Remuneration Committee held 4 meetings and reported to the Board of Directors.

The Nomination and Remuneration Committee has the duty and responsibility of selecting qualified persons for being nominated as Board Directors and also as Senior Executives/Management Members of the Company, as well as of determining appropriate procedures for Shareholders to be able to participate in the nomination and appointment process of new Board Directors through proposing qualified candidates to the Board of Directors for consideration and eventual nominations/appointment by the Shareholders Meeting. The Nomination and Remuneration Committee is also responsible for the consideration of guideline in determining, in an independent and equitable manner, the required and appropriate annual remuneration plans for the Board of Directors, the Board Committees, and the Senior Executive/Management Members.

The Nomination and Remuneration Committee has the following defined scope of duty and authority:

Scope of Duties and Authority of the Nomination and Remuneration Committee

In accordance with the resolution of the Board of Directors Meeting, which was also attended by the Nomination and Remuneration Committee, the scope of duties and authority of the Nomination and Remuneration Committee was specified as follows:

1. Consider and recommend to the Board policies and criteria for the structure, composition, qualifications and selection of members of the board of directors, board committees and senior management of the Company and its subsidiaries, including appropriate succession plans.
2. Subject to the policies adopted by the Board and to shareholder approval where required, select and recommend to the Board suitably qualified candidates for nomination and selection for the appointment of (a) directors, (b) members and chairpersons of board committees, and (c) Managing Directors and executives directly reporting to the Managing Directors, of the Company and of its subsidiaries.

3. Consider and recommend to the Board, subject to shareholder approval where required, policies, structures and plans on remuneration, benefits and incentives for directors, board committee members, and senior executives of the Company and its subsidiaries with a view to ensuring that the Company's overall compensation policies are consistent with the Company's culture, objectives, strategy and control environment.
4. Recommend to the Board policies, criteria and methods for the periodic evaluation of the performance of the members of the boards of directors, board committees and senior executives of the Company and its subsidiaries, and implement the same and report the results to the Board;
5. Undertake any other tasks entrusted and assigned by the Board related to the foregoing.

Risk Management Committee

At the Board of Directors Meeting No. 226, a resolution was approved to establish the Risk Management Committee (RMC) responsible for determining policies and criteria for managing risks in accordance with international principles and practices together with regulations as specified by the SET, as well as for determining applicable risks assessment and risk management measures and also effective 'warning systems' that will enable effective management of risks in an appropriate manner. The RMC was also charged with overseeing and monitoring, on a regular basis, that all operational Divisions/Departments manage their respective risks in accordance with established laws, regulations, and specified procedures and processes together with submitting reports on risk management activities. Additionally, the RMC will review, on a regular basis, the established key risk management measures to assess their ongoing effectiveness, and will submit a report of the assessment results together with proposing, at least twice a year, any improvements to these policies to the Audit Committee, as well as to receive any suggestions from the Audit Committee for further improvement and implementation.

Scope of duties and authority of the Risk Management Committee

According to the resolution of the Board of Directors meeting which was attended by the Risk Management Committee, the scope of duties and authority of the RMC was determined, as follows:

1. To determine relevant policies and associated criteria relating to the overall management of risks for the Group, that are in accordance with international principles and practices as well as with the regulations as specified by the SET; and then to propose such policies for approval by the Audit Committee.
2. To define appropriate and applicable risk management-related preventive measures and procedures for the Group.
3. To determine and deploy applicable risks assessment procedures, and to ensure that effective applicable 'warning systems' are in place.
4. To oversee and monitor, on a regular basis, that all operational Divisions/Departments effectively manage their respective risks in accordance with established procedures and specified processes.
5. To oversee and ensure that the Group's operations fully comply with all relevant and applicable laws and regulations.
6. To prepare and submit reports to the Audit Committee, on a regular basis, in regards to any required improvements and corrective actions, in accordance with the established policies and strategies of the Group relating to identified risk factors and their potential occurrence, as well as any applicable risk management from such risks procedures or guidelines and also expected impacts.
7. To undertake any other activities as assigned by the Audit Committee.

The Executive Committee

In accordance with the resolution of the Board of Directors Meeting No.209, on 21 December 2015, with the Audit Committee attending, the Executive Committee was established and held the meeting once a month, with the duties and responsibilities to

oversee the Company's business operations to be in accordance with the agreed strategic directions, together with the operating systems and procedures of the Company and Subsidiary Companies, as well as undertaken in a uniform manner.

Scope of authority, duties and responsibilities of the Executive Committee:

1. Follow up the management and control the business of the Company in compliance with the objectives, rules, regulations, articles of association, orders, resolutions of the Board meetings and the shareholders meetings, and to formulate the guidelines or commitments for the Administration and Management and management through the Board's policy.
2. Review the business plan and the annual budget of the Company, and submit the same to the Board.
3. Consider the strategy for overall growth and investment of the Company.
4. Consider and approve the contract, expenditure and investment in stocks or any other securities, including any loans, which each transaction in the amount is significant to the Company's Financial Statements.
5. Cooperate and assist other subcommittees in the performance of their duties.
6. Consider and approve the employment, determine the wage, remuneration, welfare, bonus, to Executive Management of the Company.
7. If it is necessary, engage consultants or experts in the fields beneficial to business operation of the Company, at the Company's expense.
8. Perform other duties as entrusted by the Board.

Role and Responsibilities of the Board of Directors and the Executive/Management Group

The Company's Board of Directors has clearly defined and separated the respective role and responsibilities of the Board of Directors and those of the Executive/Management Group; whereby the Chairman of the Board is an Independent Director and the position is not held by the same person who is the Chairman of Executive Committee, with clearly separated roles, responsibilities and scope of authority. This is in order to achieve an effective balance of power between the management and governance/oversight functions.

Selection and Nomination of Directors and senior Executives/Management Group Members

Independent Directors

The Board of Directors will be responsible for initially reviewing the nomination of Independent Directors from proposed nominees possessing the required and appropriate qualifications as specified by the SEC and SET; and then the Board will propose to the Nomination and Remuneration Committee to consider the appropriate remuneration for proposing to the Board of Directors for final consideration and concurrence.

The 3 Independent Directors of the Company do not possess any qualifications that conflict with those required and specified by the SEC and SET in any way whatsoever. Also during the last financial period, these Independent Directors do not have any 'related' business activities or provided any professional services with the Company.

Qualifications for Independent Directors

The Company has used the definition of an 'Independent Director' exactly as specified by the SEC and SET in regards to owning shares of the Company at not more than 1% of the total number of shares with the right to vote, and in not being involved in any way with the management of the Company or Subsidiary Companies, in being fully independent of the management activities undertaken by majority Shareholder of the Company, and in not having any business relationships with the Company that may, in any way, diminish the full interest and benefits of the Company and/or its Shareholders.

The Company has determined the required qualifications for Independent Directors to be as follows:

1. A person owning not more than 1% of the total voting shares of the Company, including those shares owned by any related persons/parties, as well as those shares issued by any Subsidiary or JV Company of and any related companies of the Company. However, in the case of Directors who are members of the Audit Committee, such shareholding is limited to only 0.5%.
2. A person who is not involved in any day-to-day management of the Company or who is not a Staff /Employee or a consultant receiving a permanent salary; as well as a person who is not a person with a controlling power over the Company, the parent Company, a Subsidiary Company, a JV Company, a Subsidiary Company of a parallel status, or over any juristic entity with possible legal conflicts; whereby such a status was valid within a 2 year period prior to being appointed as an Independent Director of the Company.
3. A person who is not related by blood or through a legal registration process - and thereby having a status of being a parent, spouse, siblings, or children and including spouses of the children - of a Management Member and a majority Shareholder, of a person with a controlling interest, of a person about to be nominated as a member of Management, or of someone with a power over the Company and/or its Subsidiary Companies.
4. A person who does not have any business relationships with the Company and/or with a juristic entity or a person considered as not being fully independent according to the qualifications of being an Independent Director and a Member of the Audit Committee as specified by the rules and regulations of the SEC. This includes any business relationships in providing professional services, or any other types of trade/business relationships that are considered to be 'related party transactions' as defined by the SET. However, exceptions can be made for special or necessary situations as appropriate; whereby such business relationships do not occur repeatedly or on an ongoing basis, that require prior Board approval with a unanimous vote.
5. A person/Director that has not been appointed to act on behalf of a Director of the Company, of a majority shareholder or of a Shareholder connected to and associated with the majority shareholder of the Company - except in the event of being assigned by the Board of Directors to make decisions, on a collective basis only, regarding the operations of the Company, the parent Company, its Subsidiary Company, JV Company, a Subsidiary Company of a parallel status as well as a juristic entity with a possible conflict of interests.
6. A person/Director that has not been empowered by the Board of Directors of the Company to make decisions on the operations of the Company, the parent Company, its Subsidiary Company, JV Company, a Subsidiary Company of a parallel status, as well as a juristic entity with a possible conflict of interests.
7. A person who is not Director of the parent Company, its Subsidiary Company and JV Company, as well as a Subsidiary Company of a parallel status, that is public listed companies only.
8. A person being able to undertake the required duties, as well as having and expressing opinions, together with being able to report on the results of any such responsibilities as assigned by the Board of Directors, with full independence and free from any influence from the Executives/Management Group or the majority Shareholder of the Company or any related parties, and including any involved person/parties or relatives of such person/parties

Selection and Nomination of Board Directors and Senior Executives

The Company has established the Nomination and Remuneration Committee, responsible for selecting persons to be nominated as the Chairman of the Board, Board Directors and Members of the various Board Committees, together with the CEO and Senior Executives/Management Members of the Company together with the Company Secretary, as well as for determining remuneration plans appropriate to the assigned responsibilities. In the event of a vacancy on the Board for whatever reasons, the Nomination and Remuneration Committee will undertake to recruit and nominate the appropriate person to be considered and

approved as a replacement Director by the Board of Directors - with the exception of the appointment of a new Director and a Director to replace one due to retire by rotation; whereby in such an event, the Nomination and Remuneration Committee will recruit and nominate qualified persons for consideration and concurrence by the Board of Directors, so as to then propose such nominees for final consideration and approval by the Shareholders Meeting.

As such, the Company will propose nominees to be considered and elected, on an individual basis, as new Board Directors by a vote of the Shareholders. This is to allow the Shareholders the opportunity to exercise their entitled Shareholders rights in genuinely participating and selecting the required new Board Director. Additionally, the Board of Directors also appoints the various Board Committees to help reduce its workload and share the responsibilities in overseeing, monitoring and considering various important matters, namely: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Risk Management Committee. As such, the actual process of selection and appointment of the Members of the various Board Committee is required to be undertaken and approved by the Nomination and Remuneration Committee, which then submits the nominees for final approval by the Board of Directors.

The nomination of qualified persons to the Board of Directors must successfully undergo a consideration of their relevant and appropriate qualification as follows:

1. Possessing the required qualifications and not possessing any prohibited qualification as specified by the applicable laws relating to Public Companies, as well as not having any characteristics that will indicate or lead to a lack of confidence and trust, on the part of Shareholders, in the nominee being able to oversee the management of the Company in accordance with the specified qualifications of the SET.
 2. Possessing the knowledge, skills, experiences, and other qualifications as deemed appropriate by the Board of Directors.
 3. Being able to fully devote the required time and efforts in discharging the duties of a Board Director - especially with regards to being able to make important decisions - for the benefit of the Company.
- At present, the Board of Directors of the Company is composed of 8 (eight) Directors, with 3 Directors from the majority Shareholder group (ie: Jaymart Pcl., who has a 30.26% shareholding) - namely, Mr. Adisak Sukumvitaya, Mr. Piya Pongacha and Mrs. Nonglak Lasanapokin, Phd.
 - Further, while the Company has allowed minority Shareholders the opportunity to propose, in advance, those qualified to be considered for appointment as a Board Director during the period between 10 September 2019 to 31 December 2019, however no nominations for consideration to be appointed a Director have been received from any Shareholders.

Oversight of the Operations of Subsidiary Companies or JV Companies

- Currently, Singer Thailand pcl., has 3 Subsidiary Companies, in which the Company has an 99.99% equity shareholding, namely: SG Capital Co., Ltd., SG Service Plus Co., Ltd., and SG Broker Co., Ltd.; and has no JV Companies. Additionally, in order to comply to the governance and oversight procedures that are aimed at achieving effective control of and responsibility for the management of these Subsidiary Companies, as well as to protect the financial investments and interest of the Company, the Board of Directors has assigned representatives to be Directors of these 3 companies, in accordance with the rules and regulations of the Company and as approved by the resolution of the Company's Board of Directors.

Every Quarter, the operating performance results of these 3 Subsidiary Companies, that have been audited by the external Auditors and reviewed by the Audit Committee, are submitted to the Board of Directors for consideration and approval.

With regards to other important transactions, such as: related party transactions or the acquisition and disposal (if any) of assets, these are subject to the established oversight and control procedures, through the systematic procedure of consideration and review by the Board of the Subsidiary Company for proposing to the Company's Audit Committee for review and eventual proposal for approval by the Company's Board of Directors; whereby details of such transactions are then disclosed via the SET's information communications network system.

- The representative of the Company, who is the Director of the Subsidiary Company, also participates in the determination of important operating policies of the Subsidiary Company; such as, planned investments in any new projects.

Controls in the Use of Inside Information

The Board of Directors has determined various measures to prevent insider trading, through illegal or misuse of confidential information by any involved parties; namely: the Board of Directors, Senior Executives/Management members and any Staff involved and having access to such information, including spouses and children not yet of legal age of these involved persons, as follows:

- Senior Executives/Management members are required to report any changes in their ownership of shares of the Company to the SEC and SET, as specified by Clause 59 of the Securities and Stock Exchange Act (1992).
- Senior Executives and any involved business units having access to any internal confidential information, are prohibited from disclosing such information to those outside the Company or those inside the Company not authorized to have access to such information, and from purchasing any shares of the Company within a 1 month period prior to the official release, to the general public, of the Company's Financial Statement.

Further, the Company, via the Investor Relations Unit, has also determined a 'silent period' relating to the use of any sensitive and significant information in relation to the trading of any Company shares, whereby this policy has been communicated, via email, to all Directors, Senior executives/Management members and any parties involved, so that all parties will be aware of and adhere strictly to this policy with regards to the use of 'inside information' in making any transactions to buy/sell any Company shares. As such, during the past year, all Company Directors and Senior Executives/Management Members have strictly complied with this requirement; and, apparently, these parties have not made any transactions in buying/selling of the any shares of the Company during this prohibited period.

- The Company has established various measures to prevent illegal misuse of any inside confidential information for personal gain, through restricting access to such information internally and also by preventing possible access to such information by those outside the Company. The Company has also implemented various authorized access levels to such information for different staff levels that are appropriate to their assigned duty and responsibilities.

Additionally, the Company requires every employee to acknowledge and confirm, in a Memorandum of Confidentiality and Non-Disclosure Agreement, their understanding of the abovementioned requirements, together with confirming their agreement not to disclose any internal confidential information, not to violate the Computer Laws, and not to infringe or violate any intellectual property rights of others; whereby all employees will sign this Memorandum of Confidentiality and Non-Disclosure Agreement at the same time as their Contract of Employment.

Further, the Company has established guidelines, within the Company's Code of Good Business Conduct and Ethics, for the prevention of any situations involving possible conflicts of interests; whereby such guidelines are communicated to all employees, so that they can strictly adhere to these established guidelines. The Executive/Management Group is responsible for monitoring and ensuring that all employees always observe and strictly comply with all relevant applicable laws, rules and regulations together with the established policies and the Company's Code of Good Business Conduct and Ethics.

Remuneration for the Auditor

1. Audit Fees

For the Company and Subsidiary Companies, the audit fee paid

- to the authorized auditor for work in the past financial year, totaling Baht __
- to the Audit Firm, as well as persons or business involved with the authorized auditor and Audit Firm for the past financial year, totaling Baht 5,940,000.-; together with fees required to be paid in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht __

2. Non-Audit Fee

For the Company and Subsidiary Companies, the non - audit fees relating to other services:

- to the authorized auditor totaling, for the past financial year, Baht __; together with fees required to be paid in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht __
- to the Audit Firm, as well as persons or business involved with the authorized auditor and audit firm, totaling for the past financial year, Baht __; together with fees required to be paid in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht __
- to other companies associated and involved with the Audit Firm, KPMG Phoomchai Audit Ltd. for the past financial year, totaling Baht __; together with required fees payable in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht __



Compliance with the Good Governance Code (Code of Best Practices – SET)

Principle - 1 Be aware of the role and responsibilities of the Board of Directors, in its capacity as the leader of the organization in creating value added to the business on a sustainable basis

The Company has clearly defined and determined the role, duties and responsibilities of the Board of Directors. Apart from the duties and responsibilities that are in accordance with the laws, which specifies that the Board of Directors has the authority and duties to manage the Company according to all applicable laws, the objectives and regulations of the Company and the resolutions of the Shareholders Meetings, whereby the discharge of such duties must be undertaken in a responsible, careful and honest manner; the Company has also determined that the Board of Directors has the duties and responsibilities to determine the vision, mission, goals, policies, operational directions, business plans and the annual budget of the Company. The Board of Directors must also oversee and monitor that the conduct of the Company's business operations are in accordance with all applicable laws and policies, as well as with the established business plans and annual budget; together with reviewing the performance results of the Company's operations. As such, the Company has communicated to the Board of Directors and also all operating units about the established role and responsibilities of the Board of Directors, so that that the Board as well as all operating units will be aware of and fully understand such role and responsibilities of the Board of Directors

The Company has also established various Board Committees and also the Risk Management Sub-Committee; as well as have appointed the Chief Executive Officer (CEO), to support the Audit Committee, the Committee in discharging their respective responsibilities in ensuring that the management of the Company's business operations and activities are in compliance with all applicable laws and policies as well as with the established business plans and annual budget. Furthermore, the Company has also clearly determined the scope of authority and responsibilities of the various Board Committees and of the CEO.

Additionally, the Executive Committee has established the Risk Management Sub-Committee, comprising of 5 Members, who are responsible for considering and reviewing related issues and potential risk factors that may occur with regards to the Company's business operations together with determining measures to mitigate and minimize all such risks. This Risk Management Sub-Committee must also report its activities and findings to the Executive Committee, the Audit Committee and also the Board of Directors on a regular basis.

At the Board of Directors Meeting, a resolution was made to approve to the Charter of the Board of Directors and of the various Board Committees. Furthermore, the Board of Directors has arranged that Board Members and Members of the various Board Committees are fully informed about and acknowledge the respective Charters, together with monitoring that they all act in accordance with their respective assigned duties and responsibilities. The Board has also resolved that the various Charters are to be reviewed at least once a year, so that they will always be relevant and correspond with the current business direction of the Company.

The Board has arranged to define and issue the Company's Code of Business Conduct, together with various policies regarding good corporate governance practices, so that they can be used as operating guidelines relating good governance of the Company. This is to ensure that the conduct of its businesses will be undertaken in an ethical manner, together with respect for and being responsible to all Shareholders and all Stakeholders throughout the organization; as well as for the benefit of society and the environment. This is to also to ensure that the Company will be able to adapt to the ever-changing operating factors, so as to achieve ongoing positive operating performance results in a stable manner and for the long term. Moreover, the Company has communicated and informed about this Code of Business Conduct via the Company's website

Principle - 2 Define and determine the key objectives and goals of the Company's business so as to achieve sustainability

The Board of Directors has clearly defined the Company's Vision and Mission, together with determining the objectives and goals in conducting its business operations that are appropriate for the Company. This is in order to determine the business direction of the Company that will enable it to grow together with society and in a sustainable manner; as well as to drive everyone within the organization in the same direction, so as to achieve the stated objectives and goals. The Company has a policy to communicate and inform about its established Vision and Mission, together with its objectives and goals in conducting its business operations, to its personnel at all levels of the organization, so that they will adhere to and use them as operating guidelines in discharging their duties and responsibilities. The Company has also communicated and informed all Stakeholders, so that they will be aware of and understand the core objectives and goals of the Company accordingly.

The Company has a policy to review and determine its corporate strategic plans and associated budgets every year so as to be confident that the strategic plans and budgets are both appropriate and correspond to the current economic situation as well as the Company's potential capabilities. The Company has a policy to assess the business environment, together with the key issues and various risk factors that may impact all involved Stakeholders, on the basis of being responsible to society and the environment. The Company also has a policy to promote and encourage innovation, to make use of information and communications technology in its business operations, and to further develop, in an effective manner, its sales operations system so as to reduce fraudulent activities within the selling and debt collection processes; as well as to look after the allocation of its key resources and to oversee that the business operations are in accordance with established business plans.

Additionally, the Board of Directors has assigned the Executive Committee to oversee that the business operations are undertaken in accordance with established strategies and associated budgets.

Principle - 3 Promote and support Board Effectiveness

The Company has a policy to determine the structure of the Board of Directors to be appropriate and correspond to both the business operations and size of the Company as well as in accordance with specified and applicable laws. As such, the composition of the Board of Directors will have the proportion of Board Directors who are Executive and Non-Executive Directors, so as to reflect and achieve an appropriate balance of power within the Board. The composition of the Board is made up of 1/3 of the total number of Board Directors being Independent Directors; whereby, at present, the Board of Directors has a total of 8 Directors with 1 Executive Director and 7 Non-Executive Directors. Additionally, the Board of Directors has also appointed various Board Committees to support and assist the Board in the overseeing the Company's business operations, as follows:

- (1) **Executive Committee:** comprising of 8 Members; whereby this Committee is responsible for determining the overall business direction and associated strategies, that are in accordance with the objectives and goals specified by the Board of Directors and that achieve effective flexibility.
- (2) **Audit Committee:** comprising of 3 Independent Directors, with at least 1 Member being knowledgeable about and well-experienced in accounting, so as to be able to be responsible for reviewing the credibility of the financial statements of the Company. The primary duties and responsibilities of this Committee is to review and ensure that the Company has accurate financial reports and disclose adequate information as required, as well as has a system of internal controls together with a system of internal audit that are appropriate and effective. The core duty of this Committee is to give independent judgement and opinions on any related party transactions that may involve a conflict of interests.

Additionally, the Board of Directors has appointed the Risk Management Sub-Committee, comprising of 5 members, responsible for considering and reviewing any issues or potential risk that may occur in regard to the business operations of Company, as well as for determining measures to mitigate such risks or to manage the risks in reducing them to be as low as

possible. This Sub-Committee is to report its activities and findings to the Executive Committee, the Audit Committee and the Board of Directors on a regular basis.

The Executive Committee has a policy to separate the position of the Chairman of the Board from the position of the President or Chief Executive Office, which are to be held by 2 separate individuals. This is so to have a clear separation of the duties for determining policies and oversight from the responsibilities for the day-to-day management of the Company's operations. As such, the Company has clearly separated the role and responsibilities of the Board of Directors and the Management; whereby the Board of Directors has the duties to determine key policies and to oversee the operational activities of Management, while the Management has the duty to operate the various business activities of the Company in accordance with the established policies. Further, so as to prevent any one party having absolute control or power over the Company, the Company has clearly established the scope of authority, together with the approval authority and the authority in conducting the business operations of the Company.

Furthermore, in order that Board Directors are able to devote sufficient time in effectively discharging their duties within the Company, the Company has determined that a Board Director can hold Board Directorships in not more than 5 other listed companies; as well as that each Board Director must attend at least 75% of the meetings of the Board and respective Board Committees held every year. As such, the Board of Directors will meet at least 6 times every year, whereby specific Agenda Items will be determined for each Board Meeting, with notice of any Board Meeting to be sent to Board Directors, together with the relevant documents relating to the Agenda Items, not less than 7 days in advance so as to allow adequate time for reviewing and studying the relevant issues prior to attending the Board Meeting. Further, written Minutes of the Board Meeting and discussions will be recorded and approved by the Board, with those approved Minutes to be kept safe and made available to Board Directors and any other involved persons for future reference and review.

With regards to the term of office for Independent Directors, in that the business operations of the Company have specialized aspects that require full understanding and special expertise together with requiring a long term to study its details, the recruitment of persons to assume the Board Directorships requires time to identify together with a long time to study and fully understand the business of the Company. As such, the Company takes into consideration the importance of appropriateness regarding the term of office to be held by Independent Directors.

In recruiting and selecting persons to be considered for appointment as a Company Board Director, the Company has determined the associated procedures in a clear and transparent manner. The Company has appointed the Nomination and Remuneration Committee to undertake the duties and responsibilities in recruiting, identifying and proposing persons for consideration to be appointed as: The Chairman of the Board of Directors, Board Directors, Board Committee Members, the Chief Executive Officer/President, Senior Executives and the Company Secretary; as well as for considering the appropriate remuneration according to the assigned responsibilities and, importantly, to the overall performance results of the Company. The selected nominees will then be proposed to the Shareholders Meeting to approve being appointed as a Board Director.

The Company has determined policies on remuneration in a clear and transparent manner, whereby the remuneration is to be appropriate to the assigned duties and responsibilities for each Board Director as well as sufficient to motivate those Board Directors and Senior Executives with the exact qualifications required by the Company to be retained by the Company. Further, remuneration for Board Directors must be approved by the Company's Shareholders Meeting.

