



ANNUAL REPORT 2020

รายงานประจำปี 2563

SINGER®

บริษัท ซิงเกอร์ประเทศไทย จำกัด (มหาชน)
Singer Thailand Public Company Limited



ช่วยเพื่อนที่รัก ให้เป็นเฒ่า
ด้วย “บัตรประชาชนใบเดียว*”



*เงื่อนไขเป็นไปตามที่บริษัทฯ กำหนด



Financial Highlights

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

	2020	2019	2018
Total sales & Interest from installment sales	3,427.16	2,282.78	2,523.64
Total Revenues	3,658.43	2,610.37	2,888.02
Gross Margin	2,115.05	1,476.22	1,403.14
Cost of Sales	1,383.22	884.25	1,219.22
Selling and Administrative Expenses	1,472.23	1,407.50	1,610.71
Net Profit (Loss)	443.30	165.89	(80.77)
Total Assets	9,247.40	5,906.57	5,092.54
Total Liabilities	6,437.28	3,563.03	3,568.77
Total Shareholder's Equity	2,810.12	2,343.54	1,523.76

Financial Ratio

Net Profit (Loss) Ratio (%)	12.12	6.36	(2.80)
Return on Equity (%)	17.20	8.58	(5.21)
Return on Assets (%)	5.85	3.02	(1.88)
Dividend Pay Out Ratio (%)	8.83	24.20	-
Liabilities Per Equities Ratio	229.07	152.04	234.21
Earnings Per Share (Baht)	1.09	0.46	(0.30)
Dividend Per Share (Baht)	0.10	0.10	0
Book value Per Share (Baht)	6.80	5.83	5.64
Total Staff (Persons)	9,495	5,224	4,323

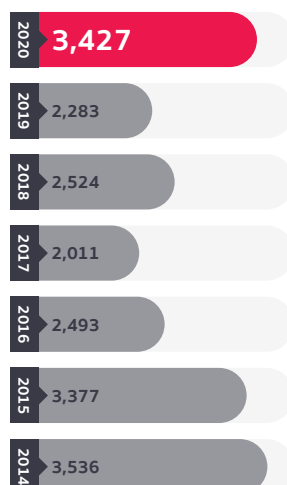
Portfolio Mix

	2020	2019	2018
SINGER HP	43	47	52
C4C	52	42	36
Captive	5	11	12



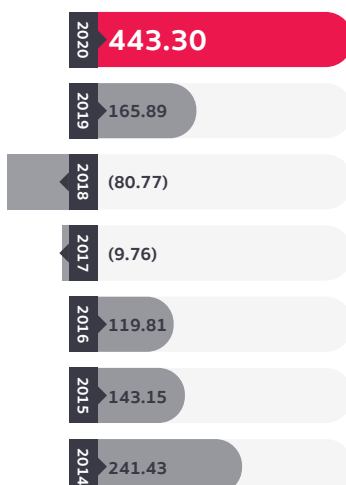
Sales & Interest from installment sales by Year 2014 - 2020

Unit : Million Baht

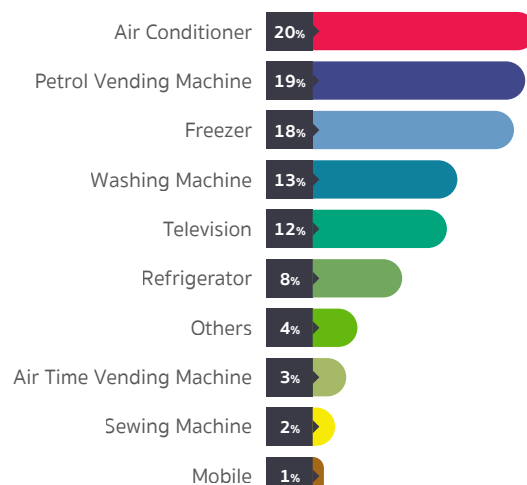


Net Profit / (Loss) by Year 2014 -2019

Unit : Million Baht



Sales by Product Line January - December 2020





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

2020 marks the record for the most successful year for the Company. Reflect the Company's strength from the adjustment of management strategy and the control of operating costs in sales and receivables management at the appropriate level for business operations. The synergy among companies has resulted in exponential growth.

Performance for the year 2020, the Company's net profit increased 166.9% to 443 million baht, compared to the year 2019 with a net profit of 166 million baht. It was the highest profit in 10 years, and total revenue was 3,660 million baht, an increase from the previous year by 1,050 million baht or 40.2% of the results in 2020. It is a reflection of SINGER's strength. It was mainly due to the increase in sales revenue in the electrical appliance group and commercial goods, which came from the top 5 products, such as fuel dispenser, freezer, air conditioner, TV, and washing machine. As a result of an adjustment to the market condition, there was an increase in the number of salespeople, the number of Singer Franchise branches, and an efficient sales team. Besides, success in the car registration loan business under the brand name "Car for Cash," accounts receivable has been growing along with the introduction of technology to assist in the approval and quality monitoring of credit. As a result, the gross profit margin was 45.2%, the net profit margin was 12.1%, and the overall non-performing loan (NPL) was 4.4%, continuously declining to a low level.

Although there were a COVID-19 outbreak and lock-down measures to close the city in the past year, the Company had a strong point in the form of direct sales through more than 2,000 agents. It coupled with the success of expanding branches through franchises or sub-branches, 2,000 locations, including collaboration in Jaymart that pushed the credit portfolio at the end of 2020 to 6,604 million baht, an 82.8% increase from 3,612 million baht at the beginning of the year. The strategy in 2021, the Company and its affiliates will continue to expand their credit portfolio to grow or has a portfolio of loans to reach 10 billion baht, especially car for cash loans as a port with reasonable interest rates and low risk. There will still be opportunities for exponential growth and the consumer's purchasing power that remains at an acceptable level despite facing the epidemic situation of COVID-19.



Mr. Kittipong Kanokvilairat
Chief Executive Officer

The year 2021 is a challenging year for the Company's operations. The board and management are well aware of the economic, political, and economic factors around the world due to the COVID-19 outbreak. These are all factors affecting the Company's performance soon. Maintaining sales ability, expanding credit portfolio, cost control, including receivable management of the Company continually at the right level is an essential strategy that the Company adheres to and accelerates to manage under the current economic conditions. The Company hopes that 2021 will be another year for the Company to prove to its shareholders and stakeholders that under the management of the board and management will lead the businesses in the group of companies to continue growing steadily in the future and achieve the business goals set. The Company's employees have all expressed their intention to dedicate their energy and passion for working together and driving such goals to be successful along with the realization of social responsibility by supporting and helping communities live on a sound and sustainable foundation. More details are available on the topic, "Corporate Social Responsibility" in this report.

On this opportunity, Singer Thailand Public Company Limited would like to thank shareholders, customers, business partners, management, and all employees who have contributed to the Company's continued growth in business. The Company confirms to everyone that we will conduct business professionally and continuously develop organizational capabilities and the corporate social responsibility policy to be a good role model for society to have a better quality of life eternally.

(Mr. Adisak Sukumvitaya)
Chairman of the Board

(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. Chan Itthithavorn
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. Vorayos Thongtan
Independent Director



7. Mr. Piya Pong-acha
Director



8. Mrs. Nonglak Laksanapokin, Phd.
Director



Board of Directors



Mr. Adisak Sukumvitaya

Chairman of the Board

Member of Nomination and Remuneration Committee

Age : 65 Years

Nationality : Thai

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

Company Shareholdings : 1,383,770 shares equal to 0.30%

Date of Appointment : August 13, 2015

Years of Directorship : 5 Year 8 months

Meeting Attendance Year 2020 : 7/7

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.	6	-

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
2017 - Present	J Ventures Co., Ltd.	Director
2016 - Present	Jaymart Mobile Co., Ltd.	Chairman of the Board
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

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



Mr. Kittipong Kanokvilairat

Chief Executive Officer

Age : 47 Years

Nationality : Thai

Address : 1/121 Private Lake Garden Village, Phra-ya Suren Road, Khlong Sam Wa, Bangkok 10510

Company Shareholdings : None

Date of Appointment : 1 May 2016

Years of Directorship : 4 Year 11 Months

Meeting Attendance Year 2020 : 7/7

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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Training :

2020	Advance Master of Management 5/2020, Institute of Public Administration, National Institute of Development Administration
2019	Chief Transformation Officer Course (CTO), mai Listed Company Association (maiA)
2017	Director Certificate Program (DCP) 246/2017, Thai Institute Of Directors (IOD)

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

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

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. Chan Itthithavor

Chairman of Audit Committee

Independent Director

Member of Nomination and Remuneration Committee

Age : 53 Years

Nationality : Thai

Address : 230 Ladprao Soi 12, Chatuchak, Bangkok 109000

Company Shareholdings : None

Date of Appointment : 15 May 2020

Years of Directorship : 11 Months

Meeting Attendance Year 2020 : 4/4

Other present position in other Company :

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

Educations :

1995 - 1996	Chartered Financial Analyst (CFA), Level 1 and 2, Association for Investment Management and Research (AIMR) Virginia, USA
1992 - 1994	MBA Degree, Major in Finance and Management of Information System, University of Minnesota, Minneapolis, Minnesota, U.S.A.
1986 - 1990	BA Degree (First Class Honor), Major in Finance and Banking, Chulalongkorn University Bangkok, Thailand

Certifications :

2020	Advanced Audit Committee Program (AACP) 38/2020 The Thai Institute of Directors (IOD)
2019	Director Accreditation Program (DAP) The Thai Institute of Directors (IOD)

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2010 - 2013	Esso (Thailand) Public Company Limited	Investor Relations Manager

Other Working Experiences :

Years	Company	Position
2019 - present	PRTR Group Co., Ltd.	Independent Director & Chairman of the Audit
2015 - present	Fahbandansurp Co., Ltd.	Managing Director
2013 - 2015	ExxonMobil Limited	AP Financial Accounting Process Division Manager
2008 - 2010	ExxonMobil Limited	AP Chemical Financial Accounting Manager

Relevant Important Positions :

Years	Company	Position
15 May 2020 - Present	SG Capital Co.,Ltd.	Director

Not having any relation among family with other Directors and Executives

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 : 60 Years

Nationality : Thai

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

Company Shareholdings : None

Date of Appointment : 13 May 2009

Years of Directorship : 11 Years 11 Months

Meeting Attendance Year 2020 : 7/7

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 :

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

Certifications :

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

การดำรงตำแหน่งกรรมการสำคัญที่เกี่ยวข้อง :

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

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 : 72 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 : 4 Year 8 Months

Meeting Attendance Year 2020 : 7/7

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

การดำรงตำแหน่งกรรมการสำคัญที่เกี่ยวข้อง :

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

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. Vorayos Thongtan

Independent Director

Age : 40 Years

Nationality : Thai

Address : 795 Mittaphab 1 Village, Onnuj 46, Suanluang, Bangkok 10250

Company Shareholdings : None

Date of Appointment : 15 May 2020

Years of Directorship : 11 Months

Meeting Attendance Year 2020 : 3/4

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
1	Managing Director Sahacogen (Chonaburi) Public Company Limited	5	-

Educations :

2010 - 2012	Master of Business Administration, GPA 3.71, The University of Texas at Dallas, Texas, USA
2010 - 2012	Master of Science in Finance, Distinction Honor The University of Texas at Dallas, Texas, USA
2005 - 2007	Master of Engineering, Information Processing, Nara Institute of Science and Technology, Nara, Japan
2004 - 2005	Research Student, Tokyo Institute of Technology, Tokyo, Japan
1999 - 2003	Bachelor of Engineering, Electrical, Second Class Honor Thammasat University, SIIT, Pathumtani

Certifications :

2019	Director Certification Program (DCP 272/2019) The Thai Institute of Directors Association (IOD)
2018	How to Develop a Risk Management Plan (HRP 20/2018), The Thai Institute of Directors Association (IOD)

Work Experiences in other Listed Companies :

Years	Listed Company	Position
Jan 2021 - Present	Sahacogen (Chonaburi) Public Company Limited	Managing Director
2018 - Present	Saha Pathana Inter-Holding Public Company Limited	Vice President, Investment and Corporate Strategy

2017 - 2018	Saha Pathana Inter-Holding Public Company Limited	Manager, Investment Division, Finance and Investment Department
2015 - 2016	Saha Pathana Inter-Holding Public Company Limited	Assistant Manager, Investment Department
2013 - 2014	Saha Pathana Inter-Holding Public Company Limited	Investment Analyst, Investment Department
2012 - 2013	Bangkok Bank Public Company Limited	Associate, Financial Advisory, Investment Banking Group

Other Working Experiences :

Years	Company	Position
2019 - Present	Impact Solar Company Limited	Director
2018 - Present	Saha Komehyo Company Limited	Director
2018 - Present	Mobile Logistics Company Limited	Director
2017 - Present	C.I.T. Property Consultants Company Limited	Director
2017 - Present	C.I.T. Appraisal Company Limited	Director
2014 - 2015	C.I.T. Property Consultants Company Limited	Director
2014 - 2015	C.I.T. Appraisal Company Limited	Director
2014 - 2015	Union Frost Company Limited	Director
2007 - 2009	Toyota Tsusho Electronics (Thailand) Co., Ltd.	Sales and Marketing Officer
2003	National Electronics and Computer Technology Center	Research Assistant

Relevant Important Positions :

Years	Company	Position
15 May 2020 - Present	SG Capital Co.,Ltd.	Director

Not having any relation among family with other Directors and Executives

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 : 50 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 : 4 Year 11 Months

Meeting Attendance Year 2020 : 7/7

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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Training :

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

Years	Company	Position
2021 - Present	KB J Capital Co., Ltd.	Director
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



Mrs. Nonglak Laksanapokin, Phd.

Director

Age : 60 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 : 5 Year

Meeting Attendance Year 2020 : 7/7

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. Chief Internal Audit Officer Jay Mart Public Company Limited 2. Advisor JAS Asset Public Company Limited	-	-

Educations :

2016 - 2019	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

Relevant Important Positions :

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

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. Miss Chanthornjira Kongtongsmut
Chief Operating Officer and
Company Secretary

SG Capital Capital



1. Miss Busaba Kunsiritham
Chief Executive Officer



2. Miss Auntikorn Phichetkorn
Deputy Chief Executive Officer



Management

Singer Thailand Public Company Limited

Miss Chanthornjira Kongtongsmut

Position : Chief Operating Officer and Company Secretary

Age : 54 Years

Nationality : Thai

Address : 577/82 Soi Pongpetchniwet, Chatuchak, Bangkok

Company Shareholdings : 3,500 shares 0.00077%

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 Low 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.	Invertor 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 : 60 Years

Nationality : Thai

Address : -

Company Shareholdings : None

Date of Appointment : June 17, 2016

Educations :

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

Training :

-

Work Experiences in other Companies :

Years	Company	Position
2016 - Present	Singer Thailand Public Company Limited	Chief Information Officer
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

SG Capital Capital

Miss Busaba Kunsiritham

Position : Chief Executive Officer, SG Capital Co., Ltd.