The Company discloses details of the personal profile of each Board Director and Executives — such as: age, educational background, professional experience, holding of shares of the Company, number of years in being a Board Director, Board Meetings attendance records, being a Board Director in other listed companies, being Members in the various Board Committee, and assigned roles and responsibilities - together with Reports of the Board Committees, both monetary and non-monetary remuneration received by a Board Director, and Annual Statement of the Company (Form 56-1).

The Company has appointed the Company Secretary to be responsible in assisting, supporting and making recommendations to Board Directors and Executives relating to compliance with the applicable laws and specified rules and regulations together with the Regulations of the Company. The Company Secretary is also responsible in ensuring that compliance is achieved on a regular basis, and for arranging Board Meetings and the Shareholders Meetings together with coordinating and overseeing full compliance to the Resolutions of such Meetings, as well as other required duties as specified by the law.

Principle - 4 Recruitment and skills development of Senior Executives and Human Resources Management

The Company has determined clear success plans for key Senior Executive positions together with the position of the President of the Company so as to ensure continuous business operations of the Company. The Company has also determined policies relating to the remuneration for the President and key Senior Executive positions that are appropriate, so as to motivate their full efforts in working for the maximum benefits of the Company and its Shareholders; and carries out performance evaluations of these positions every year, so as to serve as the criteria for the consideration of their remuneration, together with undertaking ongoing skills development so as to enhance their effectiveness in working for the Company.

The Board Directors also undertake self-evaluations of its performance - both as a group and also on an individual basis - together with undertaking the consideration of the summary of these performance evaluations in the Board Meeting for acknowledgement and for taking further actions accordingly.

The Company has a policy to facilitate and arrange training programs in educating all those involved with regards to good corporate governance practices within the Company, whereby this includes Board Directors, Executives and the Management, and the Company Secretary, in order to achieve on going compliance; as well as in undertaking training programs for Executives and the Management so as to benefit the determination of success plans.

Principle - 5 Promote and encourage innovation and conducting business in a responsible manner

In that the types of business to be undertaken by the Company will depend upon the degree of interest and acceptance on the part of its customers, the Company attaches importance to its development; as well as has a policy to promote and encourage the use of innovation and various information and communications technology systems in its business procedures and processes so as to address the interest and needs of our customers

The Company recognizes the rights of all Stakeholder groups - both internal and external. As such, so as to achieve a positive understanding and close collaboration between the Company and all Stakeholders that will be of maximum benefit in the conduct of the Company's business operations together with creating full confidence in and achieving long term competitiveness for the Company, the Company has determined the following policies and associated operating guidelines

1) **Shareholders;** Apart from the basic Shareholders rights and those specified by the relevant applicable laws and the Articles of Association of the Company, such as: the right to check the number of shares owned, the right to have share certificates, the right to attend Shareholders Meetings and exercise their entitled votes, the right to freely express opinions at the Shareholders Meeting, and the right to receive equitable returns on investments, the Company has also given Shareholders the right to propose any suggestions, via the assigned Independent Director, regarding the operations of the Company in their capacity as co-owners of the Company, whereby every suggestion is to be proposed to the Board of Directors for consideration.

2) **Staff;** The Company attaches great importance to its Staff, who are considered to be valuable resources of the Company; and it is committed to making every staff member feel proud of and confident in the Company. During the past year, the Company has undertaken various projects and activities to promote a good working environment, in order to support the

creation of new ideas and actions as well as to enhance the capabilities of the Staff, so that they will be able to perform their duties more effectively. Additionally, the Company has given importance to maintaining the good health of its Staff, through arranging that Staff at every level always undergo a health check-up every year. In regards to work place safety, fire prevention and fire extinguishing systems are placed throughout the Company's facilities to ensure a safe working environment; and fire drills are also undertaken, both at the HO and the warehouse facilities, at least once a year. Furthermore, the Company promotes and supports a 'zero accident' policy, through placing PR posters throughout the Company's facilities, so that no accidents will occur within the Company; whereby during the last year there were no work-related accidents.

The Company continues to make improvements to the appearance of the office/facilities environment, so that is more appropriate to work in. The Company also promotes and supports its Staff to be learn more about the environment and associated issues, through arranging Staff training programs in order to create greater awareness and for the Staff to make use of the knowledge gained in their everyday life. The Company has also undertaken various activities and associated projects relating to preserving and protecting the environment, together with various other activities for the Staff to join and participate in preserving as well as protecting both the natural resources and the environment.

3) Customers; The Company is committed in giving customers of its products and services maximum benefits in terms of both quality and price, together with maintaining and sustaining the established good relations with its customers through choosing only quality products that have received the quality industrial standard or TISI certification. The Company has also established a central customer service center or Call Center (Tel: 0-2234-7171), that is an operating unit responsible for giving assistance and advice to customers on the use of its products or how to solve any product problems, as well as for receiving any customer complaints in order to achieve maximum customer satisfaction; together with Singer service 'hotline' (Tel: 0 - 818 - 404 - 555) to give direct quick responses to customers relating to after-sales services and repairs of electrical appliances.

4) Business Partners; The company is committed to operating its business within the framework of open and fair competition as well as honest trade practices together with strictly meeting all agreed terms and conditions, based on the established principles and standards of good business ethics, that have been documented and included in the Company's Policies and Guidelines on Good Corporate Governance.

5) Suppliers and Other Parties Related to its Businesses; The Company has in place policies to take good care of its business suppliers and other involved parties, in regards to the environment, work safety, and payments to be received; together with fully supporting the development of their capabilities as well as business-related and non-business knowledge, in order to enable them to work with increased efficiency and productivity.

6) Joint Investors; The Company respects the rights of joint investors and treats them in an equitable manner, as well as fully cooperates with them at all times, so that the joint business operations can achieve full success in accordance with the agreed objectives of the joint venture project.

7) Creditors; The Company fully meets all its agreed obligations and commitments as well as all terms and conditions of loans agreements according to expected behaviors towards its creditors, namely: trade creditors and lenders; whereby these principles and guidelines have been documented in the Company's current Policies and Guidelines on Good Corporate Governance. The Company currently treats all creditors on equal basis, and does not give any guarantees to any one creditor in particular - except in regards to guaranteeing the loans of Singer Leasing (Thailand) Co. Ltd., a Subsidiary Company in which Singer Thailand Pcl. has a 99.99% equity holding.

8) Society and Communities; The Company operates its business in an equitable and moral manner towards all Stakeholders, and adheres to the principles of social responsibility, so as to help develop society as a whole as well as local

communities. This is achieved through focusing on supporting the development of the livelihoods of its members, enhancing the happiness of those communities, and giving full support to various community activities - especially those activities related to improving the potential of young people and housewives in creating new livelihoods, skills and improved education. Additionally, the Company also encourages and enables its employees to participate and contribute towards these corporate social responsibilities related activities to help society and local communities, through the established 'Singer CSR Club'.

9) Government organizations and agencies; The Company places great importance on Government organizations and agencies in their capacity as a Stakeholder group, through establishing guidelines that are to be strictly observed by its Staff, so they can act in a correct and appropriate manner. The Company also always cooperates with all Government agencies and supports their various related activities.

10) The Press and Media; The Government places great importance on disclosing information and news to the press and media, so that the Company can always communicate with the general public in an accurate, speedy and timely manner.

11) Competitors; The Company treats all competitors within the accepted framework of free and fair trade competition, through operating its business in an equitable manner as well as in accordance with the relevant laws and establish Company's Code of Good Business Conducts. During the past year, the Company has not had any disputes relating to its business competitors.

12) The Environment; The Company operates its business by always taking into consideration its responsibility towards society and the environment. The Company fully recognizes the need to conserve energy and protect the environment, through promoting the use of those appliances and products that are energy-efficient. Further, the Company continually develops appliances and products that have the 'No. 5 energy efficient' certification. Furthermore, Singer refrigerators use only Non- CFC refrigerants (or C-Pentane), that do not harm the environment or the ozone layer and which has a 'O-level' ozone layer damage certification.

Moreover, the Company constantly instills into its Staff and promotes their knowledge and participation in taking care of and protecting the environment, together with the need to restore and enhance vital natural resources, through jointly undertaking various associated projects or activities, initiated and sponsored by the Company, details of which are given in the separate section on "Corporate Social Responsibility"

Policy Guidelines Relating to Intellectual Property

The Company operates its business activities as well as encourages its Staff to act in full accordance with all relevant applicable laws and regulations with regards to intellectual property rights (regardless of whether it is trademarks, service marks, copyrights, patents, or confidential trade secrets) and other legal proprietary rights - such as: use of copyright computer software programs, whereby all software programs used must be inspected and installed only by the IT Department. As such, copies of the Computer Crimes Act (2007) are posted on each employee desktop computer within the Company so as to serve as reminders of the prohibited associated actions. Additionally, the Company requires that all employees acknowledge and sign an agreement not to disclose any confidential Company information as well as not to violate any computer laws or intellectual property rights of others; whereby new employees must sign this agreement together with their Contracts of Employment.

Policy Guideline Relating to Respecting All Laws and Principles of Human Rights

The Company supports and respects the principles of human rights protection, and ensures that the Company's businesses is in no way involved with any activities that violate any basic human rights - such as: not supporting forced labor or use of child labor; treating all Stakeholders in an equitable manner; and respecting the basic human dignity without any prejudice or discrimination with regards to place of birth, race, gender, age, religious beliefs, nationality and family name, physical abilities/disabilities, skin color, or social status

Position on Anti-Corruption and Corrupt Practices

At the Company's Board of Directors meeting No. 224 on 9 November, 2018, a resolution was made to approve the Company's policy and position on anti-corruption together with the policy on Whistle - Blower Policy Information and Complaints, as well as to incorporate these policies in Management Handbook, the Company's 'Code on Good Business Conduct and Ethics' and the Policy Guideline for a 'Zero Tolerance'. Further, the Company has joined and received formal certification from the "Private Sector Collective Action Coalition against Corruption Initiative (CAC) as organized by the Thai IOD. The Company has assessed the risks relating to fraudulent and corrupt actions, and has determined policies on business ethics relating to anti-corruption practices. The Company has also communicated these policy guidelines throughout the organization together with procedures for whistle blowers/informants to submit details of any suspicious involvement by anyone in any alleged fraudulent or corrupt actions; whereby an internal Committee on Preventing and Suppressing fraudulent or corrupt activities has been established. The associated Anti-Corruption Policies and Guidelines Handbook has been documented to fully inform all employees, who are required to sign their acknowledgement of and agreement to fully comply with such policies and practices.

Policy Guideline Relating to Anti-Corruption and Corrupt Practices

The Company has established channels of communications for any Stakeholder to submit information or complaints relating to possible or alleged fraudulent situations. Guidelines have also been established relating to the giving/acceptance of gifts, assets, bribes or other benefits, entertaining or any inappropriate expenses beyond reasonable or authorized amounts, that are not in accordance with the Company's regulations. Also clear guidelines for the procurement process and for making donations, both of which activities are required to be undertaken in a transparent and equitable manner as well as in full accordance with all the relevant applicable laws and regulations, and established Company procedures.

As such, the Company has communicated these established rules and regulations relating to the activities of the Company to all Members of the Executive/Management group, so that they can also be informed to every employee - especially sales representatives and Field Staff - for their written acknowledgement and confirmation of their agreement to strictly observe these established practices in a correct manner.

Receiving Information and Complaints from Informants (or Whistle-Blowers)

The Company has assigned a Member of the Management to be responsible for directly receiving any information and complaints, together with a Joint Investigation Committee to assess and investigate the accuracy of any complaints in an equitable manner. Policies have also been established in regards to effective internal controls, together with a reporting process with full transparency and accountability, so that everyone can be confident that such investigations will be undertaken in an equitable manner. Additionally, various measures have been established to protect whistle-blowers/informants of any suspicious or alleged fraudulent acts - especially those informants or complainants, who are members of the Company's Staff, customers or persons assigned by the Company to investigate such possible incidents. This is so that such informants and other involved persons will be fully protected in accordance with applicable laws. Further, these measures have been included in the both the Company's Policies on Good Corporate Governance and the Company's Whistle-Blower Policy

In the event that any of the various Stakeholder groups have any suspicions or is aware of any possible or alleged irregular or illegal acts of misconducts, that are considered not to be in accordance with applicable laws, regulations or established Code of Good Business Conducts and Ethics of the Company, then they can submit such information or complaints, together with full supporting details or evidence, to the Company's Joint Investigation Committee to investigate and establish the truth in a fair manner. This Joint Investigation Committee will then investigate and assess the truth, as well as summarize its findings that will be then be submitted to the Company's Management for consideration and further action. Such information and complaints should be sent to these contact details:

Join Committee for Investigation of the Company

Singer Thailand Pcl. Post Office Box 17, Bangrak Post Office Bangrak, Bangkok 10500

e-mail: amnesty@singerthai.co.th

As such, during the previous year, the Company has received no disputes, issues, or information of any significance, from any Stakeholder groups

Principle - 6 Risk Management System and Appropriate Internal Controls

The Company attaches importance to the internal controls system at the management and the operational level. As such, the Company has clearly determined, in writing, both the scope of responsibility and authority in overseeing the use of its assets so as to create maximum benefits. The Company has also determined separate approval responsibilities and authorities, and the recording of accounting transactions and operational data together with safe keeping of the Company's assets, in order to achieve an appropriate degree of the balance of power and system of checks and balances. Additionally, the Company has established internal controls with regards to the financial system, whereby a financial reporting system has been established for submitting to the responsible management of the respective business units. Despite the fact that, at present, the Company has an Internal Audit Unit, in order to have review effectiveness and associated special expertise, the Company has also engaged an external independent Internal Auditor to review the established internal controls of the Company for particular business units and to report the results of the audit activity directly to the Audit Committee.

The Company has determined goals and targets in conducting its business operations that are clear and measurable, against which the Management group compares the operating performance results regularly every month; whereby both internal and external risk factors impacting the Company's ongoing operations are also assessed together with analyzing the cause of such risk factors for determining measures to monitor and minimize those risks on a continuing basis, with progress reports to be submitted to the Board of Directors.

The Company has appointed the Risk Management Sub-Committee, with responsibilities for considering and assessing risk factors that may occur to impact the Company, as well as for recommending various measures to manage those risks so as to prevent any negative impacts on the Company's business operations, together with overseeing and ensuring that risk management activities are undertaken in accordance with the established Company policies.

The Board of Directors attaches importance to anti-corruption practices, through having determined clear policies on this matter together with communicating them to all involved parties, so as to inform them and enable them to adhere to such policies. Policies regarding the 'whistle blower' program to submit complaints and information have also been determined, so as to be a mechanism in overseeing and ensuring that respective involved parties also act in accordance with all established policies relating to corporate governance practices

Principle - 7 Information Disclosures and Transparency

The Company has determined that the disclosure of any information and any communications be a core policy of the Company, whereby an Investor Relations and Corporate Communications Unit was established to represent the Company and to be central communications link between the Executive/Management Group in regards to disseminating and disclosing information. The Company also places importance on the disclosure of information, since it is an operational aspect with potential impact on the decisions made by investors and Stakeholders; thus it needs to be well-controlled through specific measures relating to disclosing both financial and non-financial information, in full compliance with the relevant applicable laws and regulations. Such disclosures should be made in comprehensive detail that are credible, timely and an adequate manner - both in Thai and English - through the SET Community Portal as well as the Company's website, as well as in full compliance with the relevant applicable laws and regulations as specified by the SEC and SET or other involved Government agencies. Further, these applicable rules and regulations need to be constantly monitored for any current amendments, so as to ensure that the Company is always in compliance such applicable regulations, and to guarantee to Shareholders that the Company operates its business in a fully transparent and straight forward manner, namely:

1. Disclose financial and non-financial information in an accurate, comprehensive, and timely manner.
2. Prepare the Report of the Board of Directors' Responsibilities for the Financial Statements for inclusion, together with the Auditor's Report on the Company's Annual Report in the Company's Annual Report.
3. Determine policies relating to the required reporting by Directors and Members of Management regarding their vested interests, as well as those of any related parties connected with the interests of the Company and Subsidiary Companies, based on the following guidelines and procedures:
 - Report upon initially assuming the duties of a Board Director or a Member of the Management Group
 - Report whenever there is any change in the information or status relating to their vested interests
 - Report at the end of every year
 - Report upon the expiry of the term of office as a Board Director, and upon being reappointed for another consecutive term; but Board Directors need not submit a report if there are no changes in the status relating to any vested interests
 - Board Directors and Members of Management are required to submit such reports (on the status of their vested interests) to the Company Secretary, who will then submit a copy to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from receiving such reports; whereby the agenda item relating to such reports on vested interests must be included for consideration by the Board of Directors Meeting every Quarter.
4. Disclose the procedures for selecting and propose nominations of new Board Directors.
5. Disclose the duties and activities of the various Board Committees, together with number of times each Committee met together with the attendance record of each Member of each Board Committee during the year.
6. Disclose the structure and nature of the business operations, as well as the shareholdings in each Subsidiary and JV Company.
7. Disclose information relating to the remuneration for each Board Director, in their capacity as a Board Director and a Member of the various Board Committees.
8. Disclose the policy relating to the remuneration for Directors and Members of Management, with details regarding the various types of remuneration and benefits, together with the remuneration for Board Directors as Members of the various Board Committees.
9. Disclose policies relating to protecting or taking care of the environment and society, together with the outputs and achievements resulting from the actions undertaken in compliance with these policies.
10. Report on the policies and practices relating to good corporate governance, together with the outputs and achievements resulting from the actions undertaken in compliance with these policies.
11. Disclose investments in any important projects together with the results of such investments; whereby such disclosures are made via the SET Community Portal and posted on the Company website, so that all Shareholders, investors, the press and media, and any involved parties are fully informed in an accurate, comprehensive and transparent manner in accordance with the Company's policy of giving great importance to full disclosures of information and transparency, which is a key factor in the overall operations of the Company.

As a result of the Company placing great importance on information disclosures and transparency, that is a key factor in the conduct of its businesses, Singer Thailand Pcl. received the SET Awards for SET "Best Investor Relations Awards" for 2011 and 2012" for two consecutive years; while in 2019 the Company also received the "SET Outstanding Investor Relations Award" at the SET Awards ceremony in 2019.

The Investor Relations and Corporate Communications Department of the Company has undertaken activities relating to contacting, informing and communicating with institutional investors, general investors, and Shareholders, together with securities analysts and involved Government agencies on an equal and equitable basis. Shareholders who wish to contact the

Investor Relations Unit for further information can do so directly via email at suparapornp@singerthai.co.th or by telephone at 0-2352-4777 Ext: 4201

During 2019, various activities were undertaken whereby the CEO, Director/Chief Financial Officer regularly met with various individual or institutional investors and securities analysts, in order to make presentations regarding the financial status of the Company and the Management Discussion & Analysis (MD&A); as well as participated in the SET Opportunity Day for investors to present the Company's operating performance results of overview for the future operating trends of the Company; with details as follows:

- Investors related activities and meetings involving the CEO and individual investors, in order to make a presentation and create a better understanding of the business trends and overall operating activities of the Company.
- Various company visits by and regular meetings or conference calls with securities analysts and investors - via email or telephone - in order to directly answer any questions.

Principle - 8 Support the participation of and communications with Shareholders

The Company recognizes and attaches importance to the various basic rights of its Shareholders; such as: the right to buy/sell and transfer shares of the Company; the right to share in the profits of the Company; the right to receive adequate and sufficient information and news about the Company's business operations; and the right to attend the Shareholders Meetings, so as to exercise their right to vote on the appointment of Board Directors and the engagement of the external auditor, and on any matters that will have an impact on the Company - eg: appropriation and allocation of dividend payments, determining or amending the Regulations as well as the Articles of Association of the Company, and the reduction or increase in the Company's registered capital.

The Company has a policy not to undertake any actions that either violates or restricts the rights of Shareholders. In addition to the basic Shareholders rights as mentioned above, the Company also gives importance to the right of Shareholders to receive information about the Company that is accurate, comprehensive and adequate as well as in a timely manner and on an equal basis. This is in order to enable Shareholders decisions to be made on any matter. As such, the Board of Directors has determined the following policies:

- 1) To hold Shareholders Meetings, so as to be an opportunity for Shareholders to consider important matters in accordance with the applicable laws or matters that may have an impact on the Company's ongoing business operations.
- 2) To arrange the distribution of the Notice of the Shareholders Meeting together with relevant supporting documents to all Shareholders in advance prior to the Meeting in the timeline as specified by the law or applicable regulations, so that Shareholders will have the opportunity to completely study the information prior to attending the Meeting. The Company also allows the opportunity for Shareholders to submit questions in advance prior to the Meeting, through determining the applicable criteria and regulations in being able to submit questions in advance; whereby these are communicated to Shareholders on the Company's website, and the Company will compile the important questions received for consideration at the subsequent Meeting accordingly.
- 3) To allow Minority Shareholders to submit names of qualified persons for consideration to be elected as a Board Director of the Company, or to submit, in advance, additional Agenda Items for possible consideration at the next Shareholders Meeting. As such, the associated criteria and regulations have been clearly determined and informed to Shareholders in advance. Further, the Company will inform the Shareholders reasons for not including those Agenda Items submitted for consideration at the subsequent Shareholders Meeting.
- 4) In the event that any Shareholder cannot attend the Shareholders Meeting in person, the Company facilitates such Shareholders to appoint an authorized proxy; or the Company designates at least 1 specific Independent Director to be appointed as an authorized proxy in attending and voting at the Shareholders meeting on behalf of the Shareholder.

As such, the name(s) of such designated Independent Director(s) will be informed to the Shareholder in the Notice of the Shareholders Meeting.

- 5) The Company also issues the Notice of the Shareholders Meeting, together with supporting documents, in English for distribution to foreign Shareholders.
- 6) The Company arranges to disseminate the Notice of the Shareholders Meeting on the Company's website at least 28 days in advance prior to the scheduled date of the Meeting, so that Shareholders can easily and conveniently download the complete set of information and associated regulations themselves.
- 7) The Company provides various conveniences and services, in regard to the appropriate venue and timing in attending the Shareholders Meeting, to all Shareholders on an equal basis.
- 8) With regards to the Shareholders Meeting, it will be conducted in accordance with the law and regulations of the Company, through considering and voting for the various Agenda Items in the same order as was announced, without any changes being made to the relevant significant information or any additions being made to the Agenda Items to be considered. Shareholders will have the right, on an equal basis, to ask questions or to express any opinions and to make any suggestions.
- 9) Voting ballots will be used for registering Shareholders votes on any important Agenda Items; whereby independent parties - such as: the external auditor and the legal advisor - will be appointed to monitor and oversee the voting process at the Shareholders Meeting.
- 10) The Company encourages all Board Directors and involved Members of the Management group to attend the Shareholders Meeting, so as to be able to respond to any relevant questions from Shareholders together.

Minutes of the Shareholders Meeting will be recorded in an accurate and comprehensive manner as well as the names of all Board Directors and Members of the Management group, who attended the Shareholders Meeting, the voting and voting counting process, and the resolution of the Shareholders Meeting and associated vote count, together with the various important questions asked and opinions expressed. This is so that Shareholders can review the Minutes; whereby it must be completed within 14 days from the date of the Shareholders Meeting. Additionally, the Company will arrange to have a VDO recording made of the Shareholders Meeting, which is to be kept for future reference. Further, the Company will send the Minutes of the Shareholders Meeting to the SET or other involved party within the specified timeframe, as well as communicate and disseminate these Minutes on the Company's website for informing to and reviewing by Shareholders.



Corporate Social Responsibility (CSR)

Policies and Guidelines for Corporate Social Responsibility

1. Conducting business in a just and equitable manner

To achieve just and equitable business operations, Singer Thailand Pcl., and its Subsidiary Companies have determined a core strategy of giving great importance to the rights of all Stakeholders, regardless of whether they are internal (ie: Staff and Members of Management) or external (ie: customers, creditors, and Government agencies or other involved organizations, including local communities, society as a whole, and the environment). This just and equitable way of conducting its businesses is not limited to what is required by law but also includes those actions that will not infringe upon or violate the basic rights of all these Stakeholder groups; whereby the following operating good business conduct and ethics have been defined as below :

- **Policies and responsibilities towards Shareholders**
 1. Establishing a policy framework for good corporate governance principles and practices, in order to enhance full transparency towards as well as trust among Shareholders, investors, and all other Stakeholders, through having in place policies and directions relating to the Company's business operations and activities, together with giving great importance to having in place specific internal controls and audit systems. This is to effectively monitor and ensure that the Management Group fully complies with agreed internal policies and strategies for the overall benefit of the Shareholders.
 2. Respecting the basic rights of all its Shareholders to receive, on a equal basis, all necessary and relevant information to facilitate an assessment of the Company operations, as well as making full disclosures on the Company's performance results and financial status together with detailed supporting information/documents as required by the rules and regulations of the SEC and SET.
 3. Having in place effective systems and procedures, to ensure that every single Shareholder will receive the same equal treatment during Shareholders Meetings.
- **Guidelines relating to "Conflict of Interests" situations**
 1. In their dealings with customers or other outside parties, all Staff are required to avoid any possible situations of conflict between to their own personal interests and those of the Company.
 2. All Staff are required to be fully committed in devoting their time and efforts towards the activities of the Company. In the event that they need to have to take on any additional work outside the normal working hours (in order to increase their personal income or for whatever reason), the following guidelines must be observed :
 - it must not affect or impact their assigned role or responsibilities within the Company,
 - it must not be illegal; or cause any conflict or unrest; or be against normal moral, culture and good behavior of a Thai citizen,
 - it must not result in any negative impact on the good name or reputation of the Company,
 - it must not be in conflict with the business activities and interests of the Company, and
 - it must not involve the misuse use of any confidential information of the Company.