Age : 45 Years

Nationality : Thai

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

Company Shareholdings : None

Date of Appointment : January 1, 2021

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

Working Experiences :

Years	Company	Position
Jan 2021 - Present	SG Capital Co., Ltd.	Chief Executive Officer
2019 - 2020	Singer Thailand Public Company Limited	Chief Financial Officer
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.

Miss Auntikorn Phichetkorn

Position : Deputy Chief Executive Officer, SG Capital Co., Ltd.

Age : 54 Years

Nationality : Thai

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

Company Shareholdings : None

Date of Appointment : January 1, 2021

Educations :

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

Years	Company	Position
Jan 2021 - Present	SG Capital Co., Ltd.	Deputy Chief Executive Officer
2018 - 2020	SG Capital Co., Ltd.	Chief Credit and Asset Officer
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
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. Chan Itthithavorn	Independent Director
Mr. Bibit Bijaisoradat	Independent Director
Mr. Preecha Prakobkit	Independent Director
Mr. Vorayos Thongtan	Independent Director
Mr. Piya Pongacha	Director
Mrs. Nonglak Laksanapokin, Phd.	Director

Audit Committee

Mr. Chan Itthithavorn	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. Chan Itthithavorn	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

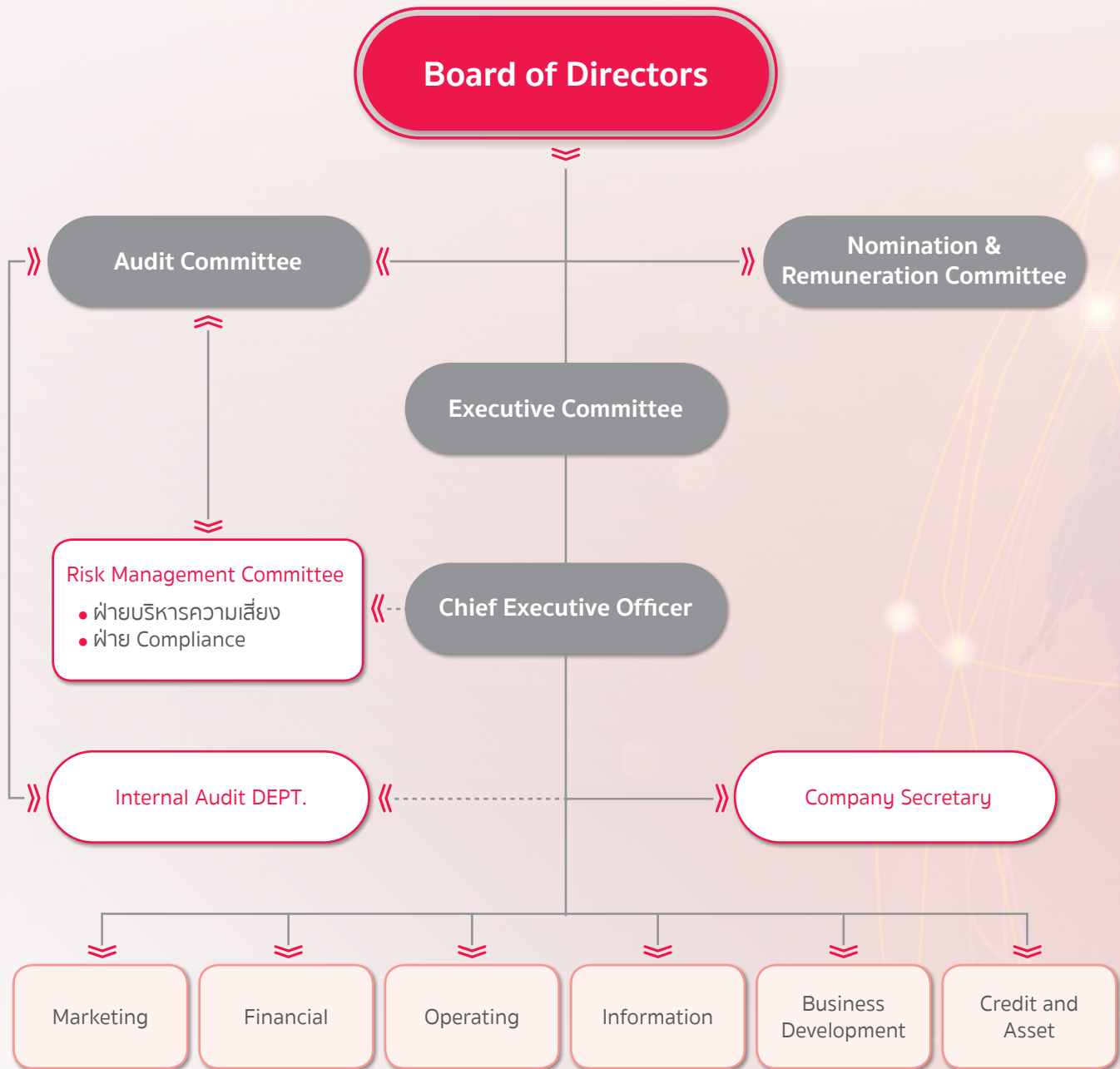
SG Capital Capital

Management

Miss Busaba Kunsiritham	Chief Executive Officer
Miss Auntikorn Phichetkorn	Deputy Chief Executive Officer



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
- Life Insurance and Non-life Insurance

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 412,525,208

*as at December 31, 2020

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

SG CAPITAL

**SG Capital Co.,Ltd.
(SGC)**

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

• 99.99% Owner Ship

- Hire Purchase of Home Appliance, Sewing Machine, Commercial Products and Other Products
- C4C (Rod Tum Ngern)
- Captive Finance



Registration
7 September 2012

SG SERVICE PLUS

**SG Service Plus Co.,Ltd.
(SGS)**

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

• 99.96% Owner Ship

- Service



Registration
18 June 1985

SG BROKER

**SG Broker Co.,Ltd.
(SGB)**

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

• 99.99% Owner Ship

- Life insurance broker
- Non-life Insurance 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 • Personal Loan
SG Service Plus Co., Ltd. 8 Moo 4. Samkok-Sena Road, Bangnomkho, Sena, Pranakhon Si Ayutthaya Tel. 0-3520-1702-5	Registered Capital Shares Paid-up Capital	Baht 5,000,000 Ordinary 5,000 Shares Baht 5,000,000	99.96%	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 Shares Paid-up Capital	Baht 4,000,000 Ordinary 40,000 Shares Baht 4,000,000	99.99%	<ul style="list-style-type: none"> • Life Insurance Broker • Non-Life Insurance 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 412,525,208 (as at December 31, 2020)

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 2015, The Company received the “Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the fourth time.
- In 2016, The Company received the “Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the fifth 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 vale of Baht 1.00 per share that will be 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 shre 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 receieved 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 บาท with a paid up capital of Baht 401,505,235. The Company also registered a change in its shareholing 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 “2019 Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the sixth time.
- In 2020, the Company has changed paid up capital to Baht 412,525,208 (as at December 31, 2020) from the exercise warrant of Shareholders.
 - The Company also registered a change in its shareholing structure; whereby Jay Mart Pcl., its majority Shareholder with a 30.26% shareholding now holds a total of 29.45% equity in the Company.
- In 2020, The Company received the “2020 Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the seventh time.
- In 2021, the Company has changed paid up capital to Baht 455,164,940 (as at January 6, 2021) from the exercise warrant of Shareholders.
 - The Company also registered a change in its shareholing structure; whereby Jay Mart Pcl., its majority Shareholder with a 29.45% shareholding now holds a total of 32.625% equity in the Company.

Subsidiary Companies



- SG Capital Co. Ltd. (SGC)

SG Capital Company Limited (SGC or **the Company**) is 99.99% owned by Singer Company Thailand Public Company Limited (**Singer Thailand PCL.**). SGC started its operations on 27 June, 2012 under the name of Singer Leasng (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 Boad 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's main business strategy is as follows:

1. Adhere to the customer as the center (Customer Centric). Understand customer needs and offer loans with conditions that truly meet the needs of customers.
2. Be number one in the customer's mind (Top of Mind), focusing on personnel quality. Build a team with a service mind (Service Mind) to give customers the best experience and tell each other.
3. Take care of receivable quality closely and determine NPLs target for each product.

SGC has the policy to expand the hire purchase business, focusing on commercial products, including products under the Singer brand. The project aims to expand the hire purchase service under other brands to meet the needs of Singer customers and general customers who need products, such as products in the freezer group, beverage cooler, automatic coin vending machine, automatic fuel vending machine, etc. to use in commercial operations.

The Company also operates a loan service business with vehicle registration certificate as the security. The operation has started in the first quarter of 2017 under the slogan "Car for Cash." It is a credit service to both corporate and general customers who have ownership of cars. The types of vehicles that can be used for service include personal vehicles, commercial vehicles, six-wheel trucks, and ten-wheel trucks. It will be sold through Singer salespeople and various outlets/branches of Singer, with more than 185 branches covering all over the country. The expanding distribution channels will make this business expand quickly.

The Company has begun to manage the payment system for direct credit from customers through the bank and the administration of collecting processing fees and fines for late payments customers to reduce the cost of tracking and collecting funds and to decrease the number of employees' frauds in order to ensure that the new credit accounts that are rising are quality credit accounts. Therefore, if there the problem occurs, it can be dealt with immediately. The Company has been strict in controlling and supervising the credit accounts closely.

Mission

Be a provider of hire purchase loans for various products under the Singer brand. It is also able to expand the hire purchase business to products under other brands for customers both within the Singer business group and general customers, including a focus on developing the loan business with car registration as insurance and expansion to various credit businesses in the future, such as employee welfare loans of partner companies for sustainable growth.

Vision

Be the market leader in hire purchase loan services and loans with vehicle registration certificate as the security for domestic customers.

The Company focuses on 4 main strategies as follows:

1. Support the business of providing hire purchase services of Singer brand, initially focusing on commercial products and will expand to other products in the future.
2. Manage the Company's accounts receivable in good condition with low bad debt.
3. The process for credit approval is quick and easy. The Company has set up a credit review center to conduct an audit, review, and analyze the financial status of customers before approving all credit items along with a credit review of customers through the National Credit Bureau Co., Ltd. There is also a field checker checking accounts for hire purchase

loans and loans with vehicle registration certificate as the security to directly inspect customers in the area, including the establishment of a debt collection team in the area to provide faster resolution of outstanding debt problems.

4. Manage the internal quality, whether personnel, knowledge, and ability to perform various tasks. Develop and promote the potential of employees in every position to create efficient productivity and reduce the burden of expenses, making the Company more profitable.

The Company's product design focuses on reaching the needs of the target customers. It is presented as a credit line for hire purchases and loans with vehicle registration certificate as the security. In this regard, cost management has been planned to be effective by taking advantage of the services available in various departments in the Group itself or outsourcing to operate instead. For events that support the Company's business (Non-material function), there is a contract with an external service provider subjecting to the legal and regulations of the Bank of Thailand.

Policy

SGC currently provides credit services to retail customers and entrepreneurial customer groups with three products as follows:

1. Hire purchase loan for electrical and household appliances (SINGER Hire Purchase)
2. Loans with vehicle registration certificate as the security both transfer books (Sales and Lease Back) and non-transfer books (Automobile Title-Backed Loan)
3. New Machine Hire Purchase (Captive Finance)

1. Hire purchase loan for electrical and household appliances

SGC is a hire purchase service provider for electrical and household appliance to customers who buy Singer products and products sold through Singer Thailand PCL. Clients who wish to purchase products in installments will enter into a contract as SGC's hire purchase receivables. Customers who are eligible for credit must meet the criteria set by the Company. The installment period ranges from 12 - 36 months and has an interest rate of 2% per month. Products and services are divided into three main groups:

- 1) Electrical and home appliances, including refrigerators, washing machines, televisions, water purifiers, etc.
- 2) Commercial appliances (Get Rich), including fuel vending machines, freezers, coin-operated washing machines, coffee machines, Top-up machines, etc.
- 3) Mobile Phone

Target Customers

Target customers of Home Appliances and Mobile products are retail customers throughout the country who want to buy electrical appliances and mobile phones in installments with low installments and friendly services. Most of the customers are lower-income earners and often do not have the opportunity to access financial institution credit.

Get Rich's target customers are community store operators such as grocery stores, restaurants, dormitories, and large entrepreneurs who need facilities for employees and workers.

Service Channels and Sales Process

SGC offers loans through sales representatives of Singer Thailand PCL, distributed by community sources throughout the country. When the customer wishes to purchase products with installments, the sales representative will present the credit and terms, including submitting documents to the approval center for consideration. When the loan is approved, the clients will have the status of hire and installment receivables with SGC.

Loan Considerations

Electrical appliance hire purchase will be considered through approval centers spread over ten districts across the country. A dedicated committee oversees the credit policy, approval center practices, and sales representatives' training (Credit Operation Committee and Branch Operation Committee).

2. Loans with vehicle registration certificate as the security

SGC provides loans with vehicle registration certificate as the security on both Sales and Lease Back and Automobile Title-Backed Loan under the name “Car for Cash,”  which has been operating since June 2017.

Business Operation Policy

The central policy of the “Car for Cash” is to be number one in the minds of SME entrepreneurs who want a credit service that truly meets their business needs, with the expertise team in credit products focusing on providing excellent and fast service.

Target Customers and Competitive Strategies

Customer	Nature of Customer	Main Products Offered	Competitive Strategy
1.Large Business Entrepreneurs	Natural person and Juristic person	Loans with vehicle registration certificate as the security (sales and lease back), the amount of 10,000,000 Baht - 30,000,000 Baht	<ul style="list-style-type: none"> - Consider providing credit to suit and meet the needs of each customer (Customization). - Speed of service, approval, and money transfer - Provide services by area managers and a team of business relationship managers who specialize in serving the large business entrepreneurs by focusing on clear product presentation with forthright information in order to build the confidence of customers.
2.Middle-sized Business Entrepreneurs	Natural person and Juristic person	Loans with vehicle registration certificate as the security (both sales and lease back and automobile title-backed loan), the amount of 3,000,000 baht - 10,000,000 Baht	<ul style="list-style-type: none"> - Consider organizing credit to suit and meet customer needs. - Speed of service, approval, and money transfer - Provide services by branch managers and a team of business relationship managers with credit knowledge which can provide clear and straightforward advice on products that are suitable for customers.
3.Small Business Entrepreneurs and Retail Entrepreneurs	Natural person	Loans with vehicle registration certificate as the security (both sales and lease back and automobile title-backed loan), the amount of 50,000 Baht - 3,000,000 Baht	<ul style="list-style-type: none"> - Speed of service, approval, and money transfer - Provide services by business relationship managers with credit knowledge which can provide clear and straightforward advice on products that are suitable for customers. - Push Marketing - Provide on-site customer service

Service Channels and Sales Process

The team of business relationship managers are based in 19 branch offices nationwide to serve customers throughout all provinces except the 3 southern border provinces.

Loan Considerations

4 principles are employed for consideration “Car for Cash.”

Factor	Analysis	Credit Process
1. Customer identification and social environment factor analysis	<ul style="list-style-type: none"> The customer and the guarantor have the identity according to the documents provided in the loan application. It must not be a hire purchase instead (the payer and the borrower are the same people). The customer has a residence/business location as their primary residence and match proof of income. Social cost factors, such as housing commitment, difficulty in removing residence, reputation and social appearance of borrowers and guarantors, cost and opportunity cost in case of bad debt, and other assets of clients and guarantors as a security measure 	The Company staff will meet clients in person at the customer’s accommodation and business facility to verify the loan applicant, company directors, and guarantors’ identity. To ensure if the customer is staying and operating the business, it provides information by asking individuals, merchants, or local community leaders. The credit review team will call to inquire and have the Field checker team go to the area to review the information before every credit approval.
2. Current and Past Payment History	<ul style="list-style-type: none"> Grade customers based on past and current debt settlement history by looking at the history of the past 12-24 months. Set the loan-to-value (LTV) ratio according to the grade - the more customers have a better payment history, the higher the LTV is considered. The maximum LTV is 85%. 	<ul style="list-style-type: none"> Check NCB history or check contract and installment receipt with other financial institutions. If the lender is not an NCB member Check the Black List of companies and affiliates.
3. Income proof and the ability to repay debts	<p>Analysis of debt repayment ability from the Debt to Income (DTI) ratio calculated from the monthly debt obligations/monthly net income.</p> <ul style="list-style-type: none"> Maximum DTI is 70% (Equivalent to Minimum DSCR = 1.43x) <p>The Company will base the customer’s income and consider the income of the guarantors.</p>	The credit team checks the borrower’s and guarantor’s income based on the source of income, such as payroll slip, 50 Bis, audited financial statement, employment contract, title deeds using in the business, and bank statements.
4. Collateral and Appraisal Value - Cars - Pickups - Vans - Trucks (Not available for buses and taxis)	<p>Consider in two dimensions:</p> <ol style="list-style-type: none"> Property value according to market price by considering the purchase price and liquidity of secondary vehicle brands (non-market cars) will be considered the LTV 10% lower than standard criteria. Client’s property lien: consider the proportion of investment in the property, car tenure period, and the necessity of that asset to generate income for the customer’s business (Core Asset). <ul style="list-style-type: none"> Set an LTV based on the property’s lien along with repayment history. Maximum LTV, according to the criteria, is not more than 85% of the appraised value in the case of trucks that are Core Assets and a good history customer. 	<p>The credit team assesses the value of the surety property from 2 factors:</p> <ol style="list-style-type: none"> Base on Red Book’s market prices, the Company’s internal database, and industry citations, such as dealers and central appraisal data from other financial institutions. Evaluate the actual property condition from the inspection of the staff, photographs, registration certificate, and vehicle update information (truck case). <p>All vehicles must be insured and endorsed by the beneficiary as an SGC.</p>

Interest Rates and Fees

Type of Loans	Interest Rate	Front-End Fee
Automobile Title-Backed Loan	15% - 24.0% per year	1.5% - 3.0% of credit limit

3. *Captive Finance*

Business Model Operation

SGC provides new equipment hire purchase services to machine buyers with manufacturers and dealers who are partnered with SGC and have signed a memorandum of agreement that includes the machine repurchase's main conditions if the hirer has defaulted or unable to continue paying.

Target Customers

Finance's target customers are divided into two levels:

1) Dealer

SGC's target dealer is a leading manufacturer and importer of machinery in various industries such as the metal industry, publishing industry, large embroidery machinery industry, automobile, electric train industry, etc.

2) Hirer

Target hire-purchase customer is individual and corporate customers whom the partner dealer has selected as having the potential to operate the business using that Dealer's machine. SGC will proceed with the credit review based on the Company's criteria once again.

The withdrawal channels are divided into 2 cases:

- 1) If the customer brings the vehicle registration to guarantee a loan with the Company (debt-free car), the Company will transfer money directly to the customer's bank account.
- 2) In case a customer owed to other financial institutions or another company applies for a loan from the Company to pay off the original creditor's account, the Company will issue a cashier's check payable to the original creditor to close the old debt account.

Re-payment Channel

- 1) Transfer money to the Company account via banks and counter service, or
- 2) The customer will pay by cheque dated in advance in installments to the Company.

Personnel

They are controlled and operated by a team of executives and personnel with experience in the retail credit business and hire purchase.

1. Planning system of manpower rate to be in accordance with the business plan.
2. Develop knowledge and competence of personnel in related products, laws, and regulations continuously.

Location and Service Areas

Head office is located at 72 CAT Telecom Tower, 17th Floor, Charoen Krung Road, Bangrak, Bangkok.

Technology

1. The Company has developed a credit approval system under international standards, accounts receivable management, and a modern debt tracking system to accommodate the development of other operating systems to support the administration to be effective.
2. An efficient reporting system and receivable quality control in order to prevent and reduce the rate of non-performing debt (NPL).

Management

1. Manage with good governance principles.
2. Administrative compliance and internal audit functions according to the rules and regulations or guidelines set by the Bank of Thailand or the Consumer Protection Board's Office.
3. There is an effective checking system for basic customer information, which will affect the quality of the credit before the loan approval.
4. Control of the entire debt collection by the Company itself and external agents, focusing on fairness and maintaining a good image of the Company in practice as specified by the Bank of Thailand.

Financial Status and Source of Funds

1. 99.99% held by Singer Thailand Public Company Limited.
2. Sources of funds for operations are from shareholders and bank loans.



• SG Service Plus Co., Ltd. (SGS)

SG Service Plus Co. Ltd. is a Subsidiary Company, in which Singer Thailand Pcl. has a 99.96% 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 115 technicians operating from the established network of 188 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 Company Limited (SGB)

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.

SG Broker Company Limited (SGB) operates a non-life insurance broker, license no. WOR 00014/2016, a life insurance broker, license no. CHOR 00045/2545, with “Singer Thailand Public Company Limited” major shareholder. Conduct business under the management team and knowledgeable personnel, expertise by adhering to good governance principles. Also, it has always strictly followed the rules and regulations of the OIC. In addition to providing non-life insurance services, the Company has an idea to expand non-life insurance services to cover the insurance business. Besides, it is an extension of affiliated businesses and supports the Company’s customer base available throughout the country with customers’ interests as the priority. Essential aspects of the non-life insurance business, particularly insurance other than motor insurance, have not yet reached a large number of low-income citizens.

With the reputation of “Singer” (a significant shareholder of the Company), has been standing in business alongside the public for hundred years, which has a database of over four hundred thousand customers as well as the potential of network marketing channels of affiliated distributed companies in regions across the country. The Company, therefore, sees it as an opportunity to provide services for this group of customers, which will allow them more access to insurance, are protected according to their appropriate purchasing power, and, importantly, to promote the insurance business to another level.

Reason for Conducting Business

It is an extension to expand the Company’s business and the shareholders, including serving low-income customers to purchase insurance conveniently and suitable for their income.

Goals

Provide motor insurance agent services and personal accident insurance with honesty and excellent service to facilitate using the service and create maximum customer satisfaction. The Company is also committed to improving operational efficiency and complying with laws and announcements from relevant government agencies so that the Company’s business operations can grow sustainably in the future.

SG Broker Company Limited operates as a broker for introducing and delivering insurance premiums by using the dealer network of SG Capital Company Limited (SGC), the holder of a broker license, direct non-life insurance management type.

Former life insurance that the assured remains to pay the premium and it is still effective by:

- The assured pay premiums directly to Muang Thai Life Assurance Company.
- SG Broker receives a commission from Muang Thai Life Assurance at the end of every month.

1. **Life Insurance** Selling Loan Protection Insurance

2. **Non-Life Insurance** Selling Motor Insurance

Business Plan for Sourcing of Insurance Brokerage Products or Services

The Company has focused on selling compulsory and voluntary car insurance. Mainly procure target customers who are car owners of a personal car with no more than seven seats by purchasing a supplier's target customer database. Also collaborate with a non-life insurance company (Partner) to acquire and manage a customer database for use in contacting and selling car insurance of a non-life insurance company partner, a total of 8 companies. All non-life insurance companies have a non-fixed term business operation agreement with the Company. It is considered a parent contract or master agreement and can change terms in the additional contract such as insurance policy type, insurance commission, and other service fees. Therefore, the Company has categorized the characteristics of customers and partners in the non-life insurance brokerage business by the source of the customer database as follows:

1. Partners offering car and accident insurance products with the following duties:

- Collaborate with the Company to acquire and manage the partner's target customer database.
- Collect premiums from customers on behalf of the Company.
- Provide insurance policies to customers.

However, the above-mentioned non-life insurance companies and the Company will verify that the target customers' information each time before conducting a sale, not to create a conflict with the company's existing customer base.

2. Partners offer non-life insurance products only (Non-Partner), eight non-life insurance companies (including partner products, but the Company provides a database of target customers). It offers various product types to the Company to offer for sale to target customers via Face to Face channel. The Company provides a database of target customers, including collecting insurance premiums and delivering insurance policies to customers.

Selecting and Recruiting Business Partners Policy

The Company has a policy for selecting and recruiting business partners as follows:

1. It is a non-life or life insurance company with a strong presence in the business both in finance and product design and providing customers with speedy compensation.
2. It is a non-life or life insurance company with good governance principles. There are senior executives with vision and an efficient work team. Have a good understanding of business and be ready to support the success of the brokerage business.
3. It is a non-life insurance company with a network of motor insurance claim services covering all Bangkok and upcountry areas.
4. Have relevant partners such as garages or official dealer garages, etc., that have been accepted for service and approved of payment of compensation from a non-life insurance company.
5. There are personnel teams who understand and support the work before and after the sale.
6. Support in new channels for insurance underwriting and event development.
7. Have the most profitable management to generate higher returns with the life or non-life insurance brokerage firm.

Competitiveness of Corporation Agent, How to Choose an Insurance Product, Using Channels to Offer Insurance Products

SGB have operated their business with honesty and social responsibility for over 40 years. It consists of a highly qualified management team, knowledgeable, and plenty of experience. Moreover, they have a long experience in providing insurance

services, especially the business network under the reputation of “Singer,” with more than four hundred thousand clients who have already used “Singer” services. The Company, therefore, believes that it will be able to operate the non-life insurance brokerage business effectively and can meet the needs of consumers to the fullest extent possible.

Target Market and Target Customer

- The Company’s target market is to provide insurance and personal accident insurance.
- Customers, who use business services of “Singer” aged between 18 years and 60 years old.
- Low-income customers, who are interested in and focus on accident insurance.

Marketing Strategy, Distribution Channel to Reach Target Customer, Marketing Promotion Method

- **Marketing Strategy**

Cooperate with partner insurance companies to develop a suitable product design/coverage condition following the target customers’ premium price according to various projects, which is a ready-made insurance policy and easy offering to customers.

- **Distribution Channel to Reach Target Customer**

In addition to selling via the Company, it is supported by the sales representative of “Singer,” with a non-life insurance license. There are also branches all over the country. It is another essential distribution channel, including online media.

- **Marketing Promotion Method**

Define a benefit-return structure to motivate salespeople. Organize promotional activities such as lottery draws and give rewards to customers by purchasing “Singer” electrical appliances of that branch to support its sales. Arrange a seminar activity to educate and raise awareness of the importance of insurance to the public.

- **Public Relations Advertising**

1. Organize an internal roadshow at “Singer” head office and notify the sales meetings of “Singer” in each area across the country.
2. Prepare a web page to introduce the Company to publicize news and marketing activities.
3. Make posters for posting announcements at the branches of “Singer.”

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.

The Company Objectives and Operational Goals (Corporate Objective/Long Term Goal)

In the years 2021-2023, the Company aims to maintain its growth at 30% per year with the following operational plans:

Marketing

1. Strengthen the electrical appliance leasing business, which is the foundation of Singer's business for sustainable growth. The Company plans to expand the branches' network to cover all districts in 2022 and cover all subdistricts in 2023. The goal is to have at least one Singer electric appliance in every home and buy them from a Singer shop accessible at the neighbor's store level.
2. Add variety in product groups, whether increasing the type of growing income products "Get Rich" and in the convenience products, such as household electrical appliances. It is to meet all groups of customers' needs and increase sales opportunities for Singer's sales team.
3. Expand online channels to introduce products to consumers by working in synergy with Singer's field sales team.
4. Increase interest income by expanding the customer base of the vehicle title loans through SG Capital Company Limited, a subsidiary. The Company aims to have a total credit portfolio of 10,000 million Baht by 2021 and list SG Capital Company Limited on the Stock Exchange of Thailand in 2022. The Company will also increase the commission income from SG Broker Company Limited, an insurance broker for both life and non-life insurance.

Quality of Receivables

1. Maintain standards for controlling receivables quality since credit approval and control of debt repayment. The target is to have a non-performing loan (NPL) not more than 3% by 2023.

From the said plan, the Company will continue to expand the franchise (or sub-branch) continuously. In 2020, Singer had branches and franchises (or sub-branches) totaling 2,030 branches nationwide. The Company aims to expand another 4,000 units by 2023. The vehicle title loan business will be the business that will strengthen Singer even more powerful. The Company will bring more technology to use to reduce errors and improve work efficiency, making Singer a modern, fast and ready organization for all business opportunities.



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 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 2,000 Singer sales representatives, who are dispersed over more than 188 branch outlets located throughout 1,492 sub-districts in 700 districts; 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.