2. Anti-Corruption

The Company has determined its anti-corruption policy in the Handbook for the Management Group, the Code of Good Business Conduct and Ethics and in the Zero Tolerance Policies, as well as has joined in declaring its anti-corruption stance with the Private Sector Collective Coalition Against Corruption (CAC) as organized by the IOD, and has received full formal CAC certification.

3. Respect for Human Rights

Basic human rights are entitled by everyone and includes: the right to be happy as a human being and a part of society, together with the right to be treated with dignity and respect. The respect for these basic rights is the basis for a stable and peaceful society.

Singer Thailand Pcl. and its Subsidiary Companies, therefore, gives great importance to the respect for these basic human rights and recognizes the great value of its human resources; as well as wishes to all its Staff to feel proud of the Company. As such, the Company promotes a positive collaborative working environment, together with offers opportunities for all its Staff to advance in their respective career path on an equal basis; whereby all Staff members through the organization will be supported to develop through enhancing their knowledge and abilities equally and on continuous basis, in order to add value to the business that will enable the Company to be a leading business organization, within the following framework for the development of its human resources:

- **Equal treatment and opportunities for advancement**

1. Treating all employees alike and equally with respect for their dignity and value as a human being.
2. Recruiting and selecting capable people to operate our businesses, based on the required benefits and achievements of the Company, in a just and equal manner; as well as based on the needs of the Company's operations. This will facilitate acquiring 'good and capable' people, who share the same mindset that corresponds to business and cultural orientation of the Company, through taking into consideration, the required qualifications, education, experiences and other criteria for each position without any restrictions with regard to gender, age, race, nationality, religious beliefs, or personal relationships.
3. Determine and implement an employee's compensation plans as appropriate to the individual's capabilities, together with a welfare and benefits package for the Staff member and their family, that corresponds to the current economic situation; as well as determine annual increases for the overall compensation plans, based on the Company's overall performance results and the individual employee's efforts, industriousness and contribution during the past year.
4. Encourage and promote continuous development of the Staff's knowledge and capabilities, including their basic business skills, management skills, and ability to effectively carry out their assigned responsibilities; whereby support is given by the Company in terms of training budgets and time-off allowed to be able participate in various development programs on a continuing basis. This is so that all Staff and employees have the same opportunities for self-development and improvement of their skills and capabilities, as well as to facilitate their career advancement, and to develop the Company's human resources to be good people with the right attitude and be knowledgeable in their work.
5. Continuously promote and enhance good internal communications to facilitate good relations and effective cooperation among all employees in the work place.
6. Promote and create an open environment, in which Staff member has the opportunity to communicate freely and submit any suggestions concerning work together with any complaints or issues regarding their working conditions and welfare through a Company Staff Welfare Committee. All suggestions and complaints will then receive full and serious consideration, and receive an appropriate response, in order benefit all parties and enhance good internal cooperation and working relationships.
7. Promote and offer opportunities for the Staff, at every level, to be able to participate in overseas work-related training or field trips, in order to open up their minds to new ideas and expose them to new experiences, which they can then apply in their own work upon returning home.

- **Infringements and Violation**

1. All Managers and Supervisors should show the proper respect towards their Subordinates; and all Subordinates should act in the same manner towards their Superiors/Managers
2. Every Staff member must not express anything or act in any way that will infringe or violate upon the basic individual rights of others in terms of race, nationality or religious beliefs, as well as any physical or mental disabilities.

4. Equitable Treatment for all Workers

The Company values and believes in the power or ability of its human resources, which are vitally important in effectively driving the organization towards the realization of its vision and achievement of its mission in accordance with agreed business strategies. Thus, the Company strives to recruit and select new hires possessing the knowledge, capability, attitude and mindset, and full willingness to join and work for the Company. At the same time, the Company also strives to retain its existing employees through continuous development of their knowledge, skills and capabilities, so that they can to achieve good team work and assist each other as needed. Additionally, the Company strives to build up mutually solid working relationships and bonds that will enable the Company to more effectively and efficiently achieve its business goals and objectives. Most important of all, the Company continuously strives to create a positive and happy working environment, with all employees liking each other and feeling proud to be a part of the organization.

- **Management of compensation/remuneration schemes and employee welfare**

The Company believes in having an equitable compensation policy to facilitate a good and happy living standards that are appropriate to the current costs of living, as well as in providing financial assistance or support and various other employee welfare benefits (such as providing staff uniforms, annual health check-ups, and annual staff trips etc.). The Company also believes in encouraging all employees to be happy at work and have a good balance between their work life and personal life, based on the principles of economic self-sufficiency.

- **Individual rights and freedom of choice of employees**

The Company gives great importance to the protection and preservation of human self-dignity and of individual rights and freedom of choice, through addressing and incorporating measures to prevent any such potential infringements of individual rights as an integral part of the Company's core operating procedures, and to ensure equal treatment for all employees. All Singer staff have the opportunity to submit any complaints or personnel management issues to their supervisors/managers, with 'suggestion boxes' being made available and located throughout the Company facilities for any employee to submit any such suggestions or observations and comments as well as any complaints and issues, or requests. The Company Staff Welfare Committee will then seriously consider such all inputs and then, at every monthly Management - Staff meetings, will make their recommendations to the Management as to the appropriate responses and feedback to be made and/or actions to be taken.

- **Development of staff potential**

The Company has established various procedures and systems relating to the continuous development of the potential of its employees at every level including formal training programs, Staff coaching, on the job training and mentoring, so that every employee is able to become more effective in their work and be a positive part of the organization.

- **Active participation in creative activities to benefit society and local communities**

The Company encourages all employees to be actively involved in various CSR-related programs and activities that will benefit society, the community and the environment. Through its CSR policies, each and every business unit and branch of the Company should actively participate in undertaking good deed to give back to as well as help society and various communities-both at the national and local levels in which the Company operates. As such, the 'CSR Club' has been established through the joint cooperation among all employees and Staff Members, who volunteer to undertake activities that will positively benefit society and the environment.

5. Being Responsible towards Consumers and Business Partners

Apart from complying with all legal requirements relating to the treatment of consumers, Singer Thailand Pcl. and its Subsidiary Companies also have policies in place requiring all Staff members to apply good business conducts and ethics in their interactions with and towards both consumers and business partners, as follows:

- **Consumers**

1. Always be committed and strive to strictly adhere to any business terms and conditions as agreed with customers; and act in a just and credible manner.
2. Always be committed and strive to disclose all relevant information accurately and completely as well as in a timely manner; and continuously endeavor to promote a positive customer relationships.

- **Business Partners/Contractual Parties**

1. Always strive to source both products and services with high standards of quality, within a framework of equal information disclosures in a competitive manner; as well as use clear and transparent procedures in choosing to deal with any business partners and/or contractual parties. Make use of appropriate contractual agreement formats; as well as manage and monitor the established agreements to ensure full compliance to all agreed terms and condition. Prevent and avoid making use of any corrupt business practices or misconducts in all stages of the sourcing and procurement process; as well as undertake timely payments strictly in accordance with the agreed terms and conditions.
2. Always strive to continuously develop and maintain positive and sustainable relationships with all business partners and contractual parties, based on clearly established mutual trust and agreed requirements in terms of supplying products/ services of the highest standard of quality as appropriate to the agreed pricing and/or technical specifications.
3. All employees are strictly prohibited from receiving any “benefits” in any form whatsoever from any business partners and/or contractual parties.

6. Joint Development of Society and Local Communities

The Company always recognizes and is mindful of the great importance of operating its business based on the highest ethical and moral business standards; as well as believes in looking after and helping to create a good Thai society in a positive manner and on a sustainable basis. As such, the Company believes that effective vocational development and training of Thai society are vital as well as basic grass root requirements of society as a whole. Thus, the Company continuously develops and promotes vocational training programs for students, young people and housewives together with female prison inmates, whereby these activities form the basis for the various “creating vocations and jobs” projects undertaken by the Company in close cooperation with various Government agencies and other private organizations that create jobs and livelihoods.

7. Managing the Environment

The Company realizes the great importance of efficient use of energy and energy conservation together with protecting the environment; and thus promotes the use of energy-efficient electrical appliances, which is a one of the Company’s CSR practices. The Company has continuously developed appliances that are energy-efficient, bearing the official “No 5” Energy-Efficient label. Furthermore, Singer produces refrigerators that use non-CFC coolants that do not destroy or damage the environment and the ozone layer - namely: C- Pentane, that has a ozone layer destruction rating of ‘zero’.

Since the Company does not have any manufacturing operations or facilities, but sources its products and appliances from Original Equipment Manufacturers (OEM), who have quality production processes as well as avoid buying from low quality manufacturers; whereby the Company has a special Quality Assurance team, responsibly for selecting and sourcing products and appliances that are of the required quality standards. The Company also has a policy to select and source from those manufacturers who pay attention to environmental impact and related issues.

The Company also emphasizes and focuses on only operating its business with high quality standards for the overall and ongoing benefits of society and the consumers on a continuous basis. Further, the Company encourages its employees to recycle and reuse printing paper, as well as separates out its garbage and reuses its packaging materials.

8. Being Innovative and Spreading Innovative Ideas in conducting the Company's Business, through Respect for Corporate Social Responsibilities, the Environment and All Stakeholders

Singer is the leading sewing machines manufacturer and supplier, with a long-standing and well-established reputation as well as in regards to new products development, innovation and designs. These products that are easy to use together with being of the highest quality and offer various outstanding features and specifications that meet all the expectations of those interested in sewing to produce well-made clothing items and accessories. Additionally, the Company also has well-experienced and capable sewing instructors to teach the art of sewing by using Singer sewing machines, who are readily available to actively participate, on a continuing basis, in skills training projects that will create new vocations for young people and housewives in local communities as well as for female prisons inmates.



Report on the Activities Relating to Corporate Social Responsibility

Ever since the start of our business and up to today, “Singer” has always sought to share both happiness and a sense of well-being to the Thai society; together with continually developing the quality of both our products and services, in order to achieve the highest level of excellence.

Part of the Company’s core mission is to raise the quality of life and standards of living of the Thai people, in order to achieve a happy society. Therefore, various projects and activities have been initiated for the overall benefit of both society and the environment under the theme of ‘Creative Sharing, based on established strong relationships with the communities, and focused on developing and growing as well as going forward together’. This is achieved through the creation of jobs and vocations for Thais, together with skills development for those living in local communities that will enable them to become our sales representatives, so that we can all fit in well together with the local way of life, local culture and customs; and to promote better livelihoods for members of local communities.

Currently, the Company has established a “CSR Club” to enable every employee to have the opportunity to participate in and contribute to various activities aimed at promoting and supporting society and the environment. The “CSR Club” logo that consists of a ‘large tree’ (representing the current large communities) that, through the collective care, support and actions by Singer staff in planting and nurturing (with good soil, fertilizers, together with constant watering and care) has grown to be big and strong from a small seedling (or small community) that now bears fruit and is able to be self-sustaining. This is similar to the many local communities that, through the care and sustained support from Singer employees given to its people, development and the environment, have now become strong, self-sufficient and self-reliant to grow on a sustainable basis.



CSR - in process

This aspect of CSR involves the Company undertaking activities relating to its core business activities based on policies related to being responsible towards society as a whole. This includes not only looking after the interests of the key Stakeholders groups, (namely: Shareholders, Customers, Consumers, and Business Partners) in an appropriate and equitable manner, but also disclosing all relevant information with full transparency together with recognizing the importance of good governance policies and practices.

As for its Employees, the Company takes good care of all its Staff, through offering equitable and competitive compensation together with Staff welfare benefits and assistance that will afford them an appropriate and happy livelihood, as well as other various supporting financial assistance and loan schemes. Additionally, the Company also offers other benefits - such as, uniforms, annual health check-ups, and annual staff trips, etc., together with encouraging all staff to achieve a positive personal work-life balance, based on the principles of ‘sufficiency economy’. Further, to promote its Staff in developing a habit of saving money, the Company has joined the SET’s ‘Happy Money’ program, which is aimed at developing good financial discipline on the part of the Staff and guiding them on how to save and manage their own money and also their family’s finances more effectively, together with offering financial assistance and solutions to any financial problems.

Additionally, the Company encourages its Staff to contribute towards better energy savings together with having a more effective use of paper and paper materials, with the overall objective of being more energy and resources efficient. All staff are also encouraged to participate in various activities that will benefit society and the environment.

CSR - after process

CSR-outside of the business operations involves undertaking various activities that are ‘outside’ or not directly related to the Company’s core business activities, but relate to supporting and encouraging all Staff to participate in various activities

undertaken for the direct benefit of society and the environment. As such, the Company has established policies requiring every business unit within the Company, including its nation-wide branch outlets network, to join and participate together in projects that will benefit and help repay communities - both at the local and national level - in which they are located, through undertaking various types of projects specifically related to these 5 key social activities:

1. Support and promote the development of local children and young people.
2. Promote religion, culture, customs, and family life.
3. Offer assistance and relief to communities affected or damaged by any natural disasters.
4. Promote the improvement of the quality of life of people living in local communities.
5. Develop communities and society as a whole.

1. Support for and Promotion of the Development of Local Children and Young People

The Company has focused on activities relating to the development of and support for the education of disadvantaged children and young people, so that they will have the opportunity for further education together with further development and being instilled with a positive mindfulness and attitude towards society. The Company has supported development programs for disadvantaged children and young people, through working together with local communities to enable them to participate in various activities aimed at instilling an awareness for and at adapting various ways of life in preserving the surrounding natural resources that will correspond to their basic way of living and local Thai ways of life. The Company has also supported and promoted activities aimed spreading education and at reducing the disparity between the social life of developed municipalities and that of local communities.

During 2019, the Company undertook various activities with regards to the development of children and young people as follows:

1. Joined in donating various goods and items on the National Children's Day
2. Donated products and money to various social welfare organizations and foundations
3. Undertook various activities to create jobs and vocations for young people at the Judicial Hospital, Phutthamonthon, Nakhon Pathom Province



Undertook various activities to create jobs and vocations for young people at the Judicial Hospital, Phutthamonthon, Nakhon Pathom Province

2. Promotion of Religious Beliefs, Local Customs and Cultures, and the Family Unit

The Company participated in various religious activities, so that the staff can have a central and common activity for achieving positive spiritual unity within the organization together with being able to celebrate and continue preserving the long-observed traditional customs and cultures of the Thai people - such as: the Songkran Festival and various other religious or Buddhist Holidays and activities, that have been handed down through many generations to the present day; namely: the Loy Krathong Festival, Offering candles to temples during Buddhist Lent; the Tod Katin Festival - as well as also undertook various other activities aimed at strengthening the family unit and family life, as follows:

1. Festival to make monks robes for the rainy season, to be offered to monks at temples during Buddhist Lent
2. Donating robes to monks merit making at THAMSIWILAI Temple, Mueang Bueng Kan
3. Giving alms to a temple for unity merit making at Taklongsiphung Temple, Bann Tonglang, Banwa, Khonkaen



Donating robes to monks merit making at THAMSIWILAI Temple , Mueang Bueng Kan



Giving alms to a temple for unity merit making at Taklongsiphung Temple, Bann Tonglang, Banwa, Khonkaen

3. Offer of Social Assistance and Relief to the Victims of Natural Disasters.

The Company has always been concerned about society, as well as has actively participated, on a continuous basis, in providing assistance and relief to victims of natural disasters or any major disasters affecting a large number of people - such as: fires, wind storms and typhoons, and floods or other types of public disasters - that resulted in extensive destruction of and damages to people's lives, homes and belongings; whether it is through donating money or giving various needed goods and items.

4. Development of the Quality of Life of People in Local Communities

The Company has continuously participated in projects aimed at promoting the development and improvement of the quality of life of people living in local communities on a long term basis, through creating jobs and vocations, so that people in these communities will have work together with a comfortable and improved livelihood without having to migrate to work in urban centers; as well as through recruiting local people to be hired as employees at its local branch outlets. Additionally, through developing and offering various new business-generating products that are affordable and will enable owners to generate income and operate a small business - such as: coolers and freezers, various types of vending machines (ie; airtime vending machines, petrol vending machines, and various payments machines for consumers services), the Company has helped to create local jobs and small business opportunities within local communities, together with being easily accessible to them by being sold at affordable prices.

5. Development of Local Communities and Society

The Company recognizes the importance of conducting our businesses based on good, virtuous and moral ethics coupled with, most importantly, taking care of, helping and collaborating to create a positive Thai society in a sustainable manner; and, thus, believes that vocational training of people within Thai society is a vital foundation for the ongoing development of society. As such, the Company has participated, on a continuous basis, in developing, promoting and supporting vocational training activities for students, young people and groups of housewives together with female prison inmates, whereby up to now, as a

result of collaboration between the Company and various Public and Private Sector organizations to create jobs and vocations, this has created various new vocational programs, jobs and vocations as follows;

1. Prisons-related training undertaken during 2019 are as follows:

- Chanthaburi Provincial Prison, Chanthaburi
- Phuket Provincial Prison, Phuket
- Sukhothai Provincial Prison, Sukhothai



Chanthaburi Provincial Prison, Chanthaburi



Phuket Provincial Prison, Phuket



Sukhothai Provincial Prison, Sukhothai

In undertaking various projects and activities to create jobs and vocations for female prisoners, the Company joined the Royal Initiated ‘Kamlang Jai Project’, graciously undertaken by Her Royal Highness Princess Bajrakitiyabha Narendira Debyavati, the Princess Rajasarinisiribajra that is aimed at helping those in Thai society requiring opportunities in new vocations and skills. Starting with pregnant female prisoners, HRH Princess Bajarakitiyabha graciously offered help and donated her personal funds, in cooperation with the Nursing Vocational School of the Thai Red Cross and the Department of Corrections, for various projects and activities to be undertaken to improve the lives of these female inmates as well as to teach them about health and improved hygiene; whereby these projects have fully achieved their intended objectives.

Based on this success, HRH Bajrakitiyabha Narendira Debyavati, the Princess Rajasarinisiribajra graciously saw the opportunity to widen the scope of these assistance projects to include other needy groups; whereby HRH Bajrakitiyabha Narendira Debyavati requested the support of the Ministry of Justice to promote these projects together with its goals and successful outcomes to other groups on a wider scale. While still focusing on female prisoners, the objective of these Royal initiated projects were widened to include vocational training in various fields, so that the female inmates can have a better chance of successfully rehabilitating into society after their release from prison and of avoiding repeating their crimes.

The Company saw the importance of such projects aimed at creating vocations and jobs as well as at offering new opportunities for the recipients to teach themselves about sewing and producing articles of clothing or other products. As such, the Company sent in experienced trainers and skilled staff to train female inmates on sewing techniques and on how to make articles of clothing; and, thereby, creating new vocations and skills that they can use in order to have independent jobs as useful citizens after being release and rehabilitated into society outside of prison. Service technicians were also sent into the prisons to check, service and repair old sewing machines, so that they can become fully productive and usable again. These activities by the Company have resulted in much happiness and appreciation from all those involved.

2. Activities undertaken to help groups of housewives and people in local communities during 2019 are as follows:

- Group of Housewives of the Royal Thai Marine Corps, Chulabhorn Camp, Narathiwat
- Group of Housewives of Phu Sang District, Phayao
- Group of Housewives of Mae Lao, Chiang kham District, Phayao
- Weaving women group, Lan Sak District, Uthai Thani
- Group of Housewives, Ban Pong Ton Pin, Mae Mo, Lampang



Group of Housewives of the Royal Thai Marine Corps, Chulabhorn Camp, Narathiwat



Group of Housewives of Phu Sang District, Phayao



Group of Housewives of Mae Lao, Chiang kham District, Phayao



Weaving women group, Lan Sak District, Uthai Thani



Group of Housewives, Ban Pong Ton Pin, Mae Mo, Lampang

3. Undertaking activities for the benefit of disabled persons during 2019:

- Vocation Development Center for Disabled Persons, Pakkred, Nonthaburi



Vocation Development Center for Disabled Persons, Pakkred, Nonthaburi

In creating new opportunities through taking care, rehabilitating and developing new skills for the disadvantaged, the disabled and those with very low income potential together with providing new skills and vocational training so that they will then be able to develop themselves and lead normal lives with pride; the Company also sent in skilled instructors and their staff, who have the experience and expertise in designing, sewing and decorating articles of clothing and other products, to train these groups of people in such skills. This is so that they will be able to design and produce various items that can then be sold as OTOP products to various Government agencies, which will then create new sources of steady income for these groups of disadvantaged people and disabled persons.

In this regard, the Company collaborated with the Vocation Development Center for the Disabled, Amphur Pakkred, Nonthaburi Province in undertaking various activities to promote disabled persons to work in some business units within the Company. As such, disabled persons were taken in as employees of the Company, whereby, at present, there is a total of 19 disabled persons working in the CSR Activities Unit of the Company and being responsible for sewing articles of clothing or other products, that are then used as souvenirs or gifts items from the Company to be given on the various annual festivities and, in the future, also to be used as gift items for sale sold. This will then result in additional steady income for the group of disabled persons as well as in making their lives to be better and more stable.

Additionally, the Company is a well-known leading sewing machine company, with a long standing positive reputation for its creative innovation in their development and design together with for launching new sewing machine products. Such new products are easy to use and are of good quality, as well as have many various unique product features that address the varying needs of its customers, who are keen on producing intricate designs for various clothing articles and decorative products. Furthermore, the Company has instructors and experienced specialists and skill trainers to train others on sewing techniques and

on how to make various items of clothing with Singer sewing machines; whereby the Company is always ready to collaborate in providing, on a continuous basis, its skilled instructors to various jobs and vocations creation programs for young people and groups of housewives as well as female prison inmates.

Therefore, should any schools or educational institutions or any organizations and agencies, in both the Public and Private sectors, be interested in jointly undertaking programs or activities aimed at creating new jobs and vocations - so as to develop new or increasing skills and potential capabilities for young people or housewives together with the disabled or the disadvantaged, who have been ignored or are without the opportunity to be have jobs, so that they will then have a steady income together with being able to become self-sufficient and to look after their families without being a burden to society; as well as so as that local communities can be further developed and strengthened - the Company will be pleased and is always prepared to collaborate together in helping society as a whole. As such, please contact us at Singer Thailand Pcl.; Telephone: 66-2352-4777 Ext. 4202; or via E-mail: pansamaneep@singerthai.co.th

Preventing involvement in any acts of corruption

Singer Thailand Pcl. and its Subsidiary Companies has established policies and associated operating guidelines relating to preventing involvement with any acts of corruption; whereby guidelines that correspond to the established Anti-Corruption Policy are applicable for Singer's Board Directors, the Executives/Management Group and all Staff. This Anti-Corruption Policy has been compiled and incorporates various operating guidelines relating to possible means that could be used for preventing acts of corruption, the Whistle-Blower Program, Training and Communications Channels related activities, and Disclosures of Information to external parties, as well as Reporting and Operations Audit procedures. This is in order to ensure that the Management Group and all Staff can undertake their job responsibilities in a correct manner and appropriate to various situations.

As such, the Company has joined in declaring its anti-corruption stance with the Thailand Private Sector Collective Coalition Against Corruption (CAC), whereby at the CAC Committee meeting for Q4/2015, on 22 January 2016, a resolution was approved to recognize and grant formal CAC Certification to the Singer Thailand Pcl. as a full CAC Member, which is valid for a period of 3 years effective from the date the resolution was approved.

The Company's activities aimed at preventing involvement with any acts of corruption are as follows:

1. All Staff are required to act in an honest manner, with integrity and good morals standards, as well as be committed to behaving with good professional business ethics; whereby the Company will instill these positive behaviors in all newly hired employees.
2. Undertake an assessment of the various risks related to corruption on a regular basis together with the annual risks assessment activities.
3. The Company has determined the Anti-Corruption Policy, together with associated strict penalties to be imposed on anyone caught in being involved with any acts of corruption.
4. Undertake various associated training programs and courses as well as communications activities, so that all Members of the Management Group and Staff can be made aware of the established Anti-Corruption Policy, together with undertaking an orientation program for newly hired employees so that all new staff members can fully understand the various anti-corruption measures.
5. Establish various channels of communications for use in submitting complaints and providing confidential information, by informants/whistle-blowers, on any alleged acts of corruption from any Staff Member or outside persons; whereby any information received will be investigated to find the true facts as well as all details of the informant/whistle-blower will be kept confidential.