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. And now Jay Mart Pcl., its majority Shareholder with a 29.45% shareholding now holds a total of 32.625% equity in the Company (Data as at January 6, 2021)

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	2020	%	2019	%	2018	%
Washing Machine	398,603	12	326,843	14	292,738	12
Refrigerator	259,908	8	206,631	9	224,038	9
Freezer	547,808	16	364,154	16	306,290	12
Television	391,841	11	326,995	14	528,652	21
Sewing Machine	49,410	1	31,400	2	185,020	7
Air Conditioner	636,077	19	284,852	13	221,955	9
ATVM	96,120	3	120,934	5	230,174	9
Petrol Vending Machine	526,893	15	220,914	10	114,104	5
Mobile Phone	40,997	1	31,077	1	226,738	9
Sub Total	2,947,657	86	1,913,800	84	2,329,709	93
Other products sold	479,499	14	368,985	16	193,930	7
<i>Total Export Sales</i>	-	-	-	-	-	-
Total Sales & Interest Income	3,427,156	100	2,282,416	100	2,523,639	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	2020	%	2019	%	2018	%
<u>Income for Sales</u>								
Singer Thailand PCL. (STL)	STL	100.00	2,454,796	67.1	1,529,385	58.6	1,876,283	65.0
<u>Income-Interest hire-purchase installments</u>								
- SG Capital Co., Ltd. (SGC)	SGC	99.99	972,360	26.6	753,031	28.9	647,356	22.4
- Singer Thailand PCL. (STL)	STL	100.00	-	-	-	-	-	-
<u>Income from services</u>								
- Singer Thailand PCL (STL)	STL	100.00	50,920	1.39	66,004	2.6	80,777	2.8
- SG Service Plus Co., Ltd. (SGS)	SGS	99.96	697	0.02	8,516	0.3	17,951	0.6

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

(In Baht million)

Business Activity/Category	Operating under	% Equity shareholding by STL	2020	%	2019	%	2018	%
<u>Income from life insurance policies</u>								
<u>brokerage</u>								
- SG Broker Co., Ltd. (SGB)	SGB	99.99	19,493	0.53	3,160	0.1	5,178	0.2
<u>Other income</u>								
- Singer Thailand PCL. (STL)	STL	100.00	13,316	0.4	37,003	1.4	126,126	4.4
- SG Capital Co., Ltd. (SGC)	SGC	99.99	146,571	4.0	206,967	7.9	128,862	4.5
- SG Service Plus Co., Ltd. (SGS)	SGS	99.96	180	0.0	5,875	0.2	5,259	0.2
- SG Broker Co., Ltd. (SGB)	SGB	99.99	92	0.0	58	0.0	232	0.0
Total			3,658,425	100.0	2,609,999	100.0	2,888,024	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 3 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.
3. Shopping with "Singer Home" and "Singer Connect" online application system, the additional channel for customer.

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. Now the company has launch "Air Fryer" and "Air Purifier" as the new small appliance products for all customers.

Distribution/Sales Channels Strategy

The Company sells through the Company's own operated Singer Branch retail outlets, of which there are 188 in total located throughout the country with more than 3,000 sales staff and 2,000 franchisees. 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 Telecall (TC) will 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. If not the account will be sent to more than 200 Field Collectors (FC) responsible for reviewing all hire-purchase customer accounts making actual visits to the customer's home which will monitor by the Credit Control Department.

Industry trends and the competitive environment

With the current overall economic situation and trends for 2021,

- Because of Corona virus 2019, the demand in real estate market will increase due to work from home policy.
- Because of hot weather, the demand of air conditioner will be increase.
- Customer need to change new products due to their aging.
- More online channels make it easier for customers to make decisions.

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.

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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 electrical 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 Pcll. - 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, air fryer 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) or epidemic disease (ie: Coronavirus Disease 2019). 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

The Ministry of Finance licenses the Group under the Bank of Thailand's supervision to be a personal loan operator under the supervision of a vehicle registration type, which has become increasingly competitive. Besides, there is a tendency to have more service providers in the market. It can be seen from the increasing of the Ministry of Finance licenses for non-bank supervisory personal loan operators (Non-Bank). Due to it is a high yield business depending on which service providers have more customer acquisition strategies, such as interest rate, the term of payment, and fast service. However, the Company's policy in Car for Cash Loans is to be number one in the minds of SME entrepreneurs who want a credit service that genuinely meets the needs of the business. Therefore, target customers are defined and set a competitive strategy to meet customer needs, emphasizing speed and service. It enables the Company to expand its customer base and have a working system and a team that has direct expertise in the 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. Accounting Risk from Hire Purchase Receivables

For the loan service business, the Company is faced with the risk of the debtor's quality that may default to the debt and become bad debts, which will affect the results of operations. Therefore, the Company has established measures to reduce the said risk and always control the incidence of bad debt. As a result, the debtor portfolio's bad debt level has continued to improve, considering the year 2018 until 2020. The Company had bad debt levels of 10.5%, 9.25%, and 4.4%, respectively. It is expected to reduce bad debt levels continuously.

Measures to reduce the credit quality risk of the portfolio are as follows:

- Establish strict supervision measures for accounts receivable from credit scoring, monitoring, and evaluation, litigation, and legal action in case of default.
- In the hire purchase of electrical appliances, the sales system is adjusted using the Farmer Model by allowing the salespeople to take part in the debtor's default in their portfolio. The salesperson will receive a share of the installment every installment, but the commission will be deducted if the portfolio's debtor does not pay the installment.
- For Car for Cash Loans, the Company will give a credit limit of 60% -80% of the car value (estimated from used car price data). If the debt default, the Company estimates that the car's selling price will cover or not, help mitigate the damage to a minimum.
- For the new machinery hire purchase, the Company has agreed with the major distributors (dealer). If the customer's debt has defaulted, the dealer has to repurchase the machine or responsible for the hire purchase. It reduces the liquidity risk of the seized goods.
- The Company has established a department that has expertise in managing overdue accounts. Responsible for performing problematic debt management, this will consider choosing the best way to get a repayment with objectives to improve asset quality to minimize the losses.
- The Company has a department responsible for selling non-performing loans following the guidelines approved by the Board.

3. Risk from COVID-19 Outbreak

Uncertainty of the COVID-19 outbreak poses a risk to the Company if a customer may default on debt while the Company continues to bear costs and expenses. However, the Company has instructed the employees to follow up calling customers closely to pay the annuity according to the schedule. Management has also closely monitored the situation to control it to have the most negligible impact on the business. As evidenced by collection, during the epidemic through the end of 2020, accounts receivable portfolio decreased by less than 20% per month. The Company has a short-term credit line with financial institutions (promissory notes and overdraft facilities) in 466 million baht. Besides, the Company has the proceeds from the exercise of the SINGER W1, and the exercise price is 7 Baht, the maturity date of April 23, 2021, and the exercise of the SINGER W2, the exercise price is 14 Baht, the maturity date is April 23, 2023. Therefore, the Company is confident that there is no material impact during the said period and still has sufficient liquidity for its business operations.

With the Company's robust sales approach of selling electrical appliances business in upcountry markets, whether selling through agents in the community or having direct sales representatives to the customer's home, the Company believes that it will cope with the epidemic situation. In addition, the Company uses technology systems to assist in the work and to approve loans. Therefore, it is not an obstacle to work. However, the Company has issued measures preventing the risks to build customer confidence by tightening staff and sales representatives before meeting customers to assure customers that they will not be

infected with the disease from the Company's employees. Moreover, the Company believes that the COVID-19 epidemic will be an opportunity to increase sales of electrical appliances due to demand rising due to customers being confined to their homes. As a whole, the Company ensures that it will be able to pass through this epidemic crisis.

4. Financial Risk

The Company has risks from normal business operations and has the policy to manage financial risks as follows:

4.1 Interest Rate Risk

The Company has the policy to take on loans from banks, financial institutions, and institutional investors, which has risks from the fluctuation of interest rates according to the currency market and capital market conditions. Therefore, the Company won't borrow money from a particular bank or financial institution to diversify the loan source risks and costs. Most of the funds come from the offering of debentures with fixed interest rates. As of the end of 2020, the Company had 5,250 million Baht of outstanding debentures (accounting for 81.56 percent of total liabilities). Besides, the Company earns income from interest income on hire purchase loans, which is growing every year in line with credit lending. As a result, profit from the difference in interest rate increases as well.

4.2 Risk from Maintaining Financial Ratio

The Company's operations require a source of funding from bank borrowing, financial institutions, and investors, which must comply with the conditions for maintaining financial ratios with financial institutions and from the increased debt burden. It causes the Company to be at risk from compliance with the financial ratios (Covenant), which has stipulated essential conditions that the Company has to comply with as follows:

Financial Terms	Ratio to be maintained under conditions with financial institutions	Ratio as of 31 December 2018	Ratio as of 31 December 2019	Ratio as of 31 December 2020
1. Debt to Equity Ratio (D/E Ratio)	Not more than 3: 1 time	2.34	1.52	2.29
2. The ratio of hire purchase receivables having an outstanding payment of more than 3 months to all hire purchase receivables.	Not more than 10 %	10.48	9.25	4.4
3. The ratio of hire-purchase receivables, net to interest-bearing debt	Not less than 1.35: 1 time	1.27	readjusted to item 4	readjusted to item 4
4. The ratio of hire-purchase receivables to interest-bearing liabilities (beginning in the 4th quarter of 2019)	Not less than 1.30: 1 time		1.42	1.36
5. Working Capital Ratio	Not less than 1.50: 1 time	1.25	3.71	2.43

The Company has negotiated with financial institutions to adjust the financial ratios (Covenant) to suit the current business operations by adjusting the ratio of hire purchase receivables to net interest-bearing debt to be the ratio of hire-purchase receivables to total interest-bearing liabilities. It has been completed since the fourth quarter of 2019, and the Company can maintain the financial ratio (Covenant) according to the requirements of financial institutions.

In this regard, according to the criteria specified in terms of the right to issue debentures, the Company must maintain the Interest Bearing Debt to Equity Ratio of no more than 3: 1 (three to one time) from 2018, 2019, and 2020 financial statements at 1.84, 1.22, and 1.94 respectively. At present, the Company can still maintain the ratio according to the terms and conditions.

4.3 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%.

5. 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.

6. 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.

7. 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 %

8. Regulatory Compliance Risk

The Bank of Thailand (BOT) has issued several new regulations following the BOT's announcement, such as the Interest calculation for the default on debt repayment, including the order of debt repayment, etc., to supervise personal loans under supervision the type of the vehicle title loan. As a result, the Company and the group companies have to improve the program and operating systems under the said announcement, which can be completed within the BOT time specified.

The risk of being sued by the customer; the Company has complied with the Bank of Thailand announcement regulations, Consumer Protection Act, including civil and commercial laws, such as contracts, interest rates, determining the penalty, the cost of debt collection, and seizure. Also, appropriate credit approval criteria have been established by assessing the customer's risk in terms of payment capability and the guarantor to reduce the default on the debt. Besides, the collateral debt collection process and seizure are fair and consistent according to the law. The Company, therefore, believes that the chances of being sued by the customer are minimal.

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

9. 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.

10. Risks relating to the Business Continuity Plans

Natural disasters and threats from the epidemic that occurs, whether it is a tsunami, political rally, and the most recent one is the coronavirus disease 2019 or COVID-19, which may affect if the disaster occurs at the central office or branches that causes interruption of business operations. In addition to Back up data every day, the Company has set up a plan for emergency management to minimize business operations and return to normalcy with efficiency.

11. 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.

12. Risk factors relating to reposessing products or goods

It is normal that the hire-purchase loans business has inherent risks relating to reposessing 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 reposessed, there is also a further risk in having decreased revenues together with having increased inventory on hand. On the other hand, the reposessed 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 resuting 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 reposessed items to be resold - namely (Loss on Reposeession). However, resposessing products or goods is another marketing strategy deployed in the hire-purchase loans business.

13. 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 reating to the business operations

Risks relatng 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

14. 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.

15. 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.

16. 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 risks 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 maxium ratio of those borrowers or customer with high risk, medium risk and low risk repectively 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 facilitiesto 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 Group of Companies prepares to support for reporting following the regulations set by the Bank of Thailand because the Company group has already obtained a personal loan business license under the supervision of a non-bank financial institution.
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.



List of Major Shareholders

as at march 9, 2021

No.	Name	No. of Shares	% of Total Shares
1	Jaymart Public Company Limited	148,499,780	32.625
2	Ms. Kulisala Kara	21,436,300	4.710
3	Mr. Chao Kara	18,810,800	4.133
4	Mr. Sathaporn Ngarmruangpong	17,838,400	3.919
5	Ms. Maneerat Ngarmruangpong	14,854,500	3.264
6	THAI NVDR Company Limited	13,714,724	3.013
7	Mr. Santi Kowitjindachai	10,000,000	2.197
8	Ms. Ravisara Ngarmrungsiri	8,672,100	1.905
9	Mr. Direk Takru	5,837,940	1.283
10	Ms. Chanjira Naklada	5,809,000	1.276
11	Mr. Kitti Nghammaharat	5,270,900	1.158
12	K Mid Small Cap Equity Rmf	4,759,700	1.046
13	Mr. Piranart Chokwatana	4,325,500	0.950
14	Mr. Anucha Aveelastsakul	4,018,500	0.883
15	Mr. Chairat Kowitjindachai	4,000,000	0.879
16	Ms. Amnuayporn Rienthonglert	3,823,400	0.840
17	K-Master Pooled Fund	3,552,100	0.780
18	Mr. Jittiporn Chantaratch	3,544,900	0.779
19	Mr. Sirisak Sonsophon	3,350,000	0.736
20	Ms. Siriwan Tangcharoenchaichana	3,000,000	0.659
21	Bank Lombard Odier & Co Ltd	2,871,600	0.631
22	Ms. Chonwana Parapasu	2,800,000	0.615
23	Mr. Thanarat Rak-Ariyapong	2,800,000	0.615
24	Hlanpu Co., Ltd.	2,360,500	0.519
TOTAL		315,950,644	69.415



Policy of Dividend Payment

Singer Thailand pcl., has the policy to pay dividends at the rate of not less than 50% of the net profit of the consolidated financial statements after income tax, legal reserves, and other reserves each year. The dividend payment depends on economic conditions, operating profit, and investment plans in the future. The Company's Board of Directors has the power to consider exemption from implementing or amends such policy from time to time.

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

(BAHT)

	Full Year 2020	Full Year 2019	Full Year 2018
Interim Dividend Payment *	0.10	-	-
Final Dividend Payment **	0.15	0.10	-
Total Dividend Paid	0.25	0.10	-
Par Value/Share	1	1	1

* In accordance with the resolution of Board of Directors Meeting No. 237, held on August 10, 2020

** In accordance with the resolution of Board of Directors Meeting No. 240, held on February 22, 2021, to be proposed to the scheduled AGM No.54 to be held on April 23, 2021.