As such, details of this policy are officially disclosed and posted on the Company's website, so that every person or party involved with the Company will be aware of the Company's Anti-Corruption Policy, details of which can be viewed at : http://www.singerthai.co.th/newweb/about/zero_tolerance_policies2.php

Internal Controls and Risk Management

The Board of Directors of the Company has established the Audit Committee, comprising of 3 Independent Directors, who possess the required qualifications as specified by the Stock Exchange of Thailand (SET).

The Audit Committee is responsible for reviewing all financial reports of the Company and to ensure that they are accurate, correct and credible, as well as disclose the required information in an adequate manner together with being in full compliance with all applicable laws and regulations. The Audit Committee is also responsible for reviewing that the Company has in place effective and adequate internal control procedures, and determining that the Internal Audit Department reports directly to the Audit Committee and the Chief Executive Officer. Further, Mr. Chalermpon Radchai has been appointed by the Audit Committee to be the Manager of the Internal Audit Department; whereby he possesses the required qualifications and abilities (as per his biographical profile - see Attachment 3 : qualifications for the head of the internal controls unit) and the Audit Committee is of the opinion that Mr. Chalermpon Radchai is appropriately qualified to be appointed to this position and can effectively carry out the required duties and responsibilities. Further, in the event of any future appointments, dismissal or transfer of the Manager of the Internal Audit Department, approval from the Audit Committee is required.

At the Audit Committee Meeting No.1/2020, on 21 February, 2020, that was attended by all the 3 Independent Directors who are Members of the Committee, a review and assessment was made of the existing internal controls system of the Company, through asking specific questions from the participating members of the Management and the external Auditors. From this thorough assessment of the 5 core components of the internal controls system, namely: internal control procedures within the organization, risks assessment and operational oversight and audit, together with information technology and communications systems, and monitoring procedures and systems, the Audit Committee concluded that the existing system of internal controls is adequate, as well as that the Company has assigned sufficient numbers of people to effectively undertake these responsibilities. It was also concluded that the monitoring procedures within the overall internal controls system relating to the operations oversight of the Company and Subsidiary Companies are already adequate in being able to protect the assets of the Company and Subsidiary Companies from being inappropriately misused by Directors and the Executive/Management Group, through undertaking activities that are beyond scope of their authority together with regards to undertaking transactions with any related party that may have a conflict of interests.

With regard to other key aspects of internal control procedures, the Audit Committee is of the opinion that such procedures are adequate; but also requested the Company to further develop the Enterprise Risk Management system (ERM). The Company has established the Risk Management Committee (RMC), responsible for assessing the internal controls system as well as for overseeing the overall management of risks within the organization. The RMC together with the various Heads of Departments, as the 'risk owners', are to be responsible for identifying various possible risks within their respective Departments; whereby such perceived risks would then be reported to the RMC for further consideration to determine appropriate risk management measures and to then propose to the Audit Committee for acknowledgement and consideration.

As such, the Audit Committee has attached importance to the fraudulent accounts that have occurred, and has assigned the Company's external Auditors to review and submit an in-depth report of the associated details at their Quarterly review meetings; as well as have assigned the Internal Audit and the Risk Management Manager to closely monitor details of such fraudulent accounts and to submit a detailed report of the actual facts, reasons for their occurrence and the various resultant impacts together with possible means to solve this key issue, to the Audit Committee meetings every Quarter also. The Audit Committee has also given importance to the core composition of the Company's overall risk management structure, namely: Operations Risk, Credit Risk and Compliance Risk, so as to be able to determine associated guidelines in recommending procedures for managing risks that are in accordance with the appropriate and correct risk management framework.

The Company's external Auditor, namely: KPMG Phoomchai Audit Ltd., is responsible for reviewing and auditing the Company's Quarterly and Annual Financial Statements for 2019, and has given its opinions in its Audit Report on the respective Consolidated Financial Statements of the Company and Subsidiary Companies and also those for the Company only, ending as

at 31 December 2019. The Audit Report also discloses both the consolidated financial status of the Group of Companies and that of the Company only, as well as the consolidated operations performance results of the Group of Companies and that of the Company only together with the associated consolidated cash flows of the Group and those of the Company only, ending as at the same date. As such, the Audit Report confirms that all these financial reports are accurate and correct with regard to any significant financial information and have been prepared in accordance with the required financial reporting standards.

At the Board Meeting No. 233, held on 21 February, 2020, which was also attended by the Audit Committee and Board of Directors, the Board considered the Audit Committee Report, questioned the Management on specific matters; as well as reviewed and assessed the adequacy of the internal controls systems as summarized in the Audit Committee Report, based on the Committee's thorough assessment and discussions at the Audit Committee Meeting No.1/2020 held on 21 February, 2020. As such, it was concluded that Board of Directors did not have any differences of opinion from those expressed and submitted by the Audit Committee in its Report to the Board.

Additionally, the Audit Committee also focused on the issue of corporate governance, so as to facilitate ongoing reviews and to enable continuing improvements to be made to the internal controls system, with the following details:

1. The Organization and the Operating Environment

The Company has created an organization structure that facilitates and enables the effectiveness of both the Management group and the activities of the staff, through having clearly defined working objectives together with measurable targets. The Company has determined these goals based on appropriately realistic and achievable assumptions; and has also determined a Code of Ethics in conducting its businesses, together with comprehensive regulations for the Management group and staff relating to possible conflicts of interests with the Company's businesses. Operating policies and procedures relating to financial transactions, procurement, and general management and administration, that are concise and appropriate, have also been determined by the Company. Additionally, policies and business activities plans have been determined with regard to the equitable treatment of customers that will benefit the Company in the longer term.

2. Risk Management

The Company has assessed various external and internal risks that may have adverse impacts on the Company's business operations, through taking into consideration both the opportunities and the potential gains to be achieved. The Company has also closely monitored various situations on a regular basis so as to enable various appropriate counter measures and mitigating strategies to be determined, which have been communicated to the Management group and all staff for implementation and adherence, in order to reduce the perceived risks to an appropriate and acceptable level. As such, the Company has also established specific measures to effectively manage risks of losses relating to the Company's financing and hire-purchase services, through establishing a Credit Approval Center to approve the credits granted prior to a sale is made so as to prevent potential risks resulting from having poor credit quality customers, together with close monitoring of hire-purchase customers accounts on a regular basis; whereby this has resulted in the Company having a hire-purchase customers base that is of a good quality. Additionally, the Company has established a Credit Operations Committee to review, improve and control credit risks, together with improving the overall quality of the credit customers portfolio to be in accordance with the established policies of the Company.

3. Control and Oversight of the Activities of the Management Group

The Company has established the scope of authority and responsibilities for the Management group together with clearly defined and appropriate levels of approval authority within specific financial limits. There is also a clearly defined separation of duties and responsibilities relating to recording accounting transactions and other key information, together with the safekeeping and maintenance of Company assets. Other measures have also been established to effectively control the implementation of various transactions that involve the majority Shareholder, Directors and members of the Management group or other parties

involved with these group of people. This is to prevent any conflict of interests situations from occurring, as well as to achieve full transparency in the Company's business operations through taking into consideration the best interests of and benefits for the Company.

4. Information Technology and Communications Systems

The Company attaches great importance to its information technology and communications systems, so that the information communicated is of a good quality and sufficiently adequate to enable decisions to be made by the Board of Directors, the Management group, Shareholders and investors, as well as for other involved parties with regard to their consideration and decision making process. Additionally, the Company makes use of accounting policies and practices that conform to generally accepted accounting standards and that are appropriate to the Company's business operations with full accountability; whereby such accounting and financial records are carefully maintained and securely kept as appropriate as well as can be easily audited. Further, Invitations to Shareholders Meeting together with all supporting documentation as well as minutes of Board Meetings and Shareholder Meetings that have been submitted for concurrence to both the Board Meetings and the Shareholders Meetings (as applicable) are sent out in a timely manner prior to the scheduled meetings and as required by the relevant laws and regulations. Additionally, the Company also regularly releases important news and information information about the Company, both externally and internally to all Staff, through multiple channels of communications - such as, newspapers, in order to properly and clearly inform everyone about the Company's business activities.

5. Monitoring System and Procedures

The Board of Directors closely monitors the activities of the Management group to assess whether, or not, they are in full accordance with established business objectives; and has also arranged for regular reviews and assessments to be made with regard to operational procedures and internal controls system. This is in order to ensure whether, or not, they are adequate and appropriate, and are being fully adhered to as well as achieved, through the activities of the Internal Audit Department, who will then report its findings directly to the Audit Committee, so that timely consideration and decisions can then be made with regard to rectifying any deficiencies; whereby those involved will then report on the outcome of such corrective actions within an appropriate timeframe.

Further, the Management group is also the required to immediately report, to the Board of Directors, any incidents of misconduct as well as any fraudulent, unlawful or suspicious activities that may have a negative impact on the corporate image, reputation and financial status of the Company.



Audit Committee Report - Full Year 2019

The Audit Committee of Singer Thailand Public Company Limited is comprised of 3 Independent Directors, who possess the required qualifications specified by the Stock Exchange of Thailand, together with the Secretary of the Committee as follows:

- | | |
|------------------------------------|--|
| 1. Mr. Lucksananoi Punkrasamee | Chairman of the Audit Committee |
| 2. Mr. Preecha Prakobkit | Member, Audit Committee |
| 3. Mr. Bibit Bijaisoradat | Member, Audit Committee |
| And Miss Chanthornjira Kongtongmut | Acting as Secretary of the Audit Committee |

The Audit Committee has discharged its duties and responsibilities in accordance with the Charter for the Audit Committee and as assigned by the Company's Board of Directors, in overseeing the preparation of the Company's Consolidated Financial Statements so as to ensure that they are prepared in compliance with the accounting standards and practices that are appropriate to the business operations; as well as in reviewing that all the financial reports of the Company are correct, fully accurate, comprehensive and adequate with regards to the information disclosed.

The Audit Committee has also established a system of internal controls and associated procedures together with appropriate internal audit functions, that are effective and appropriate as well as in accordance with the applicable Securities and Exchange laws with regards to sufficiently disclosing information as required. Furthermore, the Audit Committee has expressed its opinions regarding the consideration of the proposed appointment of the external Auditor of the Company, together with overseeing the Company in preparing reports on related party transactions for submitting to the Board of Directors every Quarter; and has undertaken other tasks as assigned by the Board.

As such, in all these activities, the Audit Committee has discharged its duties and responsibilities with full independence and without any restrictions on receiving the required information; as well as in being fully committed to ensuring that the Company conducts its businesses in compliance with the principles and practices of good corporate governance — namely, undertaking various activities as assigned with full transparency, equitability, credibility and accountability; together with having in place an effective system of checks and balances, in order to achieve maximum benefits not only for the Shareholders but also for the Staff and all other involved parties.

During 2019, the Audit Committee held a total of 4 meetings with the Internal Auditor and the Company's external Auditor, from the audit firm of KPMG Phoomchai Audit Ltd., as well as invited Members of the Management Group to attend such meetings as appropriate to the agenda items being considered. Additionally, a separate meeting was held with the external Auditor but without any members of the Management Group being present, so as to enquire and discuss, in a fully independent manner, various matters relating to the financial reports and also to exchange various opinions as well as to provide beneficial recommendations regarding the analysis of the sources of information used in the Quarterly and Annual Consolidated Financial Statements for 2019. This is in order to ensure that all the financial reports are prepared in a correct and comprehensive manner, as well as that they adequately disclosed all the required information and are not in breach of any applicable specified laws and regulations.

Furthermore, after each Audit Committee Meeting, the Audit Committee prepared a meeting report, recording the various issues discussed and activities undertaken by the Audit Committee; whereby a summary of the various matters and activities of any significant importance are summarized below:

- Reviewed the Consolidated Financial Statements for each Quarter and for the full year financial period for 2019, before submitting them, for consideration and approval, to the Company's Board of Directors.

- Reviewed the outcome of the Internal Audit Group's activities, and assessed the ongoing adequacy of the existing system of internal controls and procedures compared to the current business environment.
- Monitored the implementation of the management guidelines based on the principles of "Three Lines of Defense"; which require that both the Management and staff to recognize and understand their respective roles, scope of authority, duties and responsibilities; whereby all the activities are interconnect between the operations group, the oversight and governance group and the audit and monitoring group. This is so as to increase the effectiveness and productivity of both operations and governance activities.
- Monitored and followed up on the latest accounting standards and also the international standards for financial reporting applicable for the Company together with any possible impact for the Company's Financial Statements. This is especially so with regards to the TFRS 9 that relate to financial tools, upon which the Company places much importance; whereby specialist advisors were engaged to set up a model for possible use by the Company and also for analyzing the possible impact that may result from its implementation. This activity is estimated to be completed during 2020..
- Monitored and followed up on the operating activities undertaken by the Management Group, as stated in the Management Letter prepared by the external audit firm KPMG, with regards to the outcome of the audit of the various business operations of the Company in each year.
- Monitored and followed up on the activities of the Internal Audit Group; as well as provided various recommendations on how to improve and further develop existing internal audit procedures together with on the preparation of the Internal Audit Report, so that they will be more effective and correspond to the current businesses of the Company.
- Monitored the operating activities and results of both SG Capital Co. Ltd. and Singer Service Plus Co. Ltd., together with providing various recommendations.
- Reviewed and monitored possible acts of fraud and corruption with regards to field activities during 2019; as well as provided recommendations on internal controls procedures, so that they can be improved to prevent such acts that may be applicable to every possible situation
- Monitored the impact of the changed structure of employees' benefits once effective and as specified by the Labour Laws announced on April 5, 2019, that now requires employers to pay additional compensation to those employees whose employment is terminated and who have been employed for more than 20 years; whereby such employees have the right to be compensated at their latest pay rate and at a total amount equal to not less than 400 days.
- Monitored and reviewed the changed procedures for making provisions for doubtful debts — from using the NRV method for second-hand or used products to considering assets awaiting resale, in accordance with the definitions specified by the Bangkok of Thailand and international standards and practices in calculating the impaired value of second hand or used products.
- Considered the current risk management structure of the Company relating to all its 3 dimensions, namely: Operations Risks, Credit Risks and Compliance Risks, in order to determine operating guidelines and to propose recommendations on risk management activities so that they are in full compliance with the established operating framework as well as are fully appropriate.

- Reviewed the internal controls system and procedures, in order to determine appropriate working guidelines for effectively managing various risks that may occur for the organization, together with providing various suggestions on the selection of suitably qualified persons to be assigned with the responsibility for working in their respective functional risk management groups as appropriate.

The Audit Committee is of the same opinion as the external Auditor that the Consolidated Financial Statements of the Company, together with the associated information disclosures, are fully adequate and correct as required; and that they are in accordance with generally accepted accounting standards and practices. The Audit Committee is also of the opinion that the existing internal controls system and procedures of the Company are appropriate for the current business operations of the Company; but they still need further improvements so that the system of internal controls and procedures become more comprehensive and concise than at the present time. This is so that such procedures can be more effective in meeting the current economic situation that has not yet fully recovered; whereby there may be various associated risks for the Company. Further, no irregularities of any significant importance have been found with regards to the system of internal controls; and there has been appropriate compliance to all applicable laws, rules and regulations as specified by the involved regulatory authorities.

The Audit Committee has proposed to the Board of Directors to consider and submit, for consideration and final approval at the next Annual Shareholders Meeting, the proposed appointment of the Mr. Chokechai Ngamwutikul and/or other suitably qualified auditors, from the audit firm KPMG Phoomchai Audit Ltd., to be the authorized external Auditor of the Company for the financial year 2020.

On behalf of the Audit Committee;



(Mr. Lucksananoi Punksamee)

Chairman of the Audit Committee

February 21, 2020

Related Party Transactions

This is a report of the various significant related party transactions as disclosed in the Notes No. 5 to the Financial Statements for the Year ended December 31, 2018 and the Financial Statements for the Year ended December 31, 2019.

Based on the opinions of the Board of Directors with regards these related party transactions, it can be summarised that those related party transactions between the Company and its Subsidiary Companies, as described in the respective Notes to the Financial Statements for the year ended December 31, 2018 and to the Financial Statements for the Year ended December 31, 2019, have been undertaken in a fair and reasonable manner; as well as that the Company has benefited from these related party transactions accordingly.

So as to achieve good corporate governance, the Company does not have a policy to undertake transactions that will result in any conflict of business interests, except for very special circumstances or where the Company will gain maximum or the most equitable benefits. As such, the Audit Committee will participate in the consideration of such transactions before submitting them to the Board of Directors and/or the Shareholders for final consideration and approval, as applicable, in accordance with the rules and regulations of the Stock Exchange of Thailand. With regards to related transactions in the future, the Company still has the policy to lend/borrow funds amongst the various companies within the Singer Group, in the event that it is necessary for the ongoing operations of the businesses; whereby the interest rate charged will be in accordance with the then current market rates.

Companies that may have a conflict of interests

Parties who may have a conflict of interests	Types of transactions and nature of the relationships
SG Capital Co, Ltd., (SGC), in which Singer Thailand Pcl., has a 99.99% equity	Undertakes a hire purchase business, through buying products from Singer Thailand and selling them to customers on a hire purchase basis, with the support of sales representatives from Singer Thailand in making the sales and collecting the loans installment repayments together with making recommendations about the product being sold to customers. As such, Singer Thailand is still able charge service fees as per the the signed services agreements. Furthermore, loans are obtained from Singer Thailand by SGC for its hire purchase loans business.
SG Service Plus Co., Ltd., (SGS), in which Singer Thailand Pcl., has a 99.88% equity	Provides services in installing air conditioners together with after sales maintenance services to customers, who have bought SINGER appliance from Singer Thailand, through charging a monthly after sales services fees.
SG Broker Co., Ltd., (SGB), in which Singer Thailand Pcl., has a 99.99% equity	Operates a business as a broker or direct sales agency for life insurance products for Muang Thai Life Insurance Pcl., through Singer Thailand's sales representatives. However, from 2011, a change was made to the sales model; whereby the sales representatives reported directly to Muang Thai Life Insurance Pcl. for the brokerage business, so as to be in accordance with the regulations of the Department of Insurance. As such, there have not been any reports of related transactions made thereafter.

The relationships with the Subsidiary Companies have been disclosed in the Notes No.13 to the Financial Statements; while the relationships between important Executives and other related parties or business entities are as follows:

Names of Company/Business	Established in/ Nationality	Nature of the Relationships
Jay Mart Public Company Limited	Thailand	Major shareholder, 30.26% shareholding (2018: 24.99%) and common director
Jaymart Mobile Co., Ltd.	Thailand	Subsidiary of major shareholder
JMT Network Services Public Company Limited	Thailand	Subsidiary of major shareholder
JAS Asset Public Company Limited	Thailand	Subsidiary of major shareholder
J Fintech Company Limited	Thailand	Subsidiary of major shareholder
Beans and Brown Co., Ltd.	Thailand	Subsidiary of major shareholder
Cafe Supply Co., Ltd.	Thailand	Subsidiary of major shareholder
Jaymart Insurance Broker Co., Ltd. (Formerly Jay Insurance Broker Co., Ltd.)	Thailand	Indirect subsidiary of major shareholder
JP Insurance Public Company Limited	Thailand	Common director
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Policy on determining prices and terms and conditions for related party transactions

Policy on determining the prices used for the respective types of related party transactions undertaken between individuals and business entities are as follows:

Transactions	Pricing policies
Sales of goods	Market price - cash price
Service income	Percentage rate as agreed
Revenue from marketing support	Price as agreed
Revenue from sales of rights in receivable	Price as agreed
Commission income	Price as agreed
Purchase of goods	Market price
Purchase of equipment	Price as agreed
Cost of rendering of services	Fixed price determined by product
Management fee income	15% of income and service cost plus margin, price as agreed
Management fee	Price as agreed

Transactions	Pricing policies
Dividend income	Upon declaration
Debt collecting fee	Percentage rate of debt collection
Interest income	Average funding cost plus margin
Interest expense	Average funding cost
Other income	Price as agreed
Other expense	Price as agreed

Significant agreements with related parties

Business transfer agreement

On 14 December 2012, the Company entered into business transfer agreement with SG Capital Co, Ltd. under which the Company agreed to transfer the business operation for hire-purchase of products to SG Capital Co., Ltd. on 31 December 2012. And SG Capital Co., Ltd. agreed to acquire the certain business operation on the terms and conditions as described in the agreement. The Company recorded a reserve arising from business combination under common control in equity of Baht 974 million in the separate financial statement.

Agreements within the Group

The Group entered into several agreements within the group's company. The terms of these agreements are effective for 6 months to 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate the agreements. Fees and conditions are specified in the agreements. Services and building rental scope are as follows:

- 1.1 The service support regarding to operation support, finance and accounting, personnel service, information technology and others.
- 1.2 The service support regarding repair and maintenance services for new products and reverted products.
- 1.3 Debt collection service
- 1.4 Supporting insurance business service
- 1.5 Interest subsidy
- 1.6 Building rental and service

Service agreement

The Company entered into a service agreement with Jay Mart Public Company Limited, whereby Jay Mart Public Company Limited agrees to grant the service support regarding operations support, finance and accounting, marketing and management service and other to the Company. In consideration thereof, the Company is committed to pay service fees as specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Receivable management and collection service agreement

The Company and SG Capital Co., Ltd. entered into agreement with JMT Network Services Public Company Limited (JMT) for certain receivable management and collection services to be provided by JMT to the Company and SG Capital Co., Ltd. in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

The Company and SG Capital Co., Ltd. entered into agreements with JMT Network Services Public Company Limited (JMT) for certain collection services to be provided by JMT to the Company and SG Capital Co., Ltd. in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Consignment agreement

The Company entered into a consignment agreement with Jay Mart Public Company Limited whereby the Company agrees to sale consignment products of Jay Mart Public Company Limited. In consideration thereof, Jay Mart Public Company Limited agreed to pay the remuneration for the consignment sale to the Company at the rates as specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Jay Mart Public Company Limited transferred a partial of the business to Jaymart Mobile Company Limited which is a subsidiary of Jay Mart Public Company Limited and transferred its right and duty according to the consignment agreement as mentioned above.

Service area agreement

SG Service Plus Co., Ltd. entered into service area agreement with Jay Mart Public Company Limited whereby Jay Mart Public Company Limited agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd. is committed to pay service fee as specific in the agreement. The term of this agreement is effective for 1 year, since 1 June 2017 until 31 May 2018. However, the agreement was terminated in 2018.

SG Service Plus Co., Ltd entered into service area agreement with JAS Asset Public Company Limited whereby JAS Asset Public Company Limited agrees to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd commits to pay service fee as specific in the agreement. The term of this agreement is effective for 1 year, since 1 June 2017 until 31 May. However, the agreement was terminated in 2018.

Supporting insurance business service agreement

SG Capital Co., Ltd entered into a service agreement with Jaymart Insurance Broker Co., Ltd. whereby SG Capital Co., Ltd. agreed to render the insurance premium collection service for Jaymart Insurance Broker Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Outsourcing agency

SG Capital Co., Ltd. entered into a service agreement with J Fintech Co., Ltd. whereby SG Capital Co., Ltd. agrees to be outsource agency to provide the personal loan customers and fully prepare supporting documents for customers and submit to J Fintech Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Management Discussions & Analysis (MD&A)

Analysis of the Financial Position of the Company and Operating Performance Results for Full Year 2019

Statement of Comprehensive Income

For the Full Year (FY) 2019 operating performance results, the Singer Thailand Group achieved Total Net Profit, for the year, of Baht 166.0 million, equal to an increase of Baht 247.0 million or 304.9% Year-on-Year (YoY) from the Total Net Loss of Baht 81.0 million in the previous year. The Singer Thailand Group achieved a basic Earnings/(Loss) per Share, for the Full Year 2019 and Full Year 2018, of Baht of 0.46 and Baht (0.30) respectively.

FY/2019 Operating Performance Results compared to FY/2018

Statement of comprehensive income (Million Baht)	For the years ended 31 December		Increase (Decrease)	
	2019	2018	Amount	%
REVENUES:				
Revenue from the sales of goods	1,529	1,876	(347)	(18.5)
Interest income from hire-purchase contracts and loans	753	647	106	16.4
Revenue from rendering of services	78	99	(21)	(21.2)
Other income	250	266	(16)	(6.0)
Total revenues	2,610	2,888	(278)	(9.6)
EXPENSES :				
Cost of the sales of goods	819	1,134	(315)	(27.8)
Cost of rendering of services	65	86	(21)	(24.4)
Distribution costs and Administrative expenses	998	1,165	(166)	(14.2)
Bad and Doubtful debts expenses	409	446	(37)	(8.3)
Finance costs	163	107	56	52.3
Total expenses	2,454	2,938	(484)	(16.5)
Profit before income tax expense	156	(50)	206	412.0
Tax expenses (income)	(10)	31	(41)	(132.3)
Net Profit (loss) for the years	166	(81)	247	304.9
Other comprehensive income	12	27	(15)	(55.6)
Total comprehensive income (expenses) for the years	178	(54)	232	429.6
Basic earnings (loss) per share (Baht)	0.46	(0.30)		
Diluted earnings (loss) per share (Baht)	0.46	(0.30)		

- Total Consolidated Income of the Singer Thailand Group decreased by Baht 278 million, or 9.6% YoY, as a result of the decrease in sales revenues totalling Baht 347.0 million, with the majority being the decrease in sales of TV's, mobile phones and mobile phone air time vending machine (ATVM) of Baht 224 million, Baht 141 million, and Baht 98 million respectively; while sales of petrol vending machines and freezers increased by Baht 73 million and Baht 50 million respectively.

- Despite total revenues of the Singer Thailand Group from the sales of products have decreased compared to the previous year, but the Group still achieved an overall higher Gross Profit Margin of 46.4% in 2019 compared to 39.6% in 2018 due to the Group having focused on selling those products that had higher gross margins; as well as having placed importance to controlling overall costs of sales of goods. As such, this is evident in the Group's total sales revenues having decreased by 18.5 YoY, while total costs of sales decreased by as much as 27.8% YoY.
- As for Distribution and Administration Expenses, these decreased from a total of Baht 1,165 in the previous year to Baht 998 in 2019, or equal to a decrease of 14.2% YoY. This resulted from the positive control of selling and other expenses.
- Overall Bad Debts and Provisions for Doubtful Debts expenses decreased by Baht 37 million due to improved and better debt collection activities.

Statement of Financial Position

Assets

Assets (Million Baht)	31 December 2019	31 December 2018	Increase (Decrease)	
			Amount	%
Current assets				
Cash and cash equivalents	552	289	263	91.0
Available for sale investment	319	-	319	100.0
Trade accounts receivables	4	13	(9)	(69.2)
Current portion of hire-purchase contract receivables	1,188	1,116	72	6.5
Current portion of loan receivables with vehicle collateral	300	207	93	44.9
Other receivables	214	253	(39)	(15.4)
Inventories	686	640	46	7.2
Accrued income	13	8	5	62.5
Assets foreclosed	3	3	-	-
Total non-current assets	3,279	2,529	750	29.7
Non-current assets				
Hire-purchase contract receivables	1,072	1,170	(98)	(8.4)
Loan receivables with vehicle collateral	968	802	166	20.7
Other long-term investment	2	2	-	-
Property, plant and equipment	426	430	(4)	(0.9)
Prepayment for outlet leases	6	7	(1)	(14.3)
Intangible assets	50	55	(5)	(9.1)
Deferred tax assets	90	84	6	7.1
Other non-current assets	14	14	-	-
Total non-current assets	2,628	2,564	64	2.5
Total assets	5,907	5,093	814	16.0

Total Assets of the Singer Thailand Group increased by Baht 814 million, or 16.0% compared to the end of 2018; whereby the key changes are as follows:

- **Available for sale investment**

Total Investments in Saleable Assets increased by Baht 319.0 million, or 100%, compared to the end of 2018, due to the fact the Singer Thailand Group used funds received from issuing debentures to invest in Investment Trust Funds and that the Group gained profits from the as yet unrecognized reappraised value of assets that are currently included in the Other Components of the (Shareholders') Equity totaling Baht 2.2 million.

Liabilities and Equity

Liabilities and Equity (Million Baht)	31 December 2019	31 December 2018	Increase (Decrease)	
			Amount	%
Liabilities and equity				
Bank overdrafts and short-term borrowings from financial institutions	-	364	(364)	(100.0)
Trade accounts payables	270	348	(78)	(22.4)
Other payables	214	189	25	13.2
Current portion of debentures	400	800	(400)	(50.0)
Short term loans from other parties	-	287	(287)	(100.0)
Current income tax payable	-	28	(28)	(100.0)
Other current liabilities	-	5	(5)	(100.0)
Total current liabilities	884	2,021	(1,137)	(56.3)
Non-current liabilities				
Debentures	2,450	1,350	1,100	81.5
Provision for employee welfare benefits	176	139	37	26.6
Employee security deposits	5	2	3	150.0
Provident funds	48	57	(9)	(15.8)
Total non-current liabilities	2,679	1,548	1,131	73.1
Total liabilities	3,563	3,569	(6)	(0.2)
Equity				
Issued and paid up share capital	402	270	132	48.9
Premium on ordinary shares	735	225	510	226.7
Retained earnings:	977	809	168	20.8
Other components of equity	230	220	10	4.5
Total equity	2,344	1,524	820	53.8

- Total Liabilities of the Singer Thailand Group decreased by Baht 6 million or 0.2% compared to the end of 2018; whereby the key items are: the repayment of maturing debentures totaling Baht 800 million from funds received from the capital increase, and thereafter the Company also repaid loans totaling Baht 651 million together with issuing a new lot of debentures totaling Baht 1,500 million on 25 July, 2019.
- Total (Shareholders') Equity increased due to a capital increase together with the Premium on Ordinary shares, totaling Baht 642 million on 22 April, 2019.

Business Operations Plans for 2020

The Company has targeted to achieve continued increase and growth of loans receivables with vehicles as collateral from a total of Baht 1,008 million as at the end of 2019 to Baht 1,264 million as at the end of 2020. The Company also plans to issue new debentures of not less than Baht 2,000 million, in order to support the increase in targeted total new loans with vehicles as collateral, since the Company has now received approval to offer personal loans under the supervision of the Bank of Thailand. As such, this is an opportunity for the Company to drive towards achieving higher returns of up to 28% within a fairer competitive business environment under the supervision of the Bank of Thailand.

Apart from loans with vehicles as collateral, the original business of Singer Thailand - namely, hire- purchase loans of electrical appliances and products - will be better controlled and overseen through the use of new information and communications technology systems so as to achieve improved and more effective quality control of the sales process as well as increased channels for loans repayment, that will enable the sales persons to offer better after sales services and follow-up repayment collections. As such, the Company will be able to focus on only those product groups that offer high gross margins and lower risks. Additionally, the Company will also focus on continuing to expand the Singer Franchise business so as to enable both maximum market coverage and better direct access to its customers.

Financial Liquidity

In 2019, the Singer Thailand Group had Total Cash and Cash Equivalents on hand of Baht 552.1 million, an increase of Baht 262.8 million; whereby this is derived from a Total Net Cash Flow from Operations of Baht 43.6 million, Total Net Cash Flow from Investments of Baht 318.1 million, and Total Net Cash Flow from Financing of Baht 537.3 million.

Key Performance indicators (KPIs)

Key Performance Indicators	FY/2017	FY/2018	FY/2019	Clarifications and Comments
Net Profit/(Loss) Margin	-0.41%	-2.80%	6.36%	Net Profit Margin have increased due to the increase in overall interest income received from hire-purchase contracts and loan agreements, together with the overall decrease in cost of sales and services and various expenses - including those expenses relating to bad debts and provisions for doubtful debts.
Gross Profit Margin	36.17%	38.27%	46.44%	Gross Profit Margin have increased because of the continuing implementation of policies in effectively controlling overall costs of sales and services.
Profit/(Loss) Margin from Operations	-1.78%	-2.50%	9.67%	Profit Margin from Operations have increased due to the increase in interest income from hire-purchase contracts and loans agreements together with because of the decrease in expenses relating to bad debts and provisions for doubtful debts, as well as due to the continuing effective controls on overall cost of sales and services.
Selling and Administrative Expenses - % of Total Revenues	55.6%	54.1%	53.92%	The Company have continued to implement policies in effectively controlling overall selling and administrative expenses

Key Performance Indicators	FY/2017	FY/2018	FY/2019	Clarifications and Comments
Return on Assets (ROA)	-0.29%	-1.88%	3.02%	Return on Assets have increased due to the Company and Its Subsidiaries achieving Total Net Profit at a rate that is higher than the rate of increase in overall Total Assets.
Return on Equity (ROE)	-0.61%	-5.21%	8.58%	Return on Equity have increased due to the achievement of improved and positive Total Net Profit for the year.
Net Interest Income/Assets ^{1/}	26.2%	18.6%	21.36%	Net Interest Income to Assets have increased due to the revised stricter credit approval procedures and processes so as to achieve higher quality of borrowers, who were able to repay their loans as agreed and on time.
Provisions for Doubtful & Bad Debts/Total Loans ^{2/}	11.8%	5.0%	2.4%	Both the level of Bad Debts and the establishment of the level of Provisions for Doubtful and Bad Debts to total loans outstanding have decreased due to the Subsidiary having improved its credit approval procedures and processes to be more stringent so as to achieve higher quality of borrowers.
Bad Debts/Total Loans	11.9%	10.5%	9.5%	
Current Ratio (times)	4.78	1.25	3.71	The Company and Its Subsidiaries have a higher Current Ratio, due to the Company and Its Subsidiaries were able to achieve profits and, thus, were able to repay both debentures and short term loans.
Debt/Equity (D/E) Ratio (times)	1.22	2.34	1.52	The Company and Its Subsidiaries have a D/E Ratio that decreased due to the Company having repaid debentures and short term loans together with having also increased its capital during 2019.

Notes: ^{1/}Assets are average outstanding total loans/high purchase contracts and associated interest receivables

^{2/}Total Loans are outstanding total loans/hire purchase contracts and associated interest receivables

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors of Singer Thailand plc. is responsible for and has provided the Consolidated Financial Statements and those for its Subsidiaries together with the associated information relating to their respective financial status as presented in this Annual Report.

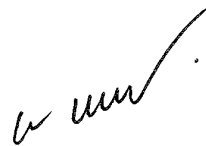
These Financial Statements and reports on the performance results for the financial year 2019 are prepared in accordance with generally accepted accounting principles and through the use of appropriate accounting policies that are consistently applied by the Company together with the use of careful consideration and best estimates. Further, all important and relevant information are adequately disclosed within the Notes to the Financial Statements.

Towards this end, the Board of Directors has appointed an Audit Committee consisting of Independent Directors, which is responsible reviewing the quality of these Financial Statements, the internal controls. The opinions and comments of the Audit Committee relating to these matters appear in the Audit Committee's Report that is included this Annual Report.

The Board of Directors is of the opinion that the overall internal controls system of the Company has functioned satisfactorily and, thus, has provided reliable, accurate and adequate information for the Consolidated and Financial Statements and those for its Subsidiaries for the financial year ending December 31, 2019.



Mr. Adisak Sukumvitaya
Chairman of the Board



Mr. Kittipong Kanokvilairat
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Singer Thailand Public Company Limited

Opinion

I have audited the accompanying consolidated and separate financial statements of Singer Thailand Public Company Limited and its subsidiaries (the “Group”), and of Singer Thailand Public Company Limited (“the Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of hire-purchase contract receivables and loan receivable with vehicle collateral	
Refer to Note 4, 9 and 10	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, the Group has hire-purchase contract receivables and loan receivable with vehicle collateral amounting to Baht 3,527.84 million, approximately 60% of the Group's total assets.</p> <p>The core businesses of the Group are hire-purchase and loan receivable with vehicle collateral. The valuation of hire-purchase contract receivables and loan receivable with vehicle collateral significantly impacts to the financial statements. Hire-purchase contract receivables and loan receivable with vehicle collateral consist of a great number of wholesale and retail accounts with small receivable value.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Testing the controls designed in respect of the appropriate valuation of hire-purchase contract receivables and loan receivables with vehicle collateral, as well as understanding the policies and procedures that the Group's management applied for estimating and recognising of the allowance for doubtful accounts • Testing the reliability and accuracy of arrears of hire-purchase contract receivables and loan receivables with vehicle collateral from the accounting systems and the extraction of data.

Valuation of hire-purchase contract receivables and loan receivable with vehicle collateral

Refer to Note 4, 9 and 10

The key audit matter

The valuation of hire-purchase contract receivables, and loan receivables with vehicle collateral involves a high degree of management judgement on the estimation uncertainty, the expectation on customers' repayment abilities and current economics. Consequently, I consider that this is a significant matter.

How the matter was addressed in the audit

- Testing on a sampling basis items in the arrears report of overdue receivables and corroborating whether these items were classified in the appropriate arrears bracket.
- Considering the reliability of the Group's debt allowance policy and also analysing historical information and information after the reporting date, including testing the subsequent receipts of debtors after the period-end to consider whether the Group's estimate was reasonable.
- Considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of receivables from ex-employee's shortage remittance

Refer to Note 4 and 11

The key audit matter

The Company had assigned salesperson to collect money from the customers in respect of installment sales. Salesperson had responsibility for remitting money to the Company. There were long outstanding of receivables from ex-employee's remittance shortage.

The valuation of receivables from ex-employee's remittance shortage involves a high degree of estimation uncertainty based on analysis of payment histories and future expectations of employee payments. Consequently, I consider that this is a significant matter.

How the matter was addressed in the audit

My audit procedures included:

- Testing the controls designed in respect of the appropriate valuation of receivables from employee's remittance shortage and understand the policies and procedures that the Company's management applied for estimation and recognition of the allowance for doubtful accounts.
- Considering the reliability of the Company's debt allowance policy and also analysing the company's historical information and information after reporting date including testing the subsequent receive of debtors after period-end for consider whether the Company estimate was reasonable.
- Considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of inventory	
Refer to Note 4 and 12	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2019, the Group has inventory amounting to Baht 686.24 million, approximately 12% of the Group's total assets.</p> <p>With regard to the changing speedy and dynamically on technological and electronic products industry and the extremely volatile with significantly changing in consumer demand. The Group has the uncertainty risk that the carrying value of inventory may exceed its net realisable value.</p> <p>The Group considers the allowance for decline in value, obsolescence and reverted inventory by the management estimates and judgment. Consequently, I consider that this is a significant matter.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • Testing the controls designed in respect of the appropriate of the adequacy of estimation about a decline on valuation of inventory and reverted inventory and understanding the policies and procedures that the Group applied. • Understanding the internal control related to inventory and reverted inventory management and attending the inventory observation and testing the physical of inventory. • Testing on a sampling basis items in the inventory and reverted inventory report and corroborating whether these items were classified in the appropriate aging bracket and categories. • Considering the reliability of net realisable value of inventory and reverted inventory with the historical information, current situation and sales plan for consideration of the reasonableness of current assumptions. • Considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Pantip Gulsantithamrong)

Certified Public Accountant

Registration No. 4208

KPMG Phoomchai Audit Ltd.

Bangkok

21 February 2020

Statement of financial position

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2019	2018	2019	2018
Assets					
<i>Current assets</i>					
Cash and cash equivalents	6	552,103,972	289,263,844	358,195,264	155,324,119
Current investment	7	318,664,178	-	318,664,178	-
Trade accounts receivable	5, 8	3,986,944	12,734,324	412,821,674	131,574,507
Current portion of hire-purchase contract receivables	9	1,188,230,499	1,116,083,851	-	-
Current portion of loan receivables with vehicle collateral	10	299,766,674	206,533,079	-	-
Other receivables	5, 11	214,275,124	253,250,712	176,986,756	198,371,419
Short-term loans to related parties	5	-	-	2,608,688,656	2,895,543,965
Inventories	12	686,240,968	640,447,633	681,935,837	634,520,276
Accrued income	5	12,425,440	7,639,045	48,202,136	49,633,117
Assets foreclosed		3,418,000	3,174,000	-	-
Total current assets		3,279,111,799	2,529,126,488	4,605,494,501	4,064,967,403
<i>Non-current assets</i>					
Hire-purchase contract receivables	9	1,072,185,763	1,169,539,571	-	-
Loan receivables with vehicle collateral	10	967,658,249	802,175,977	-	-
Investments in subsidiaries	13	-	-	1,458,990,400	1,458,990,400
Other long-term investment	14	2,000,000	2,000,000	-	-
Property, plant and equipment	15	425,772,172	429,808,182	418,093,799	415,480,290
Prepayment for outlet leases		5,649,270	7,270,252	5,649,270	7,270,252
Intangible assets	16	50,090,907	54,874,751	46,145,213	49,987,940
Deferred tax assets	29	90,018,697	83,866,590	241,616	2,618,304
Other non-current assets		14,081,687	13,876,134	13,068,062	13,106,428
Total non-current assets		2,627,456,745	2,563,411,457	1,942,188,360	1,947,453,614
Total assets		5,906,568,544	5,092,537,945	6,547,682,861	6,012,421,017

The accompanying notes are an integral part of these financial statements

Statement of financial position

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2019	2018	2019	2018
Liabilities and equity					
<i>Current liabilities</i>					
Bank overdrafts and short-term borrowings					
from financial institutions	17	-	364,002,633	-	309,000,000
Trade accounts payable	5, 18	269,416,477	348,067,815	341,238,944	379,729,102
Other payables	5, 19	214,244,607	189,133,554	231,988,699	275,541,116
Current portion of debentures	17	400,000,000	800,000,000	400,000,000	800,000,000
Short term loans from other parties	17	-	287,022,739	-	287,022,739
Current income tax payable		425,584	28,110,268	-	28,110,268
Other current liabilities		-	5,000,000	-	5,000,000
Total current liabilities		884,086,668	2,021,337,009	973,227,643	2,084,403,225
<i>Non-current liabilities</i>					
Debentures	17	2,450,000,000	1,350,000,000	2,450,000,000	1,350,000,000
Provision for employee benefit	20	175,577,049	139,170,130	151,758,046	118,473,015
Employee security deposits		4,951,042	1,713,675	3,304,264	-
Provident funds	21	48,412,773	56,553,242	47,801,313	55,921,298
Total non-current liabilities		2,678,940,864	1,547,437,047	2,652,863,623	1,524,394,313
Total liabilities		3,563,027,532	3,568,774,056	3,626,091,266	3,608,797,538

The accompanying notes are an integral part of these financial statements

Statement of financial position

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2019	2018	2019	2018
<i>Equity</i>					
Share capital:	22				
Authorised share capital					
702,000,000 ordinary shares, par value at Baht 1 per share					
(2018 : 270,000,000 ordinary shares, par value at Baht 1 per share)		702,000,000	270,000,000	702,000,000	270,000,000
Issued and paid share capital					
401,505,235 ordinary shares, par value at Baht 1 per share					
(2018 : 270,000,000 ordinary shares, par value at Baht 1 per share)		401,505,235	270,000,000	401,505,235	270,000,000
Share premium:					
Premium on ordinary shares	22	735,023,364	225,000,000	735,023,364	225,000,000
Reserve arising from business combination under common control		-	-	974,117,594	974,117,594
Retained earnings:					
Appropriated:					
Legal reserve	24	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		950,419,592	781,296,601	554,352,581	687,038,597
Other components of equity	15, 24	229,592,821	220,467,288	229,592,821	220,467,288
Total equity		2,343,541,012	1,523,763,889	2,921,591,595	2,403,623,479
Total liabilities and equity		5,906,568,544	5,092,537,945	6,547,682,861	6,012,421,017

The accompanying notes are an integral part of these financial statements

Statement of comprehensive income

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

		Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
		2019	2018	2019	2018
Note					
Income					
Revenue from sale of goods	5	1,529,385,198	1,876,283,079	1,273,282,855	1,881,678,933
Interest income from hire-purchase contract and loans		753,399,585	647,355,851	-	-
Revenue from rendering of services	5	77,679,509	98,728,157	66,003,169	80,817,700
Revenue from management fees	5	-	-	66,203,293	52,846,889
Other income	5	249,903,165	265,657,026	178,590,204	198,300,821
Total income		2,610,367,457	2,888,024,113	1,584,079,521	2,213,644,343
Expenses					
	5				
Cost of sale of goods	12, 27	819,149,608	1,133,466,769	837,745,373	1,147,563,784
Cost of rendering of services	27	65,099,974	85,756,740	28,844,733	46,620,679
Distribution costs	27	647,167,815	740,207,583	468,150,474	526,362,517
Administrative expenses	27	351,211,975	424,289,082	210,721,753	242,255,149
Bad and doubtful debts expenses		409,124,248	446,218,258	14,101,861	14,507,913
Finance costs	28	163,209,904	107,447,549	162,817,190	107,112,003
Total expenses		2,454,963,524	2,937,385,981	1,722,381,384	2,084,422,045
Profit (loss) before income tax expense		155,403,933	(49,361,868)	(138,301,863)	129,222,298
Tax expense (income)	29	(10,490,662)	31,404,722	(2,387,451)	45,540,488
Profit (loss) for the year		165,894,595	(80,766,590)	(135,914,412)	83,681,810

The accompanying notes are an integral part of these financial statements

Statement of comprehensive income

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
		2019	2018	2019	2018
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on remeasuring available-for-sale investments	7	2,191,959	-	2,191,959	-
Income tax relating to items that will be reclassified	29	(438,392)	-	(438,392)	-
Total items that will be reclassified subsequently to profit or loss		1,753,567	-	1,753,567	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gains on revaluation of assets	15	13,250,452	-	13,250,452	-
Gains on remeasurements of defined benefit plan	20	-	33,559,826	-	30,826,974
Income tax relating to items that will not be reclassified	29	(2,650,090)	(6,711,965)	(2,650,090)	(6,165,395)
Total items that will not be reclassified to profit or loss		10,600,362	26,847,861	10,600,362	24,661,579
Other comprehensive income for the year, net of tax		12,353,929	26,847,861	12,353,929	24,661,579
Total comprehensive income (expense) for the year		178,248,524	(53,918,729)	(123,560,483)	108,343,389
Basic earnings (loss) per share	30	0.46	(0.30)	(0.38)	0.31
Diluted earnings (loss) per share	30	0.46	(0.30)	(0.38)	0.31

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements					
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Revaluation surplus	
Year ended 31 December 2018							
Balance at 1 January 2018		270,000,000	225,000,000	27,000,000	832,028,082	223,654,536	1,577,682,618
Comprehensive income for the year							
Loss for the year		-	-	-	(80,766,590)	-	(80,766,590)
Other comprehensive income	29	-	-	-	26,847,861	-	26,847,861
Total comprehensive income for the year		-	-	-	(53,918,729)	-	(53,918,729)
Transfer to retained earnings	15	-	-	-	3,187,248	(3,187,248)	-
Balance at 31 December 2018		270,000,000	225,000,000	27,000,000	781,296,601	220,467,288	1,523,763,889

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

		Consolidated financial statements							
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total equity
				Legal reserve	Unappropriated	Available-for-sale investments	Revaluation surplus	Total other components of equity	
Year ended 31 December 2019									
Balance at 1 January 2019		270,000,000	225,000,000	27,000,000	781,296,601	-	220,467,288	220,467,288	1,523,763,889
Transactions with owners, recorded directly in equity <i>Contributions by owners of the parent</i>									
Issue of ordinary shares	22	131,505,235	510,023,364	-	-	-	-	-	641,528,599
Total transactions with owners, recorded directly in equity		131,505,235	510,023,364	-	-	-	-	-	641,528,599
Comprehensive income for the year									
Profit for the year		-	-	-	165,894,595	-	-	-	165,894,595
Other comprehensive income	29	-	-	-	-	1,753,567	10,600,362	12,353,929	12,353,929
Total comprehensive income for the year		-	-	-	165,894,595	1,753,567	10,600,362	12,353,929	178,248,524
Transfer to retained earnings	15	-	-	-	3,228,396	-	(3,228,396)	(3,228,396)	-
Balance at 31 December 2019		401,505,235	735,023,364	27,000,000	950,419,592	1,753,567	227,839,254	229,592,821	2,343,541,012

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Separate financial statements						
		Issued and paid-up share capital	Share premium	Reserve arising from business combination under common control	Retained earnings		Other components ofequity	Total equity
					Legal reserve	Unappropriated	Revaluation surplus	
Year ended 31 December 2018								
Balance at 1 January 2018		270,000,000	225,000,000	974,117,594	27,000,000	575,507,960	223,654,536	2,295,280,090
Comprehensive income for the year								
Profit for the year		-	-	-	-	83,681,810	-	83,681,810
Other comprehensive income	29	-	-	-	-	24,661,579	-	24,661,579
Total comprehensive income for the year		-	-	-	-	108,343,389	-	108,343,389
Transfer to retained earnings	15	-	-	-	-	3,187,248	(3,187,248)	-
Balance at 31 December 2018		270,000,000	225,000,000	974,117,594	27,000,000	687,038,597	220,467,288	2,403,623,479

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

Note	Separate financial statements								
	Issued and paid-up share capital	Share premium	Reserve arising from business combination under common control	Retained earnings		Other components of equity			Total equity
				Legal reserve	Unappropriated	Available-for-sale investments	Revaluation surplus	Total other components of equity	
Year ended 31 December 2019									
Balance at 1 January 2019	270,000,000	225,000,000	974,117,594	27,000,000	687,038,597	-	220,467,288	220,467,288	2,403,623,479
Transactions with owners, recorded directly in equity									
Contributions by owners of the parent									
Issue of ordinary shares	22 131,505,235	510,023,364	-	-	-	-	-	-	641,528,599
Total transactions with owners, recorded directly in equity	131,505,235	510,023,364	-	-	-	-	-	-	641,528,599
Comprehensive income for the year									
Loss for the year	-	-	-	-	(135,914,412)	-	-	-	(135,914,412)
Other comprehensive income	29 -	-	-	-	-	1,753,567	10,600,362	12,353,929	12,353,929
Total comprehensive income for the year	-	-	-	-	(135,914,412)	1,753,567	10,600,362	12,353,929	(123,560,483)
Transfer to retained earnings	15 -	-	-	-	3,228,396	-	(3,228,396)	(3,228,396)	-
Balance at 31 December 2019	401,505,235	735,023,364	974,117,594	27,000,000	554,352,581	1,753,567	227,839,254	229,592,821	2,921,591,595