- 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 2020	Full Year 2019	Full Year 2018
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. 348, held on 22 February 2021, to be proposed to the scheduled AGM No.10 to be held on April 23, 2021

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 2020, the Board of Directors held a total of 7 Board Meetings - consisting of 7 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 2020 are summarized as below:

Attendance record of Board Directors during 2020

Board Director	Term of Office	No. of times attended/No. of times held				
		AGM No.53	EGM 1/2020	Board Meeting	Audit Committee meetings	Nomination & Remuneration Committee
1. Mr. Adisak Sukumvitaya *	Apr 2020 - Apr 2023	1/1	1/1	7/7	-	3/3
2. Mr. Lucksananoi Punkrasmeek** (b)	Apr 2019 - Apr 2022	-	-	3/3	2/2	2/2
3. Mr. Bibit Bijaisoradat	Apr 2020 - Apr 2023	1/1	1/1	7/7	4/4	3/3
4. Mr. Preecha Prakobkit	Apr 2019 - Apr 2022	1/1	1/1	7/7	4/4	
5. Mr. Piranart Chokwatana (b)	Apr 2019 - Apr 2022	-	-	3/3	-	-
6. Mrs. Nonglak Laksanapokin	Apr 2018 - Apr 2021 (a)	1/1	1/1	7/7	-	-
7. Mr. Piya Pong-acha*	Apr 2018 - Apr 2021 (a)	1/1	1/1	7/7	-	-
8. Mr. Kittipong Kanokvilairat	Apr 2020 - Apr 2023	1/1	1/1	7/7	-	-
9. Mr. Chan Itthithavorn** (c)	Apr 2019 - Apr 2022	1/1	1/1	4/4	2/2	1/1
10. Mr. Vorayos Thongtan (c)	Apr 2019 - Apr 2022	1/1	1/1	3/4	-	-

หมายเหตุ * 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 2021 and to be nominated for reappointment as a Board Director for another term at the AGM/2021 to be held on 23 April 2021

(b) Director resigned, effective on May 15, 2020

(c) Director appointed, effective on May 15, 2020

Management Group

Management Group of Singer Thailand Pcl.

Mr. Kittipong Kanokvilairat	Chief Executive Officer Act as Chief Marketing Officer
Miss Rapeepan Kantayaporn	Chief Information Officer
Miss Chanthornjira Kongtongsmut	Chief Operating Officer

Management of SG Capital Co., Ltd.

Miss Busaba Kulsiritham	Chief Executive Officer
Miss Auntikorn Pichetkorn	Deputy Chief Executive Officer

* The Company is in the recruiting process of Chief Marketing Officer.

Company Secretary

The Company's Board of Directors Board appointed Miss 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 2020

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 - 2018 ' 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 2020: 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	513,700	Chairman of the Board	90,750	637,450
	- Member of the Nomination & Remuneration Committee	33,000			

Full name	Singer Thailand Pcl.		SG Capital Co. Ltd		Total (Baht)
	Position	(Baht)	Position	(Baht)	
Mr. Lucksananoi Punkrasamee	- Chairman of the Audit Committee,	88,000	Director	25,750	274,750
	- Independent Director	146,000			
	- Member of the Nomination & Remuneration Committee	15,000			
Mr. Bibit Bijaisoradat	- Chairman of Nomination & Remuneration Committee	55,000	Director	56,650	587,950
	- Member of the Audit Committee	155,100			
	- Independent Director	321,200			
Mr. Preecha Prakobkit	- Member of the Audit Committee	155,100	Director	56,650	532,950
	- Independent Director	321,200			
Mr. Piranart Chokwatana	- Director	146,000	Director	25,750	171,750
Mr. Piya Pong-acha	- Director	321,200	Director	56,650	377,850
Mrs. Nonglak Laksanapokin, Phd.	- Director	321,200	Director	56,650	377,850
Mr. Chan Itthithavorn	- Chairman of the Audit Committee,	96,800	Director	28,325	302,225
	- Independent Director	160,600			
	- Member of the Nomination & Remuneration Committee	16,500			
Mr. Piranart Chokwatana	- Director	160,600	Director	28,325	188,925
	Total	3,026,200	Total	425,500	3,451,700

หมายเหตุ - 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 2020	
	No. of persons	Total - Baht
Salaries, bonus payments and incentives	5	23,863,990

4. Remuneration for the Management Group: Other forms

Types	For 2020	
	No. of persons	Total - Baht
Company's contribution to the Employee Provision Fund	5	1,122,491

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, 2020	Trading During the		December 31, 2020
		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*	657,000	398,100	-	1,055,100
7. Mr. Piya Pong-acha	-	40,000	40,000	-
8. Mr. Chan Itthithavorn	-	80,000	80,000	-
9. Mr. Vorayos Thongtan	-	-	-	-
10. Mr. Kittipong Kanokvilairat	-	-	-	-
11. Miss Rapeepan Kantayaporn	-	-	-	-
12. Miss Chanthornjira Kongtongsmut	3,500	-	-	3,500
13. Miss Busaba Kulsiritham	-	33,500	23,500	10,000
14. Miss Auntikorn Pichetkorn	-	-	-	-

*The director has resigned and effective on May 15, 2020.

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 9,466 persons, of whom 747 are employed by the Subsidiary Companies. For 2020, the Company paid total remuneration and compensation of Baht 1,051.18 million, of which Baht 320.83 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 2020	Parent Company	Subsidiary Company		
	Singer Thailand Pcl.	SG Capital Co., Ltd.	SG Service Plus Co., Ltd.	SG Broker Co., Ltd.
Field or Area personnel (persons)	8,411	392	99	4
Central HO staff (persons)	282	201	44	-
Executives & Management Members (persons)	26	7	-	-
Total No. of Employees (persons)	8,719	600	143	4
Total Remuneration & Compensation (Baht - million)	730.35	274.62	27.38	18.83

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** 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, 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. Chan Itthithavorn 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 2020, 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:

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

- 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.
- 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.
- 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.
- 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.
- 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 2020, the Nomination and Remuneration Committee held 3 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 and having risk agenda regularly, 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 32.625% shareholding) - namely, Mr. Adisak Sukumvitaya, Mr. Piya Pongacha and Mrs. Nonglak Laksanapokin.
 - 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 15 September 2020 to 31 December 2020, 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., and SG Broker Co., Ltd.; and has an 99.96% equity shareholding in SG Service Plus 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.



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

The Board of Directors realizes the importance of good corporate governance practices covering 8 principles of corporate governance as follows:

- Practice 1 : Establish Clear Leadership Role and Responsibilities of the Board
- Practice 2 : Define the Objectives that Promote Sustainable Value Creation
- Practice 3 : Strengthen Board Effectiveness
- Practice 4 : Ensure Effective CEO and People Management
- Practice 5 : Nurture Innovation and Responsible Business)
- Practice 6 : Strengthen Effective Risk Management and Internal Control)
- Practice 7 : Ensure Disclosure and Financial Integrity)
- Practice 8 : Ensure Engagement and Communication with Shareholders

Practice 1 Establish Clear Leadership Role and Responsibilities of the Board

The Company has established the roles, duties, and responsibilities of the Board of Directors clearly in addition to legal duties and responsibilities, which stipulates that the Board of Directors has the powers and responsibilities in managing the Company following the law, objectives, the Company's article of association, and the resolution of the shareholders' meeting with responsibility, caution, and honesty. The Company has also assigned the Board of Directors to have the authority, duties, and responsibilities in defining the Company's vision, mission, goals, policies, operational directions, strategic plans, work plans, and annual budgets, including supervision and monitoring of operations to be under the law, policy, work plan, and annual budget as well as assess the performance of the said work. The Company communicates to the Board and all parties on their assigned roles, duties and responsibilities to ensure the Board understanding the scope of responsibilities as the organization's leader and all parties to realize their roles.

The Company has appointed various subcommittees, including the risk management subcommittee and chief executive officer, to support the Board's duties. Review and supervise operations and administration following the laws, policies, plans, and annual budgets. Set the scope of powers, duties, and responsibilities of the sub-committees and chief executive officer clearly.

Besides, the executive committee of the Company has appointed the risk management subcommittee, consisting of 5 members, to perform their duties in considering problems or risk factors that may arise with the Company's business operations and find a way to reduce the risk or manage the risk as low as possible. The performance will be reported to the executive committee, the audit committee, and the Board of Directors regularly.

The Board of Directors' meeting has passed a resolution approving the establishment of a charter for the Board of Directors and sub-committees. Ensure that the Board of Directors and sub-committees acknowledge the Charter above, including monitoring and ensuring that there is and evaluating the performance of duties as assigned and reviewing of the Charter annually at least once a year to be corrected following the direction of the Company

The Board of Directors has established a Code of Conduct and policies about corporate governance as a corporate governance guideline to conduct business ethically, respect the rights, be responsible to the shareholders and stakeholders in every segment, and conduct business benefited society and the environment. Moreover, it can be adapted under changing factors to create stable long-term performance and competitiveness and good operating results by considering the long-term effects. The Company has also disseminated the Code of Conduct and policies via the Company's website.

Practice 2 Define the Objectives that Promote Sustainable Value Creation

The Board of Directors has established a clear vision, mission, and business goals that are appropriate for the organization to determine the direction of business operations to grow together with society with sustainability and drive the organization in the same order and achieve the objectives and goals set. The Company has a policy of communicating the vision, mission, and business goals to the personnel at all organization levels, including communicating with all stakeholders to understand the organization's objectives and primary goals.

The Company has the policy to review and consider for the determination of strategic plans and budgets every year to ensure that such strategic plans and budgets align with the economic conditions and organizational potential. There is also an analysis of the environment, factors, and risks that may impact relevant stakeholders based on social responsibility and environment. Encourage the creation of innovation and the introduction of innovations and information system technology to be used to develop a sales system to effectively reduce fraud in the Company's sales and collection processes and supervise the allocation of essential resources and appropriate operational control according to the plan.

Besides, the Board of Directors has assigned the executive committee to supervise and monitor operations following the specified strategies and budgets.

Practice 3 Strengthen Board Effectiveness

The Company has the policy to define the Board structure as appropriate in line with the Company's business and size as required by law. The Board of Directors' composition has a proportion between the executive directors and the non-executive directors that reflect the appropriate balance of power. The Board of Directors structure consists of independent directors, more than one-third of the number of the Company's directors. At present, the Company has eight directors, divided into one executive director and seven non-executive directors. Besides, the Board of Directors has also appointed various committees to assist the corporate governance of the Company as follows:

- 1) The executive committee comprises eight members. They shall determine the business direction and strategy to meet the Board of Directors' goals and allow the management to be agile.
- 2) The audit committee consists of three members and at least one audit committee member who has knowledge and experience in accounting and can perform the duty of reviewing the reliability of the Company's financial statements. The audit committee's primary duties and responsibilities are to examine whether the Company has accurate financial reporting and disclosures sufficiently. There is an appropriate and effective internal control and internal audit system, including giving independent opinions on transactions involving conflicts of interest.

Besides, the executive committee of the Company has appointed the risk management subcommittee, consisting of 5 members, to perform their duties in considering problems or risk factors that may arise with the Company's business operations and find a way to reduce the risk or manage the risk as low as possible. It shall report to the executive committee, the audit committee, and the Board of Directors acknowledge regularly.

The Board of Directors has a policy of separating the Chairman of the Board's positions and the Chief Executive Officer to be a different person to achieve clarity of responsibility during government policy and daily administration. Therefore, the Company has clearly separated roles, duties and responsibilities between the Board of Directors and the executives. The Board of Directors is responsible for setting policies and overseeing the operations of the executives. In comparison, the executives are responsible for managing various aspects of the Company's operations following the specified procedures. To prevent absolute power, the Company has set the scope of authority and duties in the Company's approval and control.

To enable directors to devote their time to perform their duties in the Company, the Company requires that each director can hold a position in other listed companies for a total of no more than five companies and must attend the Board meeting of not less than 75% of the total number of meetings held in that year. The Company stipulates that there will be no less than six Board meetings per year. For each session, there is a clear agenda for the meeting, and a notice of meeting with details is sent at

least seven days in advance so that the Board of Directors has enough time to study the information before attending the meeting. There is also a written record of the minutes and keep the certified one by the Board of Directors for the Board of Directors and the people involved can check.

For determining the term of office of independent directors, since the Company's primary business is unique, the selection of the Company's independent director needs time to study and understand business as well. At present, the four independent directors of the Company do not have any qualifications or conditions contrary to the Securities and Exchange Commission requirements and the Stock Exchange of Thailand in any way. In the past accounting period, independent directors do not have any business relationship or professional service. The Board of Directors stipulates that an independent director has a continuous term of office for not more than nine years from the first appointment as an independent director.

In nominating and selecting persons to be appointed as directors of the Company, the Company has established a clear and transparent process by setting the Nomination and Remuneration Committee to perform the duties of recruiting, selecting, and proposing persons to be the chairman of the Board, director, subcommittee, chief executive officer, senior management, and company secretary. The Company also considers remuneration appropriate to the duties and responsibilities and evaluates the Company's performance as a priority to propose to the shareholders' meeting for consideration and appointment as a director of the Company.

The Company has set a clear and transparent compensation policy. The remuneration is suitable for the duties and responsibilities assigned by each director. They are sufficient to attract and retain directors and executives who have the Company's qualifications. The shareholders' meeting must approve the directors' remuneration payment of the Company.

The Company discloses information of directors and executives such as age, educational background, experience, shareholding percentage, years of being a director, number of times attended the meeting, directorship in other listed companies, roles and duties, performance report of the sub-committees, remuneration of the Board of Directors both in monetary and non-monetary in the Annual Report and an Annual Registration Statements (Form 56-1).

The Board ensures to disclose the roles and duties of the Board and sub-committees, number of meetings and number of times each director attended, and reports on every sub-committee performance. In which most of the members of the Company's subcommittee are independent directors. It is for transparency and independence in performing the subcommittee's duties efficiently and achieves the Board's objectives, obligations, and responsibilities.

- (1) The Board of Directors holds at least six meetings per year to discuss and take any action to accomplish the task according to the responsibilities.
- (2) The Chairman of the Nomination and Remuneration Committee is independent. There are two independent directors and one non-executive director. In 2020, there were three meetings and reported to the Board of Directors.
- (3) The Audit Committee consists of three independent directors. The Chairman of the Audit Committee is Mr. Chan Itthithavorn, who has knowledge in accounting and finance and sufficient experience to review the reliability of the financial statements according to the qualifications of the SET and regulations of the supervisory authority, the audit committee. In 2020, there were four meetings and reported to the Board of Directors.

The Board of Directors has determined that non-executive directors shall hold the meeting without the executive director attending the session. It allows non-executive directors to exchange views and consider various issues, both business-related and matters of interest. This year, the directors were invited to attend the meeting to consider the budget on April 22, 2020, at 6:00 p.m. at House No. 79/125, Panya-Intra Road, Bang Chan Subdistrict, Khlong Sam Wa District, Bangkok 10510.

The Company has appointed a company secretary to supervise and advise the directors and executives regarding compliance with laws, regulations, rules, and the Company's article of association.

Monitor and take care that there is a correct and consistent action and is responsible for organizing the Board of Directors' meetings and shareholders' meetings. Supervise and coordinate the implementation of the said meeting's resolution, including any other duties as required by law.