The accompanying notes are an integral part of these financial statements

Statement of cash flows

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
		2019	2018	2019	2018
<i>Cash flows from operating activities</i>					
Profit (loss) for the year		165,894,595	(80,766,590)	(135,914,412)	83,681,810
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax expense (income)		(10,490,662)	31,404,722	(2,387,451)	45,540,488
Finance costs		163,209,904	107,447,549	162,817,190	107,112,003
Depreciation		24,009,933	26,188,272	16,686,086	17,984,878
Amortisation		15,843,787	21,165,890	15,168,670	21,165,890
Provision for employee benefit		44,136,189	17,999,413	39,632,809	15,580,291
Provision for provident funds (reversal of)		2,050,977	(12,878,089)	1,845,801	(11,830,740)
Gains on sale investments		(6,472,219)	-	(6,472,219)	-
Bad and doubtful debts expenses		409,124,248	446,218,258	14,101,861	14,507,913
(Reversal of) losses on inventories devaluation		(24,796,540)	11,863,195	(25,183,449)	8,823,646
Reversal of impairment losses on property, plant and equipment and intangible assets		(131,264)	-	(131,264)	-
(Gain) loss on disposal of property, plant and equipment and intangible assets		(2,592,465)	613,406	(2,907,017)	(9,128)
Loss on repossession		49,260,972	95,226,837	-	-
Investment income		(1,119,735)	(3,063,159)	(138,873,347)	(84,214,807)
		827,927,720	661,419,704	(61,616,742)	218,342,244
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		1,078,643	(948,919)	(288,915,905)	134,577,885
Hire-purchase contract receivables		(422,023,730)	(904,787,707)	-	-
Loan receivables with vehicle collateral		(256,292,817)	(807,670,670)	-	-
Short-term loan receivables		-	4,123,139	-	-
Other receivables		39,056,937	(118,519,703)	14,952,665	(93,664,934)
Accrued income		(4,786,395)	48,040,472	1,430,981	5,194,002
Inventories		(20,996,795)	(340,600,069)	(22,232,113)	(339,566,637)
Other current assets		(244,000)	-	-	-
Prepayment for outlet leases		(3,460,376)	(9,309,700)	(3,460,376)	(9,309,700)
Other non-current assets		(205,553)	1,610,073	38,366	(235,913)
Trade accounts payable		(78,651,338)	213,163,997	(38,490,158)	242,873,195
Other payables		15,088,630	(64,929,462)	(53,574,840)	31,553,092
Other current liabilities		(5,000,000)	2,000,000	(5,000,000)	2,000,000
Employee benefit paid		(7,729,270)	(5,840,007)	(6,347,778)	(4,592,991)

The accompanying notes are an integral part of these financial statements

Statement of cash flows

Singer Thailand Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
		2019	2018	2019	2018
Employee security deposits		3,237,367	(1,092,569)	3,304,264	(1,175,482)
Provident funds paid		(10,191,447)	(12,234,377)	(9,965,786)	(12,218,519)
Net cash generated from (used in) operating		76,807,576	(1,335,575,798)	(469,877,422)	173,776,242
Tax paid		(33,202,165)	(7,782,669)	(26,435,735)	(1,629,527)
Net cash from (used in) operating activities		43,605,411	(1,343,358,467)	(496,313,157)	172,146,715
Cash flows from investing activities					
Interest received		1,119,735	3,063,159	138,873,347	84,214,807
Proceeds from sale of current investment		1,740,000,000	-	1,740,000,000	-
Acquisition of current investment		(2,050,000,000)	-	(2,050,000,000)	-
Acquisition of plant and equipment		(6,080,872)	(17,193,608)	(6,145,420)	(5,973,165)
Proceeds from sale of property, plant and equipment		3,238,708	218,692	3,134,573	29,159
Decrease (increase) in short-term loans		-	5,000,000	286,855,309	(1,545,543,965)
Acquisition of intangible assets		(6,358,600)	(44,057,737)	(6,244,600)	(43,404,737)
Net cash from (used in) investing activities		(318,081,029)	(52,969,494)	106,473,209	(1,510,677,901)
Cash flows from financing activities					
Finance cost paid		(153,187,481)	(106,388,295)	(152,794,767)	(106,058,824)
Bank overdrafts and short-term borrowings from financial institutions increase (decrease)	17	(364,002,633)	277,853,192	(309,000,000)	222,851,676
Short-term loans from others increase (decrease)	17	(287,022,739)	287,022,739	(287,022,739)	287,022,739
Repayment of debentures	17	(800,000,000)	-	(800,000,000)	-
Proceeds from issue of debentures	17	1,500,000,000	950,000,000	1,500,000,000	950,000,000
Proceed from issue of shares	22	641,528,599	-	641,528,599	-
Net cash from financing activities		537,315,746	1,408,487,636	592,711,093	1,353,815,591
Net increase in cash and cash equivalents		262,840,128	12,159,675	202,871,145	15,284,405
Cash and cash equivalents at 1 January		289,263,844	277,104,169	155,324,119	140,039,714
Cash and cash equivalents at 31 December	6	552,103,972	289,263,844	358,195,264	155,324,119

The accompanying notes are an integral part of these financial statements

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Singer Thailand Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2020.

1 General information

Singer Thailand Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in June 1984. The Company’s registered office at 72 CAT Building 17th Floor, Charoenkrung Road, Bangrak, Bangkok.

The Company’s major shareholder during the financial year was Jay Mart Public Company Limited (30.26% shareholding) (2018: 24.99%) incorporated in Thailand.

The principal activities of the Group are trade sales and hire-purchase of electronic appliances, commercial products, mobile phones, hire-purchase of electronic appliances, hire-purchase of vehicle, loan receivables with vehicle collateral, repair and maintenance service of electronic appliances, provides debt collection service to related party, life and non-life insurance broker.

Details of the Company’s subsidiaries as at 31 December 2019 and 2018 are given in notes 5 and 13.

2 Basis of preparation of the financial statements*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”); guidelines promulgated by the Federation of Accounting Professions; and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 34.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 (t) and 25	Revenue recognition: <ul style="list-style-type: none"> • whether performance obligations in a bundled sale of products and services are capable of being distinct; • whether revenue from sales of products is recognised over time or at a point in time; • commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;
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(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties at 31 December 2019 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 8	Measurement of allowance for doubtful debts of trade accounts receivable
Note 9	Measurement of allowance for doubtful accounts of hire-purchase contract receivables
Note 10	Measurement of allowance for doubtful accounts of loan receivables with vehicle collateral
Note 11	Measurement of allowance for doubtful accounts of other receivables
Note 12	Measurement of allowance for obsolete and damaged inventory
Note 20	Measurement of defined benefit obligation: key actuarial assumptions
Note 29	Recognition of deferred tax assets availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

3 Change in accounting policy

The Group has applied TFRS 15 *Revenue from Contracts with Customers* ("TFRS 15") which has been effective since 1 January 2019. TFRS 15 establishes a comprehensive framework for determining how much and when revenue is recognised. It replaced TAS 18 *Revenue* ("TAS 18") and related interpretations.

Under TFRS 15, the entity recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the entity expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the entity recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

Singer Thailand Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2019

The detail and quantitative impact of the change in accounting policy are disclosed as follows:

Payment to a customer

The Company subsidises interest expenses to the customer (its subsidiary). Under TAS 18, the Company recognised such amounts as distribution costs. Under TFRS 15, it required the Company to consider whether the Company receives distinct goods or services from the customer (its subsidiary). If so, then the Company recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction in revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction in revenue. As a result, revenue and distribution costs are decreased.

The following tables summarise the impacts of initial application of TFRS 15 on the separate financial statements.

Statement of comprehensive income for the year ended 31 December 2019	Separate financial statements		
	Amounts as reported	Adjustments (in thousand Baht)	Amounts without adoption of TFRS 15
Revenue from sales of goods	1,273,283	249,942	1,523,225
Distribution costs	468,150	249,942	718,092

TFRS 15 did not have any material impact on the Group's accounting policies with respect to other revenue streams (see note 25). In addition, the adoption of TFRS15 did not have material impact on the consolidated statement of cash flows for the year ended 31 December 2019.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade receivables, other accounts receivable, and ex-employee receivables

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(e) Hire-purchase contract receivables

Hire-purchase contract receivables are stated at the original amount of the hire-purchase installments less installments received, unearned interest income and allowances for doubtful accounts.

The allowance for doubtful accounts is assumed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

The allowance for doubtful accounts has been estimated from the arrears of hire-purchase contract receivable (net of unearned interest income) and collateral. The product collateral under electronic appliances and other contract was valued by 50% - 100% of product price at contract date. Hire-purchase receivable with vehicles collateral which overdues more than 3 months were not considered the collateral to calculate the allowance for doubtful accounts. The percentage of allowance for doubtful accounts is as follows;

	Hire-purchase contract receivables	
	Electronic appliances and others	Vehicles
	(%)	
Within due	1	1
Overdue:		
Less than 3 months	5	2
3 - 6 months	25	100
6 - 9 months	35	100
9 - 12 months	75	100
Over 12 months	100	100

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For the year ended 31 December 2019

The Group's method of calculating the allowance doubtful accounts for hire-purchase contract receivables is different from the method prescribed in the accounting guideline issued by the Federation of Accounting Professions Re: Providing allowance for doubtful accounts for consumer finance business ('FAP Guideline'). The FAP Guideline prescribes that allowance for doubtful accounts should be made in the full amount of all outstanding receivables that are overdue for over 3 installment periods without the deduction of collateral values from the remaining debt and that consideration should also be given to making a general allowance for receivables which are overdue for less than 3 installment periods. However, the management considered, and has changed the Group's method for calculating the allowance for doubtful accounts with deduction of collateral to reflect more properly the Group's exposure to credit risk.

(f) Loan receivables with vehicle collateral and short-term loan receivables

Loan receivables with vehicle collateral and short-term loan receivables stated at the principal amount included of accrued interest receivable.

The allowance for doubtful accounts is assumed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

The allowance for doubtful accounts has been estimated from the arrears of loan receivables with vehicle collateral and short-term loan receivables (included of accrued interest receivable). Only loan receivables with vehicle collateral was considered the collateral to calculate the allowance for doubtful accounts. The overdue of receivables over 3 months will not considered collateral in calculate allowance for doubtful accounts. The percentage of allowance for doubtful accounts is as follows;

	(%)
Within due	1
Overdue:	
Less than 3 months	2
Over 3 months	100

The Group's method of calculating the allowance doubtful accounts for loan receivables with vehicle collateral and short-term loan receivables is different from the method prescribed in the accounting guideline issued by the Federation of Accounting Professions Re: Providing allowance for doubtful accounts for consumer finance business ('FAP Guideline'). The FAP Guideline prescribes that allowance for doubtful accounts should be made in the full amount of all outstanding receivables that are overdue for over 3 installment periods without the deduction of collateral values from the remaining debt and that consideration should also be given to making a general allowance for receivables which are overdue for less than 3 installment periods. However, the management considered, and has changed the Group's method for calculating the allowance for doubtful accounts with deduction of collateral to reflect more properly the Group's exposure to credit risk.

(g) Inventories

Inventories included reverted inventories are measured at the lower of cost and net realisable value.

Reverted inventories are repossessed inventories from the defaulted customers.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Investments*Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

Investments in other equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) Property, plant and equipment*Recognition and measurement**Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land and buildings which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

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Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings	50 years
Leasehold improvement	5 years
Office furniture and equipment	5 years

No depreciation is provided on freehold lands and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Prepayment for outlet leases

Prepayment for outlet leases is amortised over the lease periods on the straight-line method.

(k) Intangible assets

Software licenses that are acquired by the Group which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of software licenses from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are five to ten years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

(m) Assets foreclosed

Assets foreclosed consisting of vehicles and machines are stated at the lower of cost or net realisable value less estimated disposal expenses of the assets foreclosed. Where the carrying value of assets foreclosed incurred impairment, the Group will recognise the provision for impairment of assets foreclosed in total.

Any gains and losses on disposal of assets foreclosed are determined by comparing the proceeds from disposal with the carrying amount of assets foreclosed, and are recognised in profit or loss.

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(n) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(p) Employee benefits*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provident funds for staff

The provident funds' contributions for the staff are calculated at the rates fixed by the fund criteria and by the Group at the same amount deducted from staff. The contributions to provident fund are recognised as an expense in profit or loss according to the criteria of the funds (see note 21).

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(r) Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(s) Reserve arising from business combination under common control

The reserve arising from business combination under common control arises from the merger of businesses under the common control of the Company. The reserve represents the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination. The Company recognises the difference arising from common control transactions under shareholders' equity. It is non-distributable and will be retained until the respective business or assets are sold or otherwise disposed of.

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(t) Revenue from sale of goods and services***Accounting policies for revenue recognition in 2019***

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is consisted of remuneration for the consignment, sale revenue sharing and others which is recognised over time as the services are provided.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Impact of revenue from contracts with customers accounting policies of the Group is included in note 3.

Accounting policies for revenue recognition in 2018

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue from the sale of goods consists of cash sales, credit sales and hire-purchase contract sales. Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Service income is consisted of remuneration for the consignment, sale revenue sharing and others which is recognised as services are provided.

(u) Revenue from hire-purchase contract and interest income from loan receivables

Hire-purchase contract sales are based on hire-purchase contracts in which the hire-purchase contract receivable the related debts are effectively secured by the products sold. Revenue from hire-purchase sales comprises revenue from the sales of products and interest. Revenue from the sales of product is recognised when a contract is signed and the first payment is received. Interest is recorded as unearned interest income and is recognised in income using the effective rate method.

After a customer has defaulted on 3 consecutive payments, the Group ceases to recognise the related earned interest income from hire-purchase contract.

Interest income from loan receivables

The group recognised interest income from loan receivables with vehicle collateral and short-term loan receivables as accrual basis by using the effective rate method along the contract period.

After a customer has defaulted on 3 consecutive payments, the Group ceases to recognise the related earned interest income from loan.

(v) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(w) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

(x) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(y) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(z) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

(aa) Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

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 For the year ended 31 December 2019

(ab) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

Relationship with subsidiaries is described in note 13. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Jay Mart Public Company Limited	Thailand	Major shareholder, 30.26% shareholding (2018: 24.99%) and common director
Jaymart Mobile Co., Ltd.	Thailand	Subsidiary of major shareholder
JMT Network Services Public Company Limited	Thailand	Subsidiary of major shareholder
JAS Asset Public Company Limited	Thailand	Subsidiary of major shareholder
J Fintech Company Limited	Thailand	Subsidiary of major shareholder
Beans and Brown Co., Ltd.	Thailand	Subsidiary of major shareholder
Cafe Supply Co., Ltd.	Thailand	Subsidiary of major shareholder
Jaymart Insurance Broker Co., Ltd. (Formerly Jay Insurance Broker Co., Ltd.)	Thailand	Indirect subsidiary of major shareholder
JP Insurance Public Company Limited	Thailand	Common director
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sales of goods	Market price - cash price
Service income	Percentage rate as agreed
Revenue from marketing support	Price as agreed
Revenue from sales of rights in receivable	Price as agreed
Commission income	Price as agreed
Purchase of goods	Market price
Purchase of equipment	Price as agreed
Cost of rendering of services	Fixed price determined by product
Management fee income	15% of income and service cost plus margin, price as agreed
Management fee	Price as agreed
Dividend income	Upon declaration
Debt collecting fee	Percentage rate of debt collection
Interest income	Average funding cost plus margin
Interest expense	Average funding cost
Other income	Price as agreed
Other expense	Price as agreed

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For the year ended 31 December 2019

Significant transactions for the years ended 31 December with related parties were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Major shareholder				
Sales of goods	-	38	-	-
Service income	-	9	-	-
Other expense	4	4	4	4
Management fee	4,152	3,600	4,152	3,600
Subsidiaries				
Sale of goods	-	-	1,128,456	1,611,683
Management fee income	-	-	66,203	52,846
Interest income	-	-	138,102	81,479
Revenue from sales of rights in receivable	-	-	-	42,311
Purchase of goods	-	-	139,580	118,831
Distribution costs	-	-	50,702	46,008
Other related parties				
Sale of goods	510	192	461	87
Service income	19,108	10,906	19,108	10,906
Revenue from marketing support	3,209	3,742	3,209	3,742
Commission income	2,352	30,646	-	-
Revenue from sales of rights in receivable	147,949	67,729	89	21,373
Other income	3,563	5,506	-	1,341
Purchase of goods	2,057	217,459	2,057	217,459
Debt collecting fee	24,968	27,463	48	251
Other expense	4,978	1,683	2,165	244
Key management personnel				
Key management personnel compensation				
Short-term benefit	66,353	71,335	49,375	54,845
Post-employment benefits	3,593	2,240	2,988	1,905
Total	69,946	73,575	52,363	56,750

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Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	411,848	118,926
Other related parties	585	446	440	-
Total	585	446	412,288	118,926
Other receivables				
Subsidiaries	-	-	4,836	14,202
Other related parties	16,469	18,927	16,083	14,060
Total	16,469	18,927	20,919	28,262
Accrued income				
Subsidiaries	-	-	43,314	46,889
Other related parties	2,302	1,195	1,890	988
Total	2,302	1,195	45,204	47,877

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(% per annum)</i>			
Short-term loans				
Subsidiary	5.25 - 6.04	4.01 - 5.37	-	-
Net			2,608,689	2,895,544

	Interest rate		Separate financial statements		
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
			(in thousand Baht)		
Short-term loans					
2019					
Subsidiary	5.25 - 6.04	2,895,544	943,391	(1,230,246)	2,608,689
Net		2,859,544			2,608,689
2018					
Subsidiary	4.01 - 5.37	1,345,000	2,217,425	(666,881)	2,895,544
Net		1,345,000			2,895,544

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For the year ended 31 December 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Trade accounts payables</i>				
Subsidiaries	-	-	74,694	83,677
Other related parties	149	81,225	2	81,225
Total	149	81,225	74,696	164,902
<i>Other payables</i>				
Major shareholder	370	-	370	-
Subsidiaries	-	-	92,315	131,416
Other related parties	1,611	9,438	9	14
Total	1,981	9,438	92,694	131,430

Significant agreements with related parties***Business transfer agreement***

On 14 December 2012, the Company entered into business transfer agreement with SG Capital Co, Ltd. under which the Company agreed to transfer the business operation for hire-purchase of products to SG Capital Co., Ltd. on 31 December 2012. And SG Capital Co., Ltd. agreed to acquire the certain business operation on the terms and conditions as described in the agreement. The Company recorded a reserve arising from business combination under common control in equity of Baht 974 million in the separate financial statement.

Agreements within the Group

The Group entered into several agreements within the group's company. The terms of these agreements are effective for 6 months to 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate the agreements. Fees and conditions are specified in the agreements. Services and building rental scope are as follows:

- 1.1 The service support regarding to operation support, finance and accounting, personnel service, information technology and others.
- 1.2 The service support regarding repair and maintenance services for new products and reverted products.
- 1.3 Debt collection service
- 1.4 Supporting insurance business service
- 1.5 Interest subsidy
- 1.6 Building rental and service

Agreements with other related parties***Service agreement***

The Company entered into a service agreement with Jay Mart Public Company Limited, whereby Jay Mart Public Company Limited agrees to grant the service support regarding operations support, finance and accounting, marketing and management service and other to the Company. In consideration thereof, the Company is committed to pay service fees as specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Receivable management and collection service agreement

The Company and SG Capital Co., Ltd. entered into agreement with JMT Network Services Public Company Limited (JMT) for certain receivable management and collection services to be provided by JMT to the Company and SG Capital Co., Ltd. in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

The Company and SG Capital Co., Ltd. entered into agreements with JMT Network Services Public Company Limited (JMT) for certain collection services to be provided by JMT to the Company and SG Capital Co., Ltd. in return for fees at rates specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Consignment agreement

The Company entered into a consignment agreement with Jay Mart Public Company Limited whereby the Company agrees to sale consignment products of Jay Mart Public Company Limited. In consideration thereof, Jay Mart Public Company Limited agreed to pay the remuneration for the consignment sale to the Company at the rates as specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Jay Mart Public Company Limited transferred a partial of the business to Jaymart Mobile Company Limited which is a subsidiary of Jay Mart Public Company Limited and transferred its right and duty according to the consignment agreement as mentioned above.

Service area agreement

SG Service Plus Co., Ltd. entered into service area agreement with Jay Mart Public Company Limited whereby Jay Mart Public Company Limited agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd. is committed to pay service fee as specific in the agreement. The term of this agreement is effective for 1 year, since 1 June 2017 until 31 May 2018. However, the agreement was terminated in 2018.

SG Service Plus Co., Ltd entered into service area agreement with JAS Asset Public Company Limited whereby JAS Asset Public Company Limited agrees to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd commits to pay service fee as specific in the agreement. The term of this agreement is effective for 1 year, since 1 June 2017 until 31 May. However, the agreement was terminated in 2018.

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Supporting insurance business service agreement

SG Capital Co., Ltd entered into a service agreement with Jaymart Insurance Broker Co., Ltd. whereby SG Capital Co., Ltd. agreed to render the insurance premium collection service for Jaymart Insurance Broker Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

Outsourcing agency

SG Capital Co., Ltd. entered into a service agreement with J Fintech Co., Ltd. whereby SG Capital Co., Ltd. agrees to be outsource agency to provide the personal loan customers and fully prepare supporting documents for customers and submit to J Fintech Co., Ltd. Fees and conditions are specified in the agreement. The term of this agreement is effective for 1 year, and will be automatically renewed 1 year unless either party gives to the other party a written notice to terminate this agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	297	218	200	153
Cash at banks - current accounts	402,602	113,761	331,793	60,307
Cash at banks - saving accounts	148,854	175,134	25,851	94,713
Cash in transit - current / saving accounts	351	151	351	151
Total	552,104	289,264	358,195	155,324

7 Current investments

Available-for-sale securities in current investments comprise of:

	Consolidated and Separate financial statements			
	31 December 2019		31 December 2018	
	Cost	Fair value	Cost	Fair value
	<i>(in thousand Baht)</i>			
Current investments				
Available-for-sale securities				
Unit trust	316,472	318,664	-	-
Add gain from remeasurement of available for sale securities	2,192	-	-	-
Total available-for-sale securities	318,664	318,664	-	-

Singer Thailand Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

Movements during the year ended 31 December 2019 and 2018 of current investment were as follows:

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Current investments		
Available-for-sale securities		
At 1 January	-	-
Purchases during the year	2,050,000	-
Sales during the year	(1,733,528)	-
Fair value adjustment	2,192	-
Balance as at 31 December	318,664	-

8 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	585	446	412,288	118,926
Other parties		14,129	15,156	10,789	15,517
Total		14,714	15,602	423,077	134,443
Less allowance for doubtful accounts		(10,727)	(2,868)	(10,255)	(2,868)
Net		3,987	12,734	412,822	131,575
Bad and doubtful debts expenses for the year		7,859	1,613	7,387	1,613

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within credit terms	3,630	5,678	412,496	124,519
Overdue:				
Less than 3 months	346	6,863	327	6,863
3 - 6 months	15	264	-	264
6 - 9 months	34	1,617	11	1,617
9 - 12 months	4,278	392	4,228	392
Over 12 months	6,411	788	6,015	788
	14,714	15,602	423,077	134,443
Less allowance for doubtful accounts	(10,727)	(2,868)	(10,255)	(2,868)
Net	3,987	12,734	412,822	131,575

The normal credit term granted by the Group range from 30 days to 60 days.

Singer Thailand Public Company Limited and its Subsidiaries

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9 Hire-purchase contract receivables

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>					
Hire-purchase contract receivables	1,839,322	1,870,196	1,365,047	1,521,372	3,204,369	3,391,568
Less unearned interest income	<u>(582,480)</u>	<u>(599,931)</u>	<u>(277,835)</u>	<u>(334,077)</u>	<u>(860,315)</u>	<u>(934,008)</u>
	1,256,842	1,270,265	1,087,212	1,187,295	2,344,054	2,457,560
Less allowance for doubtful accounts	<u>(68,612)</u>	<u>(154,181)</u>	<u>(15,026)</u>	<u>(17,755)</u>	<u>(83,638)</u>	<u>(171,936)</u>
Net	<u>1,188,230</u>	<u>1,116,084</u>	<u>1,072,186</u>	<u>1,169,540</u>	<u>2,260,416</u>	<u>2,285,624</u>

**Consolidated
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2019 2018
(in thousand Baht)

Bad and doubtful debts expenses (net of bad debt recovery) for the year	<u>386,365</u>	<u>361,990</u>
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As at 31 December 2019 and 2018 the Group has written off doubtful debt for which the allowance totalled Baht 481.29 million and Baht 478.85 million, respectively.