The Board of Directors encourages and promotes the Company's directors to attend training, seminars, and courses continuously held by the Thai Institute of Directors, Securities and Exchange Commission, or various independent organizations. Details of training information and continuous knowledge development of the Company's directors in 2020, there were directors attended the training as follows:

Director	Training Course	Institution
1.Mr. Kittipong Kanokvilairat Director and Chief Executive Officer	Advance Master of Management Program, Class 5	Faculty of Public Administration, National Institute of Development Administration (NIDA)
2.Mr. Chan Itthithavorn Chairman of the Audit Committee, Independent Director, Member of the Nomination and Remuneration Committee	Advanced Audit Committee Program (AACP) 38/2020	Thai Institute of Directors

Board Skills Matrix

Singer Thailand Public Company Limited

Position	Experience in related business	Marketing & Retail Business	Internal Audit	Risk Management	Good Corporate Governance	Accounting and Finance	Law	Economic	Political Science	Information Technology	Social, Environment and Safety Management	Crisis Management	Credit and Asset Management
1. Director (None Management)													
Chairman of th Board	✓	✓						✓				✓	✓
Chairman of Audit Committee and Director	✓	✓	✓	✓	✓	✓	✓						
Director	✓			✓		✓			✓	✓	✓		✓
2. Independent Director													
Chairman of Audit Committee and Independent Director		✓	✓	✓	✓		✓						
Independent Director	✓								✓		✓	✓	
3. Executive Committee													
Chief Executive Officer and Member	✓	✓				✓						✓	✓
Member			✓	✓	✓	✓	✓	✓		✓	✓		✓
Total	5	4	3	4	3	4	3	2	2	2	3	3	4

Practice 4 Ensure Effective CEO and People Management

The Company has established a recruitment and succession plan for key management positions, including the chief executive officer's work, to ensure the business operations continuously. There is a policy to pay reasonable compensation as incentives to the chief executive officer and key executives who are determined to work in the Company's best interests and shareholders. There is also an evaluation of the duties' performance every year as a basis for determining compensation and developing capabilities to increase work efficiency.

The Board of Directors has a self-assessment as a group assessment form, and individual assessment forms, and the results of the assessment obtained to propose at the Board of Directors meeting for acknowledgment and further action.

The Company has the policy to promote and facilitate training and educate those involved in the Company's corporate governance system, including directors, audit committee, executive, and Company secretary, to improve performance continuously. There is also an executive development program for the benefit of considering the succession plan.

The Company gives importance to developing its employees to have more knowledge, skills, and potential in their work, which is the creation of knowledge to be ready for sustainable growth. The development training is planned throughout the year to increase work potential and enhance competitiveness. Focus on building safety awareness in the workplace, strategic planning for executives, service quality development, sales knowledge development, and review product knowledge for sales representatives, and providing knowledge on anti-corruption measures and raising awareness of the environment at the same time. In the year 2020, the Company had organized training for employees according to the following details:

Human Resource Development in 2020

No.	Public/ Inhouse	Position	Department	Company	Course	Month	Day	Hours	Number of people
1.	Inhouse	Head of Training Center	Business Development Department	SINGER	Operational efficiency	Dec-63	2	11	12
2.	Inhouse	Officers	Credit Business	SG Captial	Insurance	Jan-63	1	6.5	70
3.	Inhouse	Officers	Credit Business	SG Captial	Insurance	Jan-63	1	6.5	62
4.	Inhouse	Officers	Credit Business	SG Captial	Loan products by J.money	Feb-63	1	8	72
5.	Inhouse	Officers	Credit Business	SG Captial	Loan products by J.money	Mar-63	1	8	36
6.	Inhouse	Officers	Credit Business	SG Captial	Loan products by J.money	Jun-63	1	8	4
7.	Inhouse	Officers	Credit approval Officer	SG Captial	Portfolio management and debt collection laws	Jul-63	1	5	50
8.	Inhouse	Officers	Field Collector (FC)	SG Captial	Operational efficiency	Oct-63	1	6	195
9.	Inhouse	Relationship Officers and Branch Relationship Manager	Car for cash auto leasing (C4C)	SG Captial	Operational efficiency	Oct-63	2	13.5	13
10.	Inhouse	Relationship Officers and Branch Relationship Manager	Car for cash auto leasing (C4C)	SG Captial	Operational efficiency	Nov-63	1	6.5	10
11.	Inhouse	Division Manager	Risk	SG Captial	Risk Management	Oct-63	2	13.5	15
12.	Inhouse	Relationship Officers and Branch Relationship Manager	Car for cash auto leasing (C4C)	SG Captial	Operational efficiency	Dec-63	2	13.5	11
									550

The Board of Directors defines the structure and relationship of shareholders and stakeholders that may have impacts and hurdles in business operations. The Board of Directors understands the structure and relationship of shareholders, which affects the power to control the Company's management. The Board of Directors ensures that the agreement does not interfere with the Board's performance. Besides, information that affects the control of the business is disclosed to the shareholders and stakeholders through the Company's channels following the principle of approval of the related transactions. Build an understanding of the structure and relationship of shareholders may affect the management of the entity and power to control its direction to not interfere with the performance of duties of the Board of Directors and to ensure that information that may affect the control of the Company is appropriately disclosed.

Practice 5 Nurture Innovation and Responsible Business

The nature of the Company's business depends mainly on the interests of the customers. Therefore, the Company pays attention to the development of and has the policy to promote the adoption of various innovations and information technology used in the work process to meet the needs and interests of the customers.

The Board of Directors ensures that the business is operated with social and environmental responsibility by recognizing all groups of stakeholders' rights, whether they are internal stakeholders or external stakeholders. It is to create a better understanding and cooperation between the Company and stakeholders, which will benefit business operations and build confidence and increase the Company's competitiveness in the long run. The Company has set a policy and practices as follows:

1) Apart from the fundamental rights of shareholders stipulated in the laws and the Company's article of association, such as the right to verify the number of shares, receive share certificates, attend the shareholders' meeting, and cast the votes, freely express opinions at shareholders' meetings, and receive a fair return. The shareholders are also given the right to suggest statements about conducting the Company's business as the Company's owner through independent directors. Every comment will be collected and submitted to the Board of Directors for consideration.

2) The Company values its employees as valuable resources and strives to make every employee proud and believe in the organization. In the past year, the Company worked on various projects to support and foster an atmosphere of collaboration to create new things and empower employees to be ready for work. It also gave great importance to maintaining health, which the Company arranged for employees at all levels to have an annual health checkup. In terms of safety protection and quench fires in the workplace for the employees' work, the Company organized fire drills at least once a year at the headquarters building and the warehouse every year. Also, the Company prepared a campaign and publicity banners, "Zero Accident," to focus on reducing the occurrence of work-related accidents to zero, in which there were no accidents from work in the past year. The landscape and working environment were improved to suit the job. Besides, employees were encouraged to learn the environment by providing training for employees to raise awareness and apply the knowledge gained in daily life. There were the environmental conservation activities or to take part in supporting actions related to the conservation of natural resources and the environment.

3) The Company is committed to providing customers with the highest benefits in terms of quality and price, including developing and maintaining a lasting relationship. The Company chooses to sell products that Industrial Standards or TIS has licensed. Besides, the Company provides a central information service by Call Center, contact number 0-2234-7171. It is the agency responsible for providing suggestions on products and services, give advice on how to solve the problem, and receive complaints so that customers get the most satisfaction in products and services. There has been established Singer Service Center, Hotline number 0-818-404-555, to provide direct assistance in the notification of repair of electrical products to customers.

4) The Company adheres to an ethical trade competition framework by adhering to the contract's performance, strict ethics, and commitments made to trade partners, which have established guidelines in writing in the policy of good corporate governance.

5) The Company has the policy to take care of its business partners regarding the environment, safety at work, and the returns received. It also promotes the development of capacity and enhances knowledge both in and outside the work of business partners to work more efficiently.

6) The Company respects venture capitalists' rights and treats all investors fairly, including giving good cooperation with them. It is for the operations to be successful following the joint venture's objectives.

7) The Company has complied with borrowing conditions following agreements and obligations to creditors, such as business creditors and financial creditors, which has established writing guidelines in the good corporate governance policy. At present, the Company has treated all creditors equally. There are no guarantees of any kind to any creditors, one particular. There is only a guarantee in the debentures of SG Capital Co., Ltd, a subsidiary, with Singer Thailand Public Company Limited holding 99.99% of shares.

8) The Company conducts business with integrity to all stakeholders. Adhere to the corporate social responsibility ideology

to achieve community and social development and support activities to improve the quality of life and create benefits for the community and society by creating various social activities, especially the development and promotion of youth and homemakers in the field of job creation, career creation, including education. It also encourages the employees to participate in good citizenship practices that benefit communities and society through Singer's CSR Club.

9) The Company gives importance to government agencies as stakeholders by establishing guidelines to enable employees to act correctly and appropriately, including cooperating with government agencies and support activities.

10) The Company places great importance on disclosing information to the mass media to communicate appropriately to the public and be quick to keep up with the events.

11) The Company adheres to fair competition by adhering to proper business operations within the law framework and the Company's Code of Business Conduct. In the past year, the Company did not have any disputes in regards to trade competitors.

12) The Company operates the business concerning social and environmental responsibility by realizing the importance of energy-saving, environmental protection, and a campaign to use the most efficient electrical equipment. The Company has continuously developed electrical appliances. Therefore, the product that the Company sells is a product with a fiber-saving label 5. Moreover, Singer refrigerators have developed a new level of refrigerant that does not destroy the environment and does not destroy the world's atmosphere. "NON-CFC" is C-Pentane, which has zero ozone depletion value.

The Company has grown awareness and encouraged employees to have the knowledge and take part in protecting the environment, including restoration and improve natural resources through various activities held by the Company, which can see details in the topic "Corporate Social Responsibility."

Intellectual Property Policy and Practice

The Company conducts business and encourages its personnel to perform their duties under laws or regulations related to intellectual property rights, whether it is trademarks, patents, copyrights, trade secrets, and other intellectual property as required by law, such as using a legitimate computer program. All kinds of computer programs must be examined and programmed by the Information Technology and System Development Department. The policy on the Computer Crime Act B.E 2550 has been issued as a warning and prohibitions on the screen desktop computer of all employees. Besides, the Company has required all employees to acknowledge and sign a memorandum of agreement on non-disclosure of confidential information, non-offenses relating to the Computer Act, and non-infringement of intellectual property. The new employee will sign with the signing of the employment contract.

Policies and guidelines on respect of laws and human rights principles

The Company supports and respects the protection of human rights. Ensure that the Company's business does not get involved in human rights abuses, such as not supporting forced labor and against child labor. Respect and treat all stakeholders fairly based on human dignity without discrimination from the place of origin, race, gender, age, skin color, religion, physical condition, status, and ancestry.

Anti-Corruption

The Board of Directors meeting No.224, held on November 9, 2018, passed a resolution to approve the review of the anti-corruption policy and set policy in the management manual, the Company Code of Business Conduct, and Zero Tolerance Policies. The Company also declared its intention to be a Thai Private Sector Collective Action against Corruption with the Thai Institute of Directors Association (IOD). At the meeting of the Anti-Corruption Coalition Committee for the quarter 2/2020, the Meeting has certified "Singer Thailand Public Company Limited" as a member of the Private Sector Anti-Corruption Coalition. The said certification was valid for three years from the date of approval, which was September 30, 2020, expired three years on September 30, 2023. The Company has reviewed the risk assessment related to corruption and establishes the Code of Conduct

Policy on Anti-Corruption. Provide policy communication, guidelines, and whistle-blowing in the event of fraud or concern by establishing the Anti-Corruption and Misconduct Committee in the Company and made a letter informing details of the policy conditions for all employees to sign for acknowledgment.

Anti-Corruption Policy and Practice

The Company has a communication channel for stakeholders to report, suggest or complain in case of fraud. There are guidelines for giving or receiving gifts and any other property or benefit, entertainment, or expenses that exceed the limit, which does not comply with the Company's criteria. The procurement guidelines and donations must also be carried out in a clear, fair manner under the Company's rules and procedures.

The Company has distributed regulations on the Company's work to all executives and transfers to all employees to acknowledge and sign for the acknowledgment to strictly observe the rules, especially sales and field workers, to understand and perform correctly.

Whistleblowing or Complaints

The Company has appointed the executives to be the recipient of complaints directly and has a joint committee to verify the correctness and fairness. Establish a policy for establishing an effective internal control system. There are transparent reporting and verifiable to assure the complainants' trust and belief in a fair investigation process. There is also the policy on the protection of whistleblowers. Those who report whistleblowing or complaints that are employees, customers, or individuals employed to work for the Company will be protected by law, detailed in the Company's corporate governance policy and Whistle-Blower Policy.

Suppose various stakeholders have questions or see actions suspected of violating or failing to comply with laws, regulations or the Code of Business Conduct. In that case, they can report clues or complaints and submit details and evidence to The joint committee checking the accuracy of the Company's fair. The Committee will investigate the facts and write a summary of important issues for the Company's executives to consider. The contact channels are as follows:

The joint committee checking the accuracy of the Company's fair
Singer Thailand Public Company Limited
P.O. Box 17, Bangrak Post Office, Bangrak District, Bangkok 10500
E-mail : amnesty@singerthai.co.th

In the past year, the Company did not have any significant disputes with all groups of stakeholders.

The Board is responsible for monitoring the management to allocate and manage resources to be efficient and effective following the policies, work plans, and budgets by considering the impact and development of resources throughout the value chain to achieve sustainable objectives and core goals.

The Board of Directors provides an organizational, regulatory, and management framework for information technology in line with the needs, including ensuring that information technology is used to increase business opportunities and develop risk management to achieve the business's objectives and primary goals. There are an efficient and effective allocation and management of information technology resources and system of information security measures sufficient and appropriate by considering the confidentiality, maintaining reliability and availability of information, and preventing data misuse.

Practice 6 Strengthen Effective Risk Management and Internal Control

The Board of Directors has oversight to ensure that the Company has a risk management and internal control system to achieve its objectives effectively and practice following the relevant laws and standards. The Board of Directors is responsible for considering and determining the risk management policy and overseeing the establishment of a risk management system or process under the certification standards and control methods to reduce the business's impact covering the entire organization.

The Board of Directors has established an audit committee that can perform duties efficiently and independently. The audit committee has access to information necessary to perform its assigned tasks, such as facilitating the audit committee's ability to summon relevant persons to provide information, meeting with the auditor, or seek independent opinions from any other professional advisor to support its consideration. There are assessments of both internal and external risk factors. Analyze the risk factors and determine measures to monitor the risk's cause, including efforts to reduce risks to assign relevant departments to monitor and report progress to the Board of Directors continually.

The Board of Directors regularly monitors and handles conflicts of interest that may arise between the Company and the management, Board of directors, or shareholders, including the prevention of improper use of the property, the Company information and opportunities conducting transactions with those who have a connected relationship with the Company in an unreasonable manner.

The Board of Directors has established measures and procedures for approving related transactions and transactions relating to the Company's assets' acquisition or disposition to comply with the requirements of the Securities and Exchange Commission and the Stock Exchange and related laws.