Aging analyses for electronic appliances hire-purchase contract receivables as at 31 December were as follows:

	Consolidated financial statements			
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2019	<i>(in thousand Baht)</i>			
Within credit terms ⁽²⁾	1,318,115	326,187	1	3,262
Overdue:				
Less than 3 months ⁽²⁾	444,576	196,236	5	9,812
3 - 6 months ⁽²⁾	146,834	95,714	25	23,929
6 - 9 months ⁽²⁾	184,370	125,486	35	43,920
9 - 12 months ⁽²⁾	2,053	2,047	75	1,535
Over 12 months ⁽²⁾	432	425	100	425
Additional allowance for doubtful debt ⁽³⁾				666
Total	<u>2,096,380</u>	<u>746,095</u>		<u>83,549</u>

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Consolidated financial statements				
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2018	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms ⁽²⁾	1,460,185	374,230	1%	3,742
Overdue:				
Less than 3 months ⁽²⁾	389,868	199,077	5%	9,954
3 - 6 months ⁽²⁾	151,449	104,777	25%	26,194
6 - 9 months ⁽²⁾	100,068	73,379	35%	25,683
9 - 12 months ⁽²⁾	75,345	75,345	75%	56,509
Over 12 months ⁽²⁾	28,991	28,991	100%	28,991
Additional allowance for doubtful debt ⁽³⁾				15,907
Total	2,205,906	855,799		166,980

⁽¹⁾ Net of collateral (products)⁽²⁾ Consisted of receivables agreed with the Group to change repayment conditions by renewal of contract or used the current contract and starting new aging once they change the repayment conditions.⁽³⁾ Additional allowance for doubtful debt for the change of repayment conditions of receivables of the Group. In order to manage credit risk of such receivables, the Group has set up allowance for doubtful debt by significantly consider of historically overdue of the receivables. The Group is monitoring the practices and ability of the receivables by considering repayment of installments consecutively.

Aging analyses for vehicles hire-purchase contract receivables as at 31 December were as follows:

Consolidated financial statements				
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽⁴⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2019	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms	195,335	504	1	5
Overdue:				
Less than 3 months	52,280	1,253	2	25
Over 12 months	59	59	100	59
Total	247,674	1,816		89

Consolidated financial statements				
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽⁴⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2018	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms	195,966	1,478	1	15
Overdue:				
Less than 3 months	50,826	3,924	2	79
3 - 6 months	3,312	3,312	100	3,312
6 - 9 months	1,104	1,104	100	1,104
9 - 12 months	446	446	100	446
Total	251,654	10,264		4,956

⁽⁴⁾ Net of collateral (vehicles)

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As at 31 December, the gross investment under hire-purchase contracts and the present value of minimum payments of hire-purchase contract receivables were as follows:

	Consolidated financial statements			
	2019		2018	
	Gross investment under the hire-purchase contracts	Present value of minimum payments of hire-purchase contract receivables (in thousand Baht)	Gross investment under the hire-purchase contracts	Present value of minimum payments of hire-purchase contract receivables
Portion due within one year	1,839,322	1,256,842	1,870,196	1,270,265
Portion due over one year but within five years	1,365,047	1,087,212	1,521,372	1,187,295
	<u>3,204,369</u>	<u>2,344,054</u>	<u>3,391,568</u>	<u>2,457,560</u>
Less unearned interest income	(860,315)		(934,008)	
Net investment under hire purchase contracts	<u>2,344,054</u>		<u>2,457,560</u>	

Changing of repayment conditions of hire-purchase contract receivables

The financial statements for the year ended 31 December include the following changes through various types of debt rescheduling:

	Consolidated financial statements		Consolidated financial statements	
	2019		2018	
	Before debt rescheduling	After debt rescheduling	Before debt rescheduling	After debt rescheduling
		(in thousand Baht)		
Changes of repayment conditions of hire-purchase contract receivables	-	-	12,939	13,140

Cash collection under debt rescheduling of hire-purchase contract receivables for the year ended 31 December was as follows:

	Consolidated financial statements	
	2019	2018
		(in thousand Baht)
Cash collection under debt rescheduling	20,102	124,900

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For the year ended 31 December 2019

As at 31 December debt rescheduling of hire-purchase contract receivables have remaining balances as follows:

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Hire-purchase contract receivables after debt rescheduling ⁽⁵⁾	1,687	42,965

⁽⁵⁾ As at 31 December 2019 the Group has set up additional allowance for doubtful debt of such receivables in amount Baht 0.67 million (2018: 15.9 million). In order to manage credit risk of such receivables, the Group has set up allowance for doubtful debt by significantly consider of historically overdue of the receivables. The Group is monitoring the practices and ability of the receivables by considering repayment of installments consecutively.

10 Loan receivables with vehicle collateral

	Consolidated financial statement					
	Portion due within one year		Portion due after one year		Total	
	2019	2018	2019	2018	2019	2018
<i>(in thousand Baht)</i>						
Loan receivables with vehicle collateral	295,618	204,261	968,064	803,885	1,263,682	1,008,146
Add accrued interest receivable	4,358	3,600	-	-	4,358	3,600
	<u>299,976</u>	<u>207,861</u>	<u>968,064</u>	<u>803,885</u>	<u>1,268,040</u>	<u>1,011,746</u>
Less allowance for doubtful accounts	(209)	(1,328)	(405)	(1,709)	(614)	(3,037)
Net	<u>299,767</u>	<u>206,533</u>	<u>967,659</u>	<u>802,176</u>	<u>1,267,426</u>	<u>1,008,709</u>

	Consolidated financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
(Reversal of) bad and doubtful debts expense for the year	<u>(1,029)</u>	<u>3,037</u>

Aging analyses for loan receivables with vehicle collateral as at 31 December were as follows:

	Consolidated financial statements			
	Loan receivables with vehicle collateral and accrued interest receivable	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
	<i>(in thousand Baht)</i>		<i>(%)</i>	<i>(in thousand Baht)</i>
31 December 2019				
Within credit terms overdue:	1,171,429	10,395	1	104
Less than 3 months	96,206	5,254	2	105
Over 12 months	405	405	100	405
Total	<u>1,268,040</u>	<u>16,054</u>		<u>614</u>

Singer Thailand Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

	Consolidated financial statements			
	Loan receivables with vehicle collateral and accrued interest receivable	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2018				
	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms	943,915	11,261	1	113
overdue:				
Less than 3 months	65,033	6,292	2	126
3 - 6 months	1,605	1,605	100	1,605
7 - 9 months	78	78	100	78
9 - 12 months	1,115	1,115	100	1,115
Total	1,011,746	20,351		3,037

⁽¹⁾ Net of collateral (vehicles)**11 Other receivables**

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		(in thousand Baht)			
Related parties	5	16,469	18,927	20,919	28,262
Ex-employee		107,863	111,425	107,863	111,425
Other parties					
- Rebate and royalty receivables		75,037	64,326	75,037	64,326
- Withholding tax		32,792	19,524	20,302	13,706
- Advance finance cost		15,014	-	15,014	-
- Advance payment for rendering service		11,808	21,835	11,808	21,835
- Accrued promotion income		10,935	38,089	10,935	38,089
- Value added tax		1,005	24,272	208	1,288
- Others		52,992	65,014	23,717	29,601
Total		323,915	363,412	285,803	308,532
Less allowance for doubtful accounts - ex-employee and others		(109,640)	(110,161)	(108,816)	(110,161)
Net		214,275	253,251	176,987	198,371
Bad and doubtful debts expenses for the year		7,539	12,895	6,715	12,895

As at 31 December 2019, the Company had long outstanding balance of ex-employee's shortage remittance amounting to Baht 107.86 million (2018: Baht 111.43 million) and set up allowance for doubtful accounts for Baht 97.08 million (2018: Baht 98.05 million).

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12 Inventories

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	514,303	550,413	514,303	550,413
Reverted inventories	189,294	131,735	184,374	126,031
Service parts	2,811	3,264	-	-
	<u>706,408</u>	<u>685,412</u>	<u>698,677</u>	<u>676,444</u>
<i>Less</i> allowance for loss on decline in value	<u>(20,167)</u>	<u>(44,964)</u>	<u>(16,741)</u>	<u>(41,924)</u>
Net	<u>686,241</u>	<u>640,448</u>	<u>681,936</u>	<u>634,520</u>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	843,947	1,121,604	862,928	1,138,741
- (Reversal of) write-down to net realisable value	<u>(24,797)</u>	<u>11,863</u>	<u>(25,183)</u>	<u>8,823</u>
Net	<u>819,150</u>	<u>1,133,467</u>	<u>837,745</u>	<u>1,147,564</u>

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December were as follows:

Separate financial statements						
		Ownership Interest	Paid share capital	Cost method		
		2019	2019	2018	2019	2018
		(%)	(in thousand Baht)			
Country of operation	Type of business					
SG Capital Co., Ltd.	Hire-purchase of home appliance, commercial products, mobile phones, hire-purchase of vehicle, loan receivables with vehicle collateral and others	99.99	1,450,000	1,450,000	1,449,997	1,449,997
SG Service Plus Co., Ltd.	Repair and maintenance service of electronic appliances, provide debt collection service to a related company	99.88	5,000	5,000	4,994	4,994
SG Broker Co., Ltd.	Life and non-life insurance broker	99.99	4,000	4,000	3,999	3,999
Total				1,458,990	1,458,990	1,458,990

In 2019 and 2018, the Company had no dividend income from subsidiaries.

14 Other long-term investment

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Fixed deposit - TISCO Bank Public Company Limited	2,000	2,000	-	-
Total	2,000	2,000	-	-

Fixed deposit is maintained as the minimum security required by the Office of the Insurance Commission.

15 Property, plant and equipment

Consolidated financial statements						
	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment <i>(in thousand Baht)</i>	Tools and equipment	Vehicle
						Construction in progress
						Total
Cost / revaluation						
At 1 January 2018	302,414	134,856	60,954	97,621	2,046	11,429
Additions	-	-	5,310	10,963	12	-
Transfer	-	-	-	850	-	-
Disposals	-	-	-	(270)	-	-
At 31 December 2018 and 1 January 2019	302,414	134,856	66,264	109,164	2,058	11,429
Additions	-	-	1,323	5,277	9	250
(Reversal of) surplus on revaluation	12,708	(1,231)	-	-	-	-
Transfer	-	-	909	-	-	-
Disposals	-	-	-	(876)	-	(909)
At 31 December 2019	315,122	133,625	68,496	113,565	2,067	(2,400)
						(3,276)
						642,154
Depreciation and impairment loss						
At 1 January 2018	665	48,511	43,733	67,043	1,058	10,210
Depreciation charge for the year	-	3,993	9,370	12,084	343	399
Disposals	-	-	-	(123)	-	-
At 31 December 2018 and 1 January 2019	665	52,504	53,103	79,004	1,401	10,609
Depreciation charge for the year	-	4,035	6,953	12,310	288	423
Reversal of accumulated depreciation on revaluation surplus	-	(1,773)	-	-	-	-
Reversal of impairment losses	(131)	-	-	-	-	-
Disposals	-	-	-	(831)	-	(2,178)
At 31 December 2019	534	54,766	60,056	90,483	1,689	8,854
						(1,773)
						(131)
						(3,009)
						216,382
Net book value						
At 1 January 2018	301,749	86,345	17,221	30,587	988	1,219
At 31 December 2018 and 1 January 2019	301,749	82,352	13,161	30,160	657	820
At 31 December 2019	314,588	78,859	8,440	23,082	378	425
						438,950
						429,808
						425,772

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	Separate financial statements					
	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment (in thousand Baht)	Vehicle	Construction in progress
Cost / revaluation						Total
At 1 January 2018	302,414	134,856	56,638	86,798	11,429	592,985
Additions	-	-	903	5,070	-	5,973
Transfer	-	-	-	850	-	-
Disposals	-	-	-	(97)	-	(97)
At 31 December 2018 and 1 January 2019	302,414	134,856	57,541	92,621	11,429	598,861
Additions	-	-	745	5,151	250	6,146
(Reversal of) surplus on revaluation	12,708	(1,231)	-	-	-	11,477
Transfer	-	-	-	-	-	-
Disposals	-	-	-	(735)	(2,400)	(3,135)
At 31 December 2019	315,122	133,625	58,286	97,037	9,279	613,349
Depreciation and impairment losses						
At 1 January 2018	665	48,511	42,606	63,479	10,212	165,473
Depreciation charge for the year	-	3,993	5,530	8,063	399	17,985
Disposals	-	-	-	(77)	-	(77)
At 31 December 2018 and 1 January 2019	665	52,504	48,136	71,465	10,611	183,381
Depreciation charge for the year	-	4,035	4,463	7,764	423	16,685
Reversal of accumulated depreciation on revaluation surplus	-	(1,773)	-	-	-	(1,773)
Reversal of impairment losses	(131)	-	-	-	-	(131)
Disposals	-	-	-	(729)	(2,178)	(2,907)
At 31 December 2019	534	54,766	52,599	78,500	8,856	195,255
Net book value						
At 1 January 2018	301,749	86,345	14,032	23,319	1,217	427,512
At 31 December 2018 and 1 January 2019	301,749	82,352	9,405	21,156	818	415,480
At 31 December 2019	314,588	78,859	5,687	18,537	423	418,094

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The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 233.18 million and Baht 229.10 million respectively (2018: Baht 227.21 million and Baht 225.53 million respectively).

Measurement of fair value*Fair value hierarchy*

The fair values of land and buildings were determined by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

During 2019, the Company's lands and buildings were reappraised by an independent valuer using the market comparison approach. The value of the buildings was estimated using the cost of replacement, new less depreciation of the building, then the difference between the open market value and the building valuation was taken as the value of land, resulting in an increase in the carrying value of lands and buildings in the amount of Baht 314.59 million and Baht 78.86 million, respectively.

As at 31 December 2019, fair value measurement for land and buildings, net of Baht 393.45 million (2018: Baht 384.10 million) have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of land and buildings, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Land	
- Total market price less building value	• Open market value
Building	
- Cost of replacement, new less depreciation approach	• Cost of replacement

Movement of unrealised surpluses on revaluation of assets for the years 2019 and 2018 were as follows:

	Consolidated and Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Balance at 1 January	220,467	223,654
Revaluation of land	12,708	-
Revaluation of buildings	542	-
Increase in deferred tax liabilities - revaluation	(2,650)	-
	<u>10,600</u>	<u>-</u>
Depreciation	(4,035)	(3,984)
Decrease in deferred tax liabilities - depreciation	807	797
	<u>(3,228)</u>	<u>(3,187)</u>
Balance at 31 December	227,839	220,467

16 Intangible assets**Consolidated financial statements**

	Software licences	Software licences under installment <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2018	62,471	5,330	67,801
Additions	42,483	1,575	44,058
Transfer	5,130	(5,130)	-
Disposals	(9,561)	-	(9,561)
At 31 December 2018 and 1 January 2019	100,523	1,775	102,298
Additions	2,744	3,615	6,359
Transfer	2,400	(2,400)	-
Disposals	(32,370)	(380)	(32,750)
At 31 December 2019	73,297	2,610	75,907
<i>Amortisation</i>			
At 1 January 2018	41,092	-	41,092
Amortisation for the year	15,892	-	15,892
Disposals	(9,561)	-	(9,561)
At 31 December 2018 and 1 January 2019	47,423	-	47,423
Amortisation for the year	10,762	-	10,762
Disposals	(32,369)	-	(32,369)
At 31 December 2019	25,816	-	25,816
<i>Net book value</i>			
At 1 January 2018	21,379	5,330	26,709
At 31 December 2018 and 1 January 2019	53,100	1,775	54,875
At 31 December 2019	47,481	2,610	50,091

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For the year ended 31 December 2019

Separate financial statements

	Software licences	Software licences under installment (in thousand Baht)	Total
Cost			
At 1 January 2018	61,292	1,110	62,402
Additions	41,830	1,575	43,405
Transfer	1,290	(1,290)	-
Disposals	(9,561)	-	(9,561)
At 31 December 2018 and 1 January 2019	94,851	1,395	96,246
Additions	2,630	3,615	6,245
Transfer	2,400	(2,400)	-
Disposals	(32,370)	-	(32,370)
At 31 December 2019	67,511	2,610	70,121
Amortisation			
At 1 January 2018	40,612	-	40,612
Amortisation for the year	15,207	-	15,207
Disposals	(9,561)	-	(9,561)
At 31 December 2018 and 1 January 2019	46,258	-	46,258
Amortisation for the year	10,088	-	10,088
Disposals	(32,370)	-	(32,370)
At 31 December 2019	23,976	-	23,976
Net book value			
At 1 January 2018	20,680	1,110	21,790
At 31 December 2018 and 1 January 2019	48,593	1,395	49,988
At 31 December 2019	43,535	2,610	46,145

17 Interest-bearing liabilities**Consolidated financial statements**

	2019			2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Current						
Bank overdrafts and short-term loans from financial institutions	-	-	-	-	364,003	364,003
Current portion of debentures	-	400,000	400,000	-	800,000	800,000
Other short-term loans						
- Bill of exchange - net	-	-	-	-	287,023	287,023
Non-current						
Debentures - unsecured	-	2,450,000	2,450,000	-	1,350,000	1,350,000
Total	-	2,850,000	2,850,000	-	2,801,026	2,801,026

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For the year ended 31 December 2019

	Separate financial statements					
	Secured	2019 Unsecured	Total (in thousand Baht)	Secured	2018 Unsecured	Total
Current						
Bank overdrafts and short-term loans from financial institutions	-	-	-	-	309,000	309,000
Current portion of debentures	-	400,000	400,000	-	800,000	800,000
Other short-term loans						
- Bill of exchange - net	-	-	-	-	287,023	287,023
Non-current						
Debentures - unsecured	-	2,450,000	2,450,000	-	1,350,000	1,350,000
Total	-	2,850,000	2,850,000	-	2,746,023	2,746,023

Consolidated and Separate financial statements2019 2018
(in thousand Baht)**Bill of exchange**

Bill of exchange	-	300,000
Less Unamortise discount from bill of exchange	-	(10,688)
Less Unamortise transaction cost from issuing bill of exchange	-	(2,289)
Bill of exchange - net	-	287,023

As at 31 December 2019, the Company had bank overdrafts bearing interest at MOR rates of 6.75% to 6.88% per annum (2018: 6.87% to 7.20% per annum).

As at 31 December 2019, the Group and the Company had unutilised credit facilities totalling Baht 466 million (2018: Baht 87 million).

Debenture issued by Singer Thailand Public Company Limited

The Board of Directors meeting of the Company on 18 February 2016 passed a resolution approving the issuance of unsecured and senior debentures in the amount of Baht 500 million at face value of Baht 1,000, interest rate at 4.00% per annum. The Company issued the debenture on 29 April 2016 and maturity date of debenture was 29 April 2019. This debenture was repayment on 29 April 2019.

The Board of Directors meeting of the Company on 10 August 2017 passed a resolution approving the issuance of debentures amounting to Baht 700 million detailed as follows:

1. The first series of 2-year debentures amounting to Baht 300 million at par value of Baht 1,000, interest rate at 5.30% per annum, unsecured, senior debentures and undebugenture holders' representative. The Company issued the debenture on 20 October 2017 and will be matured on 20 October 2019. The repayment of the debenture was on 18 October 2019.
2. The second series of 3-year debentures amounting to Baht 400 million at par value of Baht 1,000, interest rate at 5.50% per annum, unsecured, senior debentures and undebugenture holders' representative. The Company issued the debenture on 20 October 2017 and will be matured on 20 October 2020.

The Board of Directors meeting of the Company on 23 February 2018 passed a resolution approving the issuance of unsecured and senior debentures in the amount of Baht 950 million at face value of Baht 1,000, interest rate at 5.50% per annum. The Company issued the debenture on 30 March 2018 and maturity date of debenture is 30 March 2021.

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For the year ended 31 December 2019

On 20 April 2018, the Annual General meeting No. 51 of the Company's shareholders passed a resolution approving the plan of debenture issuance for the year 2019 with the issuance size limit not to exceed Baht 5,000 million. On 25 July 2019, the Company issued unsecured and senior debentures of Baht 1,500 million at face value of Baht 1,000, interest rate at 6.00% per annum. The debentures will be matured on 25 July 2022.

18 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	149	81,225	74,696	164,902
Other parties		269,267	266,843	266,543	214,827
Total		269,416	348,068	341,239	379,729

19 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Other payables - related parties	5	1,981	9,438	92,694	131,430
Other payables - other parties		20,204	-	-	-
Accrued commission		30,074	22,928	23,702	16,783
Advance received		23,374	31,232	23,374	31,232
Accrued interest		22,278	12,256	22,278	12,256
Accrued advertising and sales promotion		18,336	15,598	18,336	15,598
Accrued tradename and trademark expenses		13,957	16,239	13,957	16,239
Accrued expense		11,496	14,864	11,496	14,864
Others		72,545	66,579	26,152	37,139
Total		214,245	189,134	231,989	275,541

20 Employee benefit obligations***Defined benefit pension plan***

The Group operates a defined benefit pension plan based on the requirements of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk and interest rate risk.

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	139,170	160,571	118,473	137,781
Include in profit or loss:				
Current service cost	25,069	14,031	21,220	12,166
Past service cost	15,457	-	15,306	-
Interest on obligation	3,610	3,968	3,107	3,414
	44,136	17,999	39,633	15,580
Included in other comprehensive income:				
Actuarial gains				
- Demographic assumptions	-	(19)	-	(18)
- Financial assumptions	-	2,214	-	1,858
- Experience adjustment	-	(35,755)	-	(32,666)
	-	(33,560)	-	(30,826)
Others:				
Benefit paid from employee transfers to related company	-	-	-	531
Benefit paid	(7,729)	(5,840)	(6,348)	(4,593)
At 31 December	175,577	139,170	151,758	118,473

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

	Separate financial statements			
<i>Effect to the defined benefit obligation</i>	1% increase in assumption		1% decrease in assumption	
<i>At 31 December</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
Discount rate	(10,965)	(8,806)	12,584	10,106
Future salary growth	11,772	9,454	(10,481)	(8,417)

Singer Thailand Public Company Limited and its Subsidiaries

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For the year ended 31 December 2019

21 Provident funds

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	56,553	81,666	55,921	79,971
Provision used				
- Company and interest	(7,684)	(8,803)	(7,468)	(8,796)
- Employee	(2,507)	(3,752)	(2,498)	(3,742)
Provision setup				
- Company and interest	1,526	2,006	1,458	1,925
- Employee	525	691	388	651
Provision reverse				
- Company and interest	-	(15,255)	-	(14,088)
At 31 December	48,413	56,553	47,801	55,921

The provident funds for staff are established and managed by the Group. Membership of the funds is on a voluntary basis. Contributions are made monthly by the staff at the rates fixed by the fund criteria and by the Group at the same amount deducted from salesmen and shop managers whose remuneration, being commission based, is variable and not fixed as with basic salaries. Consequently, the funds do not qualify to be registered with the Ministry of Finance as juristic entities nor can the funds be managed by a licensed Fund Manager. Therefore, the funds have been established on a voluntary basis and managed by the Group based on the relevant criteria set-down by the Group governing the fund contributions and benefits. The contributions are based on the number of years of membership and at rates fixed by the fund criteria.

22 Share capital

	<i>Par value per share (in Baht)</i>	2019		2018	
		Number	Baht	Number	Baht
		<i>(thousand share/thousand Baht)</i>			
Authorised shares at 31 December		702,000	702,000	270,000	270,000
Issued and paid-up shares					
At 1 January					
- ordinary shares	1	270,000	270,000	270,000	270,000
Increase of new shares	1	131,505	131,505	-	-
At 31 December					
- ordinary shares	1	401,505	401,505	270,000	270,000

Issue of ordinary shares

On 22 April 2019, the Company received proceeds of Baht 643 million from the issuance and allocation of 131,505,235 shares at par value of Baht 1 offered to the existing shareholders by rights offering at the ratio of 5 existing ordinary shares to 4 new ordinary shares, at offering price of Baht 4.89 per share. The resulting share premium amounting to Baht 510 million (net of issued shares expenses of Baht 1.53 million). The Extraordinary General Meeting of Shareholders held on 27 February 2019 resolved to increase the Company's registered capital in the amount of not exceeding Baht 432 million by issuing the ordinary shares in the amount not exceeding 432 million shares at par value of Baht 1 per share. The meeting resolved to allocate 216 million shares at par value of Baht 1 per share for increasing in capital,

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108 million shares at par value of Baht 1 per share to reserve for exercising of SINGER-W1 and 108 million shares at par value of 1 to reserve for the exercising of SINGER-W2. The Company offered warrants without charge to the existing shareholders who subscribed and allotted the newly issued shares at the ratio of 2 newly issued ordinary shares to 1 unit of warrant. The Company registered the increase in authorised share capital and issued paid-up new share capital with Ministry of Commerce on 23 April 2019.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

23 Warrants

The significant information of warrants are as follows:

1) Warrants SINGER-W1

Grant date:	17 May 2019
Number of warrants offered:	65,752,617 units
Offered price per unit:	Baht 0 (zero Baht)
Term of warrants:	Not exceeding 2 years from the date of initial offer of the warrants
Exercise rate:	1 unit of warrant per 1 ordinary share
Exercise price:	7 Baht/share
Number of reserved shares:	65,752,617 shares
Expired date of warrants:	23 April 2021

2) Warrants SINGER-W2

Grant date:	17 May 2019
Number of warrants offered:	65,752,617 units
Offered price per unit:	Baht 0 (zero Baht)
Term of warrants:	Not exceeding 4 years from the date of initial offer of the warrants
Exercise rate:	1 unit of warrant per 1 ordinary share
Exercise price:	14 Baht/share
Number of reserved shares:	65,752,617 shares
Expired date of warrants:	21 April 2023

As at 31 December 2019, the Company has not received share subscription from warrants SINGER-W1 and SINGER-W2.