The Board of Directors has oversight to establish a clear anti-corruption policy and practice and communicate at all levels of the organization and outsiders to achieve practical implementation. The Board of Directors has a supervisory guideline to ensure that the Company has a risk management system and an internal control system following all systems' risk management processes. There are strict control guidelines to prevent and reduce the risk impact on the Company's business efficiency and practice under the relevant laws and standards.

The Board oversees the business to have a mechanism for receiving complaints and taking action in case clues are identified. The Company has established clear guidelines for whistleblowing or complaints under the anti-corruption policy and whistleblower policy to operate according to the objectives with integrity.

Practice 7 Ensure Disclosure and Financial Integrity

The Company requires that the dissemination of information and corporate communication is one of the Company's central policies by providing the investor relations and corporate communications department, which is the agency that represents the Company and as a mediator between the management to communicate and disclose information. Give importance to information disclosure since it is a matter that affects the decisions of investors and stakeholders. There is a need for control and establish measures for the disclosure of information, both financial and non-financial, according to the law. It contains all vital material, sufficient, reliable, and timely in both Thai and English. There is the information disclosure through the SET Community Portal system of the SET and the Company website by adhering to the laws, rules, and regulations set by the Securities and Exchange Commission, the Stock Exchange of Thailand, and other government agencies strictly. Follow up on changes regularly to ensure that the laws, rules, regulations the Company adheres are correct and guarantee shareholders have confidence in conducting business that is transparent, correct, and straightforward.

- 1) Disclose financial information and non-financial information correctly and timely.
- 2) Prepare a report of the committee's responsibility for financial statements and displayed it together with the auditor's report in the annual report.
- 3) Establish policies for directors and executives to report their interests and people involved, which is stake related to the management of the Company's affairs or a subsidiary, with the following reporting criteria and methods.
 - Report when taking office as director or executive for the first time.
 - Always report any changes in the stakeholder information.
 - Report at the end of the year regularly.
 - If a director vacates office and has continuously resumed his position as director, that director is not required to file a new report if the stakeholder information is not changed.

- The directors and executives shall submit a report of interest to the company secretary. Then the company secretary must send a copy of this report of interest to the Chairman of the Board and the Chairman of the Audit Committee acknowledged within seven business days from the date of receiving the notification. At every quarterly meeting of the Board of Directors, there is an agenda regarding stakeholders' meetings every quarter.
- 4) Disclose of methods for recruiting directors.
 - 5) Disclose of information on the performance of duties in the subcommittee and the number of meeting attendance individually.
 - 6) Disclose the operating structure and investment in subsidiaries and associated companies.
 - 7) Disclose information on the remuneration received by each director as a member of the subcommittee individually.
 - 8) Disclose the remuneration policy for directors and top management, including the form, nature, and amount of remuneration that directors receive as a member of various sub-committees.
 - 9) Disclose the policy on environmental and social stewardship and results of the implementation of the policy.
 - 10) Report the corporate governance policy and its performance.
 - 11) Disclose significant investment projects and their impact on investment projects by disseminating the information through the SET Community Portal system of the SET and the Company website to provide shareholders, investors, media, and related parties to receive accurate, comprehensive, and transparent information.

The Company has given importance to the disclosure of information, and transparency is one of the critical factors of business operations. As a result, in 2011 and 2012, Singer Thailand Public Company Limited received the Set Awards 2011 and 2012 "Best Investor Relations Awards" from Thailand's Stock Exchange for two consecutive years. For the year 2020, the Company received the "Outstanding Investor Relation Awards" in the Set Awards 2020 from Thailand's Stock Exchange.

The Company's Investor Relations and Corporate Communications Department has served to communicate with institutional investors, retail investors, shareholders, analysts, and related government agencies equally and fairly. If shareholders need additional information, they can contact them directly at Investor Relations and Corporate Communications Department.

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In 2020, various activities were organized for the Chief Executive Officer, directors, and Chief Financial Officer to regularly meet with retail investors, institutional investors, and analysts. The results of operations, financial statements, financial position, and Management Discussion & Analysis were also presented. There was participation in listed companies' activities to meet investors (Opportunity Day) to show the Company's performance information and future trends. It could be summarized as follows:

- Organize activities for the CEO meeting with retail investors to clarify, communicate, and create a correct understanding of business and general information.
- Hold the Company Visits and direct response to inquiries from analysts and investors via email and telephone regularly.

The Board of Directors is responsible for monitoring the adequacy of financial liquidity and debt servicing ability in the face of financial difficulties or is likely to have problems. The Board of Directors will ensure that the Company has a plan to fix the problem or other mechanisms that can solve financial issues under consideration of stakeholders' rights with special care. There is a report of the Board of Directors' responsibility for the financial report, presented with the auditor's report and management analysis. Provide general and essential information in the annual report and the annual registration statement that is accurate, complete, timely, and according to the Securities and Exchange Commission and the Stock Exchange regulations. Besides, the Board also conducts internal and external risk assessments to ensure that such transactions will not affect the continuity of business operations, financial liquidity, or the ability to pay debts.

Suppose the business faces financial problems or is likely to encounter problems. In that case, the Board should ensure that the entity has a plan to resolve the issue or other mechanisms to solve financial problems. Under consideration of stakeholders' rights, the Company's performance meets the target set, resulting in the Company having good performance and profit and liquidity, paying debts, and continuously paying dividends to shareholders. However, there are still some risks in operating the business. Therefore, if the Company has financial problems or is likely to face economic issues, the Board of Directors must ensure that the Company has a plan to fix the problem or have a mechanism to resolve the matter under consideration of stakeholders' rights.

The Company sets a policy for sustainable organization development to be a business practice guideline for creating long-term value for organizations and stakeholders in the economy, society, energy, and the environment under corporate governance principles. It is committed to conducting business with transparency, realize the equal value of labor and dignity of all human beings, promote a corporate culture that cares for the environment throughout the supply chain. The Company and all employees are ready to step towards sustainability through operations that consider economic growth, social well-being, and make the best use of natural resources and protect the environment following the sustainable development guidelines and the sustainable development goals.

- 1) Creating sustainable value toward the organization
- 2) Creating sustainable value toward society
- 3) Creating sustainable value toward the environment

The Board of Directors assigns to the management to establish the Investor Relations Office be responsible for communicating with shareholders and other stakeholders such as investors and analysts to be appropriate, equal, and timely.

The Board of Directors promotes the application of information technology to disseminate information. In addition to publishing data according to the specified criteria and through the Stock Exchange of Thailand's channels, the Board of Directors considers information disclosure in Thai and English through other channels, for example, through the Company's website at www.singerthai.co.th. Nowadays, marketing information is communicated through mobile applications such as Facebook, Instagram, Line official, and YouTube to be in line with today's people's modern lifestyle.

Practice 8 Ensure Engagement and Communication with Shareholders

The Board of Directors takes care of and ensures that shareholders participate in making decisions on the Company's essential matters. The Company realizes and gives importance to fundamental rights of shareholders, i.e., the right to buy, sell or transfer shares, the right to receive a percentage of the profit and adequate information on the Company's business, the right to attend the meeting to exercise the rights and cast vote at the shareholders' meeting to appoint or remove directors and appoint the auditors. It includes the matters that impact the Company, such as the allocation of dividends, prescribing or amending the article of association and memorandum of association and regulations, capital reduction or capital increase, etc.

The Board of Directors ensuring that the conducting of the shareholders' meeting is neat, transparent, efficient, and allows shareholders to exercise their rights. The Company requires the shareholders to be treated equally. There will be no acts that violate or infringe shareholders' rights by ensuring that all shareholders take part in presentations and decisions on important matters of the Company under the fundamental rights as shareholders in full compliance with the law and the issues that may affect the direction of business operations as follows:

- 1) Right to buy, sell or transfer shares
- 2) Right to share profits of the Company
- 3) Right to receive adequate information and relevant information through the Company's website or the website of the Stock Exchange of Thailand or by any other method
- 4) Right to submit questions in advance of the meeting date, the Company specifies rules for submitting questions and

publishing such rules through the Company's website at www.singerthai.co.th. The questions will be collected for further inquiries at the shareholders' meeting.

- 5) Right to attend the meeting to exercise the vote at the shareholders' meeting independently, appoint or remove directors and consider their remuneration, appoint the auditors, dividend payment, capital increase, issuance of new shares, as well as the right to ask questions to the Board of Directors regarding the report of the Board of Directors, any other matters presented to the meeting for consideration and approval, the nomination of persons to be elected as directors of the Company and participation in making decisions on important issues of the Company. All shareholders have the right to vote according to the number of shares they hold, with each share having one (1) vote or arrange at least one independent director as a proxy to attend the meeting and vote on behalf of such shareholders.

At the same time, the Board of Directors is responsible for ensuring that the shareholders' meeting operations are neat, transparent, and efficient. Allow shareholders to fully exercise their rights, including overseeing the disclosure of the shareholders' meeting resolutions and preparing the minutes of the shareholders' meeting to be correct and complete.

The Company has a policy not to take any action that violates or deprives the rights of shareholders. In addition to shareholders' fundamental rights, the Company gives importance to the right of shareholders to receive the Company's information in a correct, complete, adequate, timely, and equitable manner to support decisions in all matters. The Board of Directors has set the following policies.

- 1) Organize a shareholders' meeting to allow shareholders to consider essential matters required by law or matters that may affect the Company's business operations.
- 2) Deliver meeting invitation letters and supporting information to the shareholders in advance of the meeting for the period specified by relevant laws or regulations to provide opportunities for shareholders to study the info completely before the shareholders' meeting. The Company also provides the opportunity for shareholders to submit questions in advance of the meeting date. The criteria for submitting questions will be set up and disseminated on the Company's website, and the Company will bring essential questions to be asked at the meeting.
- 3) Give opportunities for minority shareholders to nominate persons to be elected as directors or propose additional agenda items prior to the shareholders' meeting. There are clear criteria and disclose the above rules to the shareholders in advance and will inform the reasons for not including the shareholders' meeting agenda's proposal to the shareholders' meeting at that time.
- 4) Suppose the shareholders are unable to attend the meeting by themselves. In that case, the Company will assist by allowing shareholders to appoint a proxy or arrange at least one independent director as a proxy to attend the meeting and vote on behalf of such shareholders. The names and information of the aforementioned independent directors will be announced in the shareholders' meeting notice.
- 5) The Company has prepared an invitation letter and supporting information in the English language to send to foreign shareholders.
- 6) Proceed to publish the invitation to the shareholders' meeting on the website at least 28 days before the meeting date to easily and ultimately download the meeting agenda's information.
- 7) Facilitate all shareholders equally in their meeting attendance in terms of location and the right time.
- 8) The shareholders' meeting will be conducted following the laws and the Company's article of association by considering and voting in the agenda specified. Do not change any material information or add an unnecessary plan. Give shareholders equal opportunities to make inquiries, comments, and various suggestions.
- 9) Use ballot papers on important agendas and provide independent individuals, such as external auditors and legal counsel, as a person who examines the votes at the meeting.

10)The Company will encourage all directors and relevant executives to attend the meeting to answer shareholders' questions simultaneously.

Record the minutes of the meeting to be complete and accurate and report names of directors and executives attending the meeting, methods for voting and counting of votes, meeting resolutions, voting results, including essential questions and opinions, in the minutes of the meeting for the shareholders to be able to complete their review within 14 days from the date of the shareholders' meeting. The Company will also arrange a video recording of the session to collect as a reference and deliver the minutes of the meeting to the Stock Exchange of Thailand or related agencies within the specified time. Publish the minutes of the shareholders' meeting on the Company's website for shareholders to consider.



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 Customers and Business Partners

Apart from complying with all legal requirements relating to the treatment of customers, 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 customers and business partners, as follows:

- **Customers**

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

“Singer” is an organization that places great emphasis on responsibility towards the public, both in the areas of society and the environment. Therefore, there are practical guidelines for reducing greenhouse gas (Carbon Footprint) problems that will result in toxic pollution and global warming by establishing cooperation with partner organizations to reduce the impact on the environment in terms of product responsibility. Recruit innovative partner factories to produce products with friendly materials for the environment.

The Company realizes the importance of energy-saving and environmental protection. There is also a campaign to use the most efficient electrical equipment, which is one of the social responsibilities. The Company has continuously developed electrical appliances. Therefore, the products that the Company sells are products that have Electricity Saving Label No. 5. Moreover, Singer refrigerators have developed a new level by using non-destructive environment refrigerants and do not destroy the Earth’s atmosphere. “NON-CFC” is “C-Pentane,” which has zero ozone depletion values.

The Company does not have a factory to produce products, but using the method of ordering products by making OEM (Original Equipment Manufacturer) from a factory with a quality manufacturing process and avoiding ordering products from inferior quality manufacturers. The Company has a quality assurance department to screen products to meet the standards. The Company also has policy to select factories that focus on the impact on the environment and the matters mentioned above.

The Company is committed to conducting business with quality to benefit society as a whole and consumers continuously. Besides, the Company has campaigned for employees to reuse the used paper on the other side, including waste sorting and reuse of carton boxes and packaging.

The Company is determined to cost-effective management of resources and energy to increase business efficiency and reduce environmental impact by establishing a systematic environmental management policy and guidelines according to the laws and regulations with essential environmental management practices using innovation and modern technology to help reduce energy and resource consumption.

The Company pays attention to systematic and efficient waste management, including campaigning for employees to be aware of the waste problem and reduce the disposal and proper waste separation with the concept of 4R to reduce the amount of waste within the organization effectively.

- **Reuse:** Making the most of resources by reusing things
- **Reduce:** Reducing the use of resources with less use
- **Recycle:** Selecting and sorting of resources for transformation reuse
- **Revalue:** Bringing the used resources to create value

4R Activities

- Recycled Material Bank is the place to receive electronic waste and various recycled waste at Singer branches nationwide and forward to Chula Loves the Earth Project from the Center of Excellence on Hazardous Substance Management. It is an agency that accepts donations of mobile phones, batteries, and accessories that are not used then correctly disposed of and recycled for the best benefit.
- The magic box project to reduce the waste on the desk is the campaign for 5S activity. There is a magic box for employees to put waste items in boxes on the desk and collect them for sorting to carry out 4R activities (Reuse, Reduce, Recycle, and Revalue). Receive donations and manage the remaining office supplies, such as baskets, files, and boxes that are not used and forwarded to other departments in the Company to continue to use.
- The volunteer project to sew straw pillows is to take the straw and rinse it thoroughly with a disinfectant and volunteer employees to sew pillows instead of using synthetic fibers to donate to bed-bound patients.
- The handmade notebook for youngsters is a single-page used A4 paper donation project to make a new notebook for disadvantaged children who need it in rural schools.

In 2021, new projects will be launched, “Uniforms from plastic bottles” collaborated with “Wat Chak Daeng” to deliver used water bottles to the fabric production process for making shirts or various electrical appliances.