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Valuation changes

The valuation changes account within equity comprises the cumulative net change in the valuation of land and building included in the financial statements at valuation until such land and building are sold or otherwise disposed of.

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Notes to the financial statements

For the year ended 31 December 2019

25 Segment information and disaggregation of revenue

The Group has three reportable segments which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Trade sales
- Segment 2 Hire purchase and loans
- Segment 3 Service and others

Each segment's performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Consolidated financial statements				
	Trade sales	Hire-purchase and loans	Service and others	Eliminations	Total
<i>For the year ended 31 December 2019</i>			(in thousand Baht)		
Information about reportable segments					
Revenue from sale and interest					
- External revenue	43,907	2,235,835	3,043	-	2,282,785
- Inter-segment revenue	1,229,376	-	-	(1,229,376)	-
Other income					
- External revenue	98,525	209,492	19,565	-	327,582
- Inter-segment revenue	212,271	55,404	49,097	(316,772)	-
Total segment revenue	1,584,079	2,500,731	71,705	(1,546,148)	2,610,367
Finance costs	162,817	138,480	15	(138,102)	163,210
Segment profit (loss) before income tax	(138,302)	93,973	3,953	195,780	155,404
Segment assets as at 31 December 2019	6,547,683	3,996,709	60,270	(4,698,093)	5,906,569
Segment liabilities as at 31 December 2019	3,626,091	3,338,892	32,114	(3,434,069)	3,563,028

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<i>For the year ended 31 December 2018</i>	Trade sales	Hire- purchase and loans	Service and others (in thousand Baht)	Eliminations	Total
Information about reportable segments					
Revenue from sale and interest					
- External revenue	185,681	2,329,970	7,988	-	2,523,639
- Inter-segment revenue	1,695,998	34,516	-	(1,730,514)	-
Other income					
- External revenue	197,640	150,161	16,584	-	364,385
- Inter-segment revenue	134,325	-	81,125	(215,450)	-
Total segment revenue	2,213,644	2,514,647	105,697	(1,945,964)	2,888,024
Finance costs	107,112	80,755	1,060	(81,479)	107,448
Segment profit (loss) before income tax	129,222	(178,984)	1,177	(777)	(49,362)
Segment assets as at 31 December 2018	6,012,421	3,778,402	61,439	(4,759,724)	5,092,538
Segment liabilities as at 31 December 2018	3,608,798	3,222,779	37,120	(3,299,923)	3,568,774

Geographic segments

The Group is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

Timing of revenue recognition

The Group recognised the main revenue at a point time.

26 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Wages and salaries	282,897	278,287	138,080	187,630
Commission	257,806	332,853	203,368	210,655
Sales incentive	86,284	106,151	84,571	108,846
Defined benefit plans	44,136	17,999	39,633	15,580
Defined contribution plans	21,767	24,212	13,567	16,362
Others	6,576	27,255	5,449	19,782
Total	699,466	786,757	484,668	558,855

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Defined contribution plans

The defined contribution plans comprise provident funds established by the companies in the Group for their employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

27 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		795,035	1,114,036	811,514	1,126,644
Employee benefit expenses	26	699,466	786,757	484,668	558,855
Travel expenses		80,067	88,544	46,236	56,065
Rental expense		60,345	61,219	51,512	56,759
Loss on repossession		49,261	95,227	-	-
Product installation fee		38,283	35,399	21,458	20,086
Management service fee		33,664	21,895	23,029	25,146
Depreciation of plant and equipment	15	24,009	26,189	16,685	17,985
Local freight		20,247	27,722	20,239	27,722
Amortisation of intangible assets	16	10,762	15,892	10,088	15,207
Trade discounts		8,146	32,815	-	-
Allowance of product warranty		4,871	6,264	28,618	27,195
Bad debt recovery		(31,336)	(45,242)	(18,250)	(28,898)
Others		89,809	117,004	49,665	60,037
Total cost of sales of goods, distribution costs and administrative expenses		1,882,629	2,383,721	1,545,462	1,962,803

28 Finance costs

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finance costs:				
Debtentures	135,634	97,617	135,634	97,617
Bank loans and overdrafts	7,569	4,314	7,171	3,981
Bill of exchange	16,377	1,726	16,377	1,726
Others	3,630	3,791	3,635	3,788
Total	163,210	107,448	162,817	107,112

29 Income tax expense***Income tax recognised in profit or loss***

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	-	35,518	-	34,159
Adjustment in prior years	(1,251)	(353)	(1,675)	-
Deferred tax expense				
Movements in temporary differences	(9,240)	(3,760)	(712)	11,380
Total tax (income) expense	(10,491)	31,405	(2,387)	45,540

Consolidated financial statements						
	Before tax	2019 Tax expense (note 7,15)	Net of tax	Before tax	2018 Tax expense (note 20)	Net of tax
	<i>(in thousand Baht)</i>					
Income tax						
Recognised in other comprehensive income						
Revaluation of property and plant	13,250	(2,650)	10,600	-	-	-
Available-for-sale financial assets	2,192	(438)	1,754	-	-	-
Actuarial gains (losses)	-	-	-	33,560	(6,712)	26,848
Total	15,442	(3,088)	12,354	33,560	(6,712)	26,848

Separate financial statements						
	Before tax	2019 Tax expense (note 7,15)	Net of tax	Before tax	2018 Tax expense (note 20)	Net of tax
	<i>(in thousand Baht)</i>					
Income tax						
Recognised in other comprehensive income						
Revaluation of property and plant	13,250	(2,650)	10,600	-	-	-
Available-for-sale financial assets	2,192	(438)	1,754	-	-	-
Actuarial gains (losses)	-	-	-	30,826	(6,165)	24,661
Total	15,442	(3,088)	12,354	30,826	(6,165)	24,661

Reconciliation of effective tax rate

	Consolidated financial statements			Separate financial statements		
	2019			2018		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		155,404		(49,362)		129,222
Income tax using the Thai corporation tax rate	20	31,081	20	(9,873)	20	25,844
Effect of income tax from subsidiaries		-		1,030		-
Elimination in consolidated financial statement		(39,156)		-		-
Expense difference between accounting and tax		(30,636)		(778)		-
Expenses not deductible for tax purposes		5,001		42,332		20,495
Double deduction expense for tax purposes		(4,289)		(953)		(799)
Under (over) provided in prior years		(1,251)		(353)		-
Current year losses for which no deferred tax asset was recognised		28,759		-		-
Total	6.75	(10,491)	63.62	31,405	1.73	45,540

**Deferred tax
At 31 December**

	Consolidated financial statements			Separate financial statements		
	Assets			Assets		
	2019	2018	2019	2018	2019	2018
		(in thousand Baht)		(in thousand Baht)		(in thousand Baht)
Total	151,757	142,623	61,980	61,374	(58,756)	(58,756)
Set off of tax	(61,738)	(58,756)	(61,738)	(58,756)	61,738	58,756
Net deferred tax assets	90,019	83,867	242	2,618	-	-

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Movements in deferred tax assets and liabilities during the year were as follows:

		Consolidated financial statements (Charged) / credited to:		
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
Deferred tax				
2019				
Deferred tax assets				
Allowance for doubtful accounts	47,322	(7,502)	-	39,820
Allowance for decline in value of inventories	8,993	(4,958)	-	4,035
Provision for employee benefit	26,111	9,005	-	35,116
Deferred revenue	-	38,908	-	38,908
Provision for provident funds	6,673	(989)	-	5,684
Provision for warranty	1,000	(1,000)	-	-
Impairment loss on property and plant	134	-	(106)	28
Loss carry forward	52,390	(24,224)	-	28,166
Total	142,623	9,240	(106)	151,757
Deferred tax liabilities				
Property, plant and equipment	(58,756)	-	(2,544)	(61,300)
Available-for-sale securities	-	-	(438)	(438)
Total	(58,756)	-	(2,982)	(61,738)
Net	83,867	9,240	(3,088)	90,019
2018				
Deferred tax assets				
Allowance for doubtful accounts	79,870	(32,548)	-	47,322
Allowance for decline in value of inventories	6,620	2,373	-	8,993
Interest income from hire-purchase contract	18,704	(18,704)	-	-
Provision for employee benefit	29,532	3,291	(6,712)	26,111
Provision for provident funds	10,890	(4,217)	-	6,673
Provision for warranty	600	400	-	1,000
Impairment loss on property and plant	134	-	-	134
Loss carry forward	-	52,390	-	52,390
Total	146,350	2,985	(6,712)	142,623
Deferred tax liabilities				
Property, plant and equipment	(59,531)	775	-	(58,756)
Net	86,819	3,760	(6,712)	83,867

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For the year ended 31 December 2019

	Separate financial statements (Charged) / credited to:			
<i>Deferred tax</i>	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
2019				
Deferred tax assets				
Allowance for doubtful accounts	21,503	1,209	-	22,712
Allowance for decline in value of inventories	8,385	(5,037)	-	3,348
Provision for employee benefit	23,695	6,657	-	30,352
Provision for provident funds	6,658	(1,117)	-	5,541
Provision for warranty	1,000	(1,000)	-	-
Impairment loss on property and plant	133	-	(106)	27
Total	61,374	712	(106)	61,980
Deferred tax liabilities				
Property, plant and equipment	(58,756)	-	(2,544)	(61,300)
Available-for-sale securities	-	-	(438)	(438)
Total	(58,756)	-	(2,982)	(61,738)
Net	2,618	712	(3,088)	242
2018				
Deferred tax assets				
Allowance for doubtful accounts	33,949	(12,446)	-	21,503
Allowance for decline in value of inventories	6,620	1,765	-	8,385
Provision for employee benefit	27,556	2,304	(6,165)	23,695
Provision for provident funds	10,837	(4,179)	-	6,658
Provision for warranty	600	400	-	1,000
Impairment loss on property and plant	133	-	-	133
Total	79,695	(12,156)	(6,165)	61,374
Deferred tax liabilities				
Property, plant and equipment	(59,531)	775	-	(58,756)
Net	20,164	(11,381)	(6,165)	2,618

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For the year ended 31 December 2019

<i>Unrecognised deferred tax assets</i>	Consolidated		Separate	
	Financial statements		Financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Reserve arising from business combination under common control	58,447	77,929	-	-
Tax losses	28,759	-	28,690	-
Total	87,206	77,929	28,690	-

The Company had tax losses for the year 2019 which will be expired in 2024. The deductible temporary differences do not expire under current tax legislation. The Company has not recognised these items as deferred tax assets because it is not probable that the Company will have sufficient future taxable profit to utilise the benefits therefrom.

30 Earnings (loss) per share

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit (loss) attributable to ordinary shareholders for the year ended 31 December</i>				
Profit (loss) attributable to ordinary shareholders of the Company (basic and diluted)	165,895	(80,767)	(135,914)	83,682
Number of ordinary shares outstanding at 1 January	270,000	270,000	270,000	270,000
Effect of shares issued on 23 April 2019	91,153	-	91,153	-
Weighted average number of ordinary shares outstanding (basic) at 31 December	361,153	270,000	361,153	270,000
Effect of exercise of share options	295	-	295	-
Weighted average number of ordinary shares outstanding (diluted) at 31 December	361,448	270,000	361,448	270,000
Earnings per (loss) share (basic) (in Baht)	0.46	(0.30)	(0.38)	0.31
Earnings per (loss) share (diluted) (in Baht)	0.46	(0.30)	(0.38)	0.31

31 Financial instruments*Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Capital management

The Board's of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.

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Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flow. Loan interest rates are mainly fix from debentures and short-term loans from other parties. (see note 17).

Financial assets and liabilities, classified by maturity of interest repricing, as of 31 December 2019 and 2018 are shown below:

Consolidated financial statements				
	Effective interest rate (% per annum)	Maturity period		Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	
At 31 December				
2019				
Financial Liabilities				
Debentures	5.50 - 6.00	400,000	2,450,000	2,850,000
2018				
Financial Liabilities				
Bank overdrafts and short-term loans from financial institutions	3.49 - 5.50	364,003	-	364,003
Debentures	4.00 - 5.50	800,000	1,350,000	2,150,000
Short-term loans from other parties	7.50 - 8.00	287,023	-	287,023
Total		1,451,026	1,350,000	2,801,026
Separate financial statements				
	Effective interest rate (% per annum)	Maturity period		Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	
At 31 December				
2019				
Financial Assets				
Loans to related parties	5.25 - 6.04	2,608,689	-	2,608,689
Financial Liabilities				
Debentures	5.50 - 6.00	400,000	2,450,000	2,850,000
2018				
Financial Assets				
Short-term loans to related parties	4.01 - 5.37	2,895,544	-	2,895,544
Financial Liabilities				
Bank overdrafts and short-term loans from financial institutions	3.49 - 5.53	309,000	-	309,000
Debentures	4.00 - 5.50	800,000	1,350,000	2,150,000
Short-term loans from other parties	7.50 - 8.00	287,023	-	287,023
Total		1,396,023	1,350,000	2,746,023

Foreign currency risk

The Group and the Company was not exposed to foreign currency risk in respect of financial assets and liabilities denominated in foreign currencies.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group and the Company as and when they fall due. That concerned with trade accounts receivable, hire-purchase contract receivables, loan receivables with vehicle collateral and short-term loans. Management has a credit policy in place and the exposure to credit risk is properly monitored. Therefore, the Group and the Company expect that there were no significant concentrations of credit risk. Moreover, credit approval of the Group and the Company was not concentration due to the Group and the Company has lots of customer base and the maximum exposure to credit risk is represented by the carrying amount of trade accounts receivable, hire-purchase contract receivables, loan receivables with vehicle collateral and short-term loans in the statement of financial position.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values**31.1 Carrying amount and fair values of financial instruments measured at fair value**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements				
	Carrying amount	Fair value		
		Level 1	Level 2	Total
		<i>(in thousand Baht)</i>		
31 December 2019				
Current investment	318,664	318,664	-	318,664
31 December 2018				
Current investment	-	-	-	-
Separate financial statements				
	Carrying amount	Fair value		
		Level 1	Level 2	Total
		<i>(in thousand Baht)</i>		
31 December 2019				
Current investment	318,664	318,664	-	318,664
31 December 2018				
Current investment	-	-	-	-

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For the year ended 31 December 2019

The Company determines Level 1 fair values for current investments which are available-for-sale securities by referencing the bidding prices at The Stock Exchange of Thailand on the last business day of the reporting date.

31.2 Financial instruments not measured at fair value

Carrying amount and fair values of financial assets and financial liabilities at 31 December were as follows

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value (in thousand Baht)	Carrying amount	Fair value
31 December 2019				
Debenture	2,850,000	2,872,897	2,850,000	2,872,897
31 December 2018				
Debenture	2,150,000	2,143,583	2,150,000	2,143,583

The Group determines Level 2 fair values for over-the-counter securities based on quoted selling prices from the Thai Bond Market Association which was the close price on the reporting date.

The fair values of the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Capital commitments				
Contracted but not provided for:				
Software	860	4,475	290	3,905
Total	860	4,475	290	3,905

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Non-cancellable operating lease commitments				
Within 1 year	41,944	44,331	39,784	42,941
1 - 5 years	23,542	42,018	21,639	39,846
After 5 years	1,955	2,387	1,955	2,387
Total	67,441	88,736	63,378	85,174

The Group has commitment relating to rental agreements of office buildings, shop buildings, warehouse, vehicles and office equipment. The rental fees, terms and conditions are as described in the agreements.

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018 (in thousand Baht)	31 December 2019	31 December 2018
<i>Other commitments</i>				
Purchase orders for goods and services	428,868	294,651	427,175	294,607
Bank guarantees	4,170	1,180	4,010	1,020
Total	433,038	295,831	431,185	295,627

The Company has committed with the local banks for letters of guarantee issued in favor of a local company and a state enterprise for guarantee the payment of goods and postage service that are their requirement for every customer to deal with them.

Significant agreements

Trade name and trademark license agreement

On 1 August 2015, the Company entered into trade name agreement with Singer Company Limited S.a.r.l and trademark license agreement with Singer Asia Limited. These new agreements are based on a Master License Agreement between Singer Asia Limited and The Singer Company Limited (Isle of Man). The payment of trade name license fee is US Dollar 0.25 million per year to Singer Company Limited S.a.r.l and trademark license fee is 0.5% of consideration revenue to Singer Asia Limited. The term of these agreements are effective on 1 August 2015 to 31 July 2025 unless either party gives to the other parties a written notice of termination of the agreement at least 12 months at any time from 31 July 2020 for the trademark license agreement and 31 July 2025 for the trade name agreement.

33 Contingent liabilities

As at 31 December 2019 and 2018, the Company has litigation cases as follow:

Patent infringement

On 4 May 2018, a company ("Plaintiff") filed a lawsuit against to the Company with three other defendants in a joint patent infringement case. According to the indictment, plaintiff claimed to be the owner of an invention patent concerning one device in the product that the Company hired first defendant to produce under the sale contract of automatic fuel vending machine as well as requested the damages in the amount of Baht 100 million.

Regarding the sale contract of automatic fuel vending machine, the Company is only the buyer of the first defendant and the plaintiff has confirmed that plaintiff is the owner of copyright, patent, and petty patent which licensed or legally represented by the real owner of a copyright, a patent, a petty patent in goods and equipment. Besides, the first defendant will be solely responsible for any damage to the company or its customers or outsiders in the case of products be alleged as piracy, patent infringement, or petty patent.

The Company assigned the attorney-at-law to apply statement of defence on 5 July 2018. Then, on 3 September 2018, the court fixed the day for settlement of issues and scheduled to take evidence from the plaintiff and the defendant.

On 23 December 2019, the Central Intellectual Property and International Trade Court rendered the judgement to dismiss a criminal case between the plaintiff and the Company with three other defendants. However, the plaintiff had been allowed by the Court to extend its submission of the appeal's deadline

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For the year ended 31 December 2019

until 21 February 2020. In this case, if the final judgment in the Criminal case appears to uphold the case, to dismiss the plaintiff's complaint, this will lead to the result that the Court in the Civil Case shall dismiss the plaintiff's complaint in civil part as well. Up to date status, the Civil Case is during the temporary disposal stage in order to hear the final judgement in the Criminal Case. Therefore, the Company cannot assess the impact at this time. The Company has not recorded any potential loss from such matter in the financial statements.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

New TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* *TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled. The impact from adoption of TFRS – Financial instruments are as follows:

(i) Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105. The classification under TFRS 9 will be based on the cash flow characteristics of the financial asset and the business model in which they are managed.

(ii) Measurement at amortised cost

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. TFRS 9 shall replace current accounting policies of the Group on recognition of both finance cost and finance income at the rate specified in the contract.

(iii) Impairment - Financial assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas currently the Group estimates allowance for doubtful account by analyzing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

(iv) Classification - Financial liabilities

TFRS 9 introduces a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortised cost and FVTPL. A financial liability is classified as financial liabilities measured at FVTPL if it is held for trading, a derivative or designated as such on the initial recognition.

Under TFRS 9, changes in fair value of financial liabilities classified as FVTPL are generally presented as follows:

- the amount of fair value that changes due to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of fair value changed is presented in profit or loss.

Transition

The Group expects to initially adopt these TFRS by adjusting the impact to retained earnings or other component of equity on 1 January 2020. Therefore, the Group will not apply the requirements of these TFRS to comparative information.

The Group and the Company has made the preliminary impact assessment of initially applying TFRS – Financial instruments on the financial statements. The majority of the impact is result from expected credit losses in the subsidiary. The expected impact on decreasing retained earnings is approximately 24% for consolidated financial statements.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in note 32. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Transition

The Group plans to apply TFRS 16 initially on 1 January 2020, using the modified retrospective approach. Therefore, the cumulative effect of adopting TFRS 16 will be recognised as an adjustment to the retained earnings at 1 January 2020, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4.

The Group and the Company has made the preliminary impact assessment of initially applying TFRS 16 on the financial statements. The expected impact on total assets is approximately 1% for consolidated financial statement and 2% for separate financial statement, and the impact on total liabilities is approximately 1% for consolidated financial statement and 2% for separate financial statement.

company activity

Annual General Shareholders Meeting (AGM) No.52nd

“The 52nd Annual General Meeting of Shareholders of Singer Thailand PCL., was held on April 26, 2019 at the Conference Room, CAT Telecom Tower, 30th Fl., Charoenkrung road, Bangrak, Bangkok. The meeting was presided over by Mr. Adisak Sukumvitaya, Chairman of the Board acted as the Chairman of this Meeting with attendees from Singer’s Board of Directors, Management, more than 100 shareholders and proxies to consider and approve various agenda items by the Shareholders which all agendas have been approved.

Opportunity Day



Singer Thailand PCL., had joined the event “Opportunity Day” which has organized by the Stock Exchange of Thailand as always. The event aims to facilitate investor relations activities of the listed companies. In year 2019, the Company joined to announce company performance result 3 times for year 2018, Q2/2019 together with the other companies in Jaymart Group.

An Opportunity Day was made to convenient for analysts, investors, the media and other interested parties to find out about the business and operations of listed companies - and for listed firms to communicate with these key audiences. The session was broadcasted via webcast facilities of SET with live and can also be reviewed retroactively on the Company’s website at www.singerthailand.co.th.

Extraordinary Shareholders Meeting No.1/2019

Singer Thailand Plc. held an Extraordinary Shareholders Meeting No.1/2019 on 27 February, 2019 at the Conference Room, Floor 30, CAT Tower, Charoenkrung Road, Bangrak, Bangkok that was attended by all Board Directors and members of the Management.

The purpose of this Extraordinary Shareholders Meeting was for the Shareholders to consider and approve the important agenda Item relating to the proposed capital increase of an additional Baht 432,000,000, from the current registered capital of Baht 270,000,000 to a new registered capital of Baht 702,000,000, through issuing new Ordinary Shares to be allocated to existing Shareholders at a ratio of 5 existing shares to 4 new shares. Additionally, two types of warrants (with a right to transform them into shares at a later date) will be allocated together with the new shares issued and given to those Shareholders deciding to take up the new share rights offering, to be called SINGER-W1 and SINGER-W2. As such, the Shareholders approved the resolutions to issue the new shares and warrants relating to the proposed capital increase.

After the registered interest to take up the rights offering and buy the new ordinary shares, between 4 - 11 April, 2019, the Company received the proceeds from this new shares issue totaling Baht 643 million from a total of 131,505,235 new shares at a par value of Baht 1.00/share; and the Company then formally registered the new registered capital increase from Baht 270,000,000 of Baht 702,000,000, with the total new paid up capital totaling Baht 401,505,235.



Songkran tradition



So as to promote the Thai Songkran tradition to be carried on, Singer Thailand Plc. arranged to hold a Songkran Day ceremony, at the Head Office, for the staff to pour water over the hands of the Management so as to pay respects to them and ask for their blessing in the traditional manner long held by Thais. All senior Management and staff jointly participated in the event with warm and friendly atmosphere of unity.

Rod Nam Dum Hua ceremony is held on Songkran Day or Thai New Year's Day, and is an annual event for the younger people to pay respects to their parents, elders or to those who have been a benefactor to or have shown kindness to them in any way, in order to show their deep gratitude, respect and love, and to ask for their blessing; as well as to ask for forgiveness for any unbecoming behavior of their part during the past year.



Singer masks – protection against the COVID 19 virus



Subsequent to the current COVID virus-19 virus crisis, of which everyone needs to be aware and take protective measures, in order to prevent further deterioration of the situation to the point of being beyond control, Singer Thailand Plc., under the leadership of Mr. Kittipong Kanokvilairat, Chief Executive Officer, who saw the need for the initiative to “make cloth protective masks “ with a mass production event to take place at the general purpose area on Floor 1, CAT Tower, Charoenkrung Road, Bangrak, Bangkok between 9 - 1 March, 2020, with the objective of donating all the masks to hospitals so as to help relieve the current shortage of protective masks for those working in hospitals and public health stations throughout the country.

These hospital and public health workers are a vital human resource in assisting, examining and taking care of suspected or sick COVID-19 virus patients, and who badly need to use these protective masks that currently are in short supply. As such, the Company has arranged to prepare the necessary cloth materials together with Singer sewing machines for those volunteers who wish to participate in this mass production event, at which well-experienced teachers will be available on hand to show and teach volunteers how to cut the material and sew them into masks. The finished masks will then be thoroughly washed and cleaned and disinfected before being packed for distribution, so as to ensure that those needing the use of the protective masks will receive only clean and safe germ-free masks. Furthermore, volunteers also helped to increase the overall output of protective masks by bringing their own cloth materials to make masks for their own use and that of their family members, as well as for handing out to other people for protection against the COVID-19 virus. Additionally, the Company received the generosity of many shops, who upon learning of this event also contributed cloth materials free of charge; for which the Company hereby would like to express its appreciation and thanks accordingly.



SINGER

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