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 Fahsaividhya School, Klongyong, Phutthamonthon, Nakhon Pathom Province



Joined in donating various goods and items on the National Children's Day



Donated products and money to various social welfare organizations and foundations



Undertook various activities to create jobs and vocations for young people at the Fahsaivithaya School, Klongyong, 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. Donated Electrical appliances for temple and local communities
2. Present the Royal Kathina cloth of Y2020 to the monks at the temple of the Royal Monastery of Maha Phuttaram Temple, Mueang Sisaket, Sisaket Province



Donated Electrical appliances for temple and local communities



Present the Royal Kathina cloth of Y2020 to the monks at the temple of the Royal Monastery of Maha Phuttaram Temple, Mueang Sisaket, Sisaket Province

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 2020 are as follows:

- Kanchanaburi Provincial Prison, Kanchanaburi
- Nakhon Ratchasima Central Prison, Nakhon Ratchasima



Kanchanaburi Provincial Prison, Kanchanaburi

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,



Nakhon Ratchasima Central Prison, Maeung District, Nakhon Ratchasima

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 2020 are as follows:

- Group of Housewife, Baan Nongklong, Cheung Chum Sub-district , Pannanikom District, Sakonnakorn
- Group of Housewife, Baan Rai, Rai Sub-district, Pannanikom District, Sakonnakorn
- Training Program “Bangplad Model” at Bangplad community, Bangkok



Group of Housewife, Baan Nongklong and Group of Housewife, Baan Rai



Training Program "Bangplad Model" at Bangplad community, Bangkok

3. Undertaking activities for the benefit of disabled persons during 2020:

- 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.



Vocation Development Center for Disabled Persons, Pakkred, Nonthaburi

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 18 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 Public Company Limited
Miss Aunyajisanee Pooputtarang
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 Q2/2020, 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, September 30, 2023.

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 : <https://www.singerthai.co.th/storage/corporate-governance/charters-and-documents/singer-anti-corruption-policy-en.pdf>



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 Ramchai 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.1/2021, on 22 February, 2021, 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 2020, 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 2020. 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. 240, held on 22 February, 2021, 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 system as summarized in the Audit Committee Report, based on the Committee's thorough assessment and discussions at the Audit Committee Meeting No.1/2021 held on 22 February, 2021. 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 2020

The Audit Committee of Singer Thailand Public Company Limited consists of three independent directors and one secretary as prescribed by the Stock Exchange of Thailand. Details are as follows:

1. Mr. Chan Itthithavorn	Chairman of the Audit Committee
2. Mr. Preecha Prakobkit	Member of the Audit Committee
3. Mr. Bibit Bijaisoradat	Member of the Audit Committee
Mr. Chalermphon Ratchachai	Secretary to the Audit Committee

The Audit Committee has performed duties and responsibilities as specified in the Audit Committee Charter and as assigned by the Board of Directors by supervising the Company's consolidated financial statements to comply with accounting standards appropriate for business operations, reviewing to ensure that the Company has accurate and sufficient financial reports and has established a control system and appropriate internal audit and effective compliance with the Securities and Exchange Act, disclosing sufficient information, commenting on the selection and appointment of the Company's auditors, supervising the Company to prepare a report on related transactions to be reported at the Board of Directors' meeting every quarter, including other duties assigned by the Board of Directors. The Audit Committee performs its work independently and has no restrictions on obtaining information and focuses on the Company to operate following good corporate governance principles, including the performance of duties assigned with transparency, fairness, reliability, and verifiability. There is a balance of power, which leads to maximum benefit not just for shareholders but also employees and other involved parties.

In 2020, the Audit Committee held the meetings with the internal audit and the auditors from KPMG Phoomchai Audit Company Limited, including inviting the management to attend four meetings according to the appropriate agenda. Besides, a separate meeting was arranged with the internal audit and the external auditors. The Audit Committee also joined with the management to visit the Eastern Branch's businesses and operations to inquire about financial reports, exchange ideas, and provide independent suggestions on the source of information in the quarterly financial statements and the 2020 financial statements. Also, the Audit Committee has reviewed financial reports that were prepared correctly under generally accepted accounting principles and disclosed information sufficiently. It was also helpful in developing the internal control system and prevented any action, which contradicted the law's regulations or conditions, and reported the results of the Audit Committee meetings to the Board of Directors every meeting, which could be summarized as follows:

- Reviewed of quarterly and annual financial statements before proposing to the Board of Directors for consideration.
- Reviewed audited report of the Internal Audit Department and assessed the adequacy of the internal control system to the current business conditions.
- Followed up on the implementation of management guidelines according to the Three Lines of Defense principle, which the management and employees had to understand their roles, authorities, duties and responsibilities by linking the work of the organization, operators, the agency responsible for the supervision, and the audit unit to increase operational effectiveness and control.
- Followed up the accounting standards and international financial reporting standards that applied to the Company and the potential impact on the financial statements, especially TFRS 9 Financial Instruments and TFRS Leases that were adopted in work and considered the effect that would have from the implementation of the standard in the past 2020.
- Followed up on the Management's actions based on the Management Letter report of external auditors - KPMG concerning audits in the Company's annual performance.

- Followed up the Internal Audit performance and provided suggestions for development and improvement of inspection method, preparing the Internal Audit report to be more effective in line with the Company's current business.
- Followed up on the performance of SG Capital Company Limited and SG Service Plus Company Limited and provided comments and suggestions.
- Considered monitoring the fraud that occurred in the fieldwork during 2020 and provided recommendations on internal controls to address and prevent appropriately.
- Considered the Company's risk management structure in 3 areas: Operation Risk, Credit Risk, and Compliance Risk to formulate guidelines and recommendations for risk management following the correct and appropriate operating framework.
- Considered the internal control system to establish guidelines for managing the risks that might occur to the organization and providing the advice to select the appropriate person to be responsible for the risk management.
- Considered the effectiveness of the internal control system in information technology by hiring PricewaterhouseCoopers ABAS Ltd. to assess and apply the international standard COBIT5 (Control Objectives for Information and Related Technology) as evaluation criteria. The Company had already taken various issues stated in the evaluation results to revise work processes, plans, and internal control systems.
- Considered and followed up on implementing new laws that would become effective and relevant to the Company's operations, such as the Personal Data Protection Act (PDPA), a law affecting the Company's business operations, to ensure that the Company has proper supervision.
- Considered a self-assessment form to develop an anti-corruption system by expressing its intention to be the Thai Private Sector Collective Action Coalition against Corruption: CAC, which is a project created by the Thai Institute of Directors Association and received support from the government and the Office of the National Anti-Corruption Commission (NACC). The Audit Committee considered the evidence supporting the self-assessment form to determine if the Company has followed any criteria or process for obtaining certification (Certification Process) of the said project by considering various supporting evidence about the policy of conducting business measures, procedures, and the internal control system to propose to the project committee. The Company has been certified as a member of the Thai Private Sector Collective Action Coalition against Corruption on 30 September 2020.

The Audit Committee agrees with the auditors that the Company's financial statements and financial information disclosures are sufficient and accurate as they should be, and following generally accepted accounting standards. For the Internal control system, the Board has found no significant deficiencies in the internal control system. There is an opinion that the Company has complied with the laws, regulations, and requirements of the relevant regulators appropriately. Besides, the Company has an internal control system that is suitable for business operations. Moreover, there is a plan to improve work processes and the internal control system to be more concise to support future business expansion.

For the fiscal year 2021, the Audit Committee has presented to the Board of Directors to propose to the Meeting of Shareholders to appoint Mr. Chokchai Ngamwuthikul and/or other auditors of KPMG Phoomchai Company Limited to be the Company's auditors.



Related Party Transactions

This is a report of the various significant related party transactions as disclosed in the Notes No. 6 to the Financial Statements for the Year ended December 31, 2019 and the Financial Statements for the Year ended December 31, 2020.

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, 2019 and to the Financial Statements for the Year ended December 31, 2020, 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 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 99.96% 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. SG Broker Company Limited operates as a broker for introducing and delivering insurance premiums by using the dealer network of SG Capital Company Limited (SGC), the holder of a broker license, direct non-life insurance management type. Former life insurance that the assured remains to pay the premium and it is still effective by, the assured pay premiums directly to Muang Thai Life Assurance Company and SG Broker receives a commission from Muang Thai Life Assurance at the end of every

The relationships with the Subsidiary Companies have been disclosed in the Notes No.14 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, 29.45% shareholding (2019: 30.26%) 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

The pricing policies for transactions with related parties are explained further 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
Cost of sales of goods	Weighted average price determined by product
Cost of rendering of services	Fixed price determined by product
Management fee income	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
Other income	Price as agreed
Rental expense	Contractual price
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.

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 agreed to sell 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.

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.

Between January 2020 and December 2020, the Company and its subsidiaries had significant business transactions with related parties. The transactions are in accordance with the commercial terms and criteria as agreed between those subsidiaries and related parties as in normal business which can be summarized as follows:

Unit : (Million Baht)

	Consolidated Financial Statement	Separate Financial Statement
Major Shareholders		
Management Fees	4,284	4,284
Subsidiary Companies		
Sales Income	-	1,845,998
Interest Income	-	193,921
Other Income	-	83,375
Purchase Costs	-	149,307
Cost of Sales	-	85,053
Other Related Parties		
Income from Sale of Receivables	67,171	-
Other Income	45,150	26,560
Purchase Costs	9,061	9,061
Other Expenses	11,353	5,410
Major Shareholders		
Creditor	-	-
Subsidiary Companies		
Receivable	-	862,201
Accrued Income	-	45,603
Loans	-	4,772,412
Creditor	-	216,483
Other Related Parties		
Creditor	138	-
Accrued Income	2,289	1,451
Creditor	76,171	33,666



Management Discussions & Analysis (MD&A)

Analysis of the Financial Position of the Company and Operating Performance Results for full Year 2020

The Group would like to explain those performances of the 4th quarter and the 12-month period of 2020, comparing to the same period of previous year as follow:

Statement of comprehensive income (Million Baht)	Quarter 4		Increase (decrease)		12 months		Increase (decrease)	
	2020	2019	Amount	%	2020	2019	Amount	%
Revenues								
Revenue from sales of goods	746	418	328	78.5	2,455	1,529	926	60.6
Interest income from hire-purchase contract and loans	278	189	89	47.1	972	753	219	29.1
Revenue from rendering of services	22	19	3	15.8	71	78	(7)	(9.0)
Other income	23	95	(72)	(75.8)	162	250	(88)	(35.2)
Total revenues	1,069	721	348	48.3	3,660	2,610	1,050	40.2
Expenses								
Cost of sales of goods	367	253	114	45.1	1,346	837	509	60.8
Cost of rendering of services	6	11	(5)	(45.5)	37	47	(10)	(21.3)
Distribution costs and Administrative expenses	494	234	260	111.1	1,472	998	474	47.5
Expected credit loss / Bad and doubtful debts expenses	33	142	(109)	(76.8)	141	409	(268)	(65.5)
Finance costs	73	46	27	58.7	225	163	62	38.0
Total expenses	973	686	287	41.8	3,221	2,454	767	31.3
Profit before income tax expense	96	35	61	174.3	439	156	283	181.4
Tax income	(28)	(7)	21	100.0	(4)	(10)	6	60.0
Profit for the period	124	42	82	195.2	443	166	277	166.9

For the 4th quarter of 2020, the Group had net profit of Baht 124 million which increased of Baht 82 million or 195.2% from net profit of Baht 42 million of the 4th quarter of previous year.

For the 12-month period of 2020, the Group had net profit of Baht 443 million which increased of Baht 277 million or 166.9% from net profit of Baht 166 million of the same period of previous year. The Group had basic earnings per share for the 12-month periods of 2020 and 2019 of Baht 1.09 and Baht 0.46, respectively.

Total revenue

For the 4th quarter and the 12-month period of 2020, total revenue increased of Baht 348 million and Baht 1,050 million, respectively, this resulted from the major increase in revenue from sales of goods.

Revenue from sales of goods and cost of sales of goods

Revenue from sales of goods for the 4th quarter and the 12-month period increased of Baht 328 million or 78.5% and Baht 926 million or 60.6%, respectively. Important increases in the 12-month period were from top 5 products which were Fuel vending machines, Freezers, Air conditioners, TV and Washing machines.

The growth in sales resulted from consistently adapted to market environment, including increased in number of salespersons and arranging sales teams to be more efficient.

Cost of sales of goods increased of Baht 114 million and Baht 509 million for the 4th quarter and the 12-month period of 2020, respectively. In the 4th quarter and the 12-month period, the Group had an allowance for impairment for machines in process of selling back of Baht 9 million and Baht 19 million, respectively.

Interest income from hire-purchase contract and loans

For the 4th quarter and the 12-month period of 2020, interest income from hire-purchase contract and loans of the Group increased by Baht 89 million and Baht 219 million, respectively, since expansion of the loans portfolio.

Revenue from rendering of services and cost of rendering of services

For the 4th quarter of 2020, revenue from rendering of services of the Group increased by Baht 3 million or 15.8% when compared with the same quarter of the previous year, this resulted from increase in revenue from insurance commission of Baht 7 million. And decrease from revenue from airtime, consignment, installation air and others such as repair product revenue of Baht 4 million. Cost of rendering of services of the Group decreased by Baht 5 million or 45.5% from selling commission for airtime of Baht 2 million.

For the 12-month period of 2020, revenue from rendering of services of the Group decreased by Baht 7 million or 9.0% when compared with same period of the previous year, this resulted from decrease in revenue sharing from airtime, consignment and other service such as revenue from product repair, service air condition or checking of Baht 22 million and increased in revenue from insurance commission of Baht 16 million. Cost of rendering of services of the Group decreased of Baht 10 million or 21.3%.

Other income

For the 4th quarter of 2020, other income of the Group decreased of Baht 72 million or 75.8% when compared with same quarter of the previous year, in the 4th quarter of 2020 there was no sale of NPL, while the 4th quarter of 2019 amounted of Baht 63 million.

For the 12-month period of 2020, other income of the Group decreased of Baht 88 million or 35.2% when compared with same period of the previous year, the 12-month period of 2020 and 2019, sale of NPL of Baht 67 million and Baht 148 million, respectively.

The performance of the 4th quarter and the 3rd quarter of 2020 as follow:

Statement of comprehensive income (Million Baht)	4 th quarter	3 rd quarter	Increase (decrease)	
			Amount	%
Revenues				
Revenue from sales of goods	746	536	210	39.2
Interest income from hire-purchase contract and loans	278	262	16	6.1
Revenue from rendering of services	22	19	3	15.8
Other income	23	51	(28)	(54.9)
Total revenues	1,069	868	201	23.2
Expenses				
Cost of sales of goods	367	303	64	21.1
Cost of rendering of services	6	16	(10)	(62.5)
Distribution costs and Administrative expenses	494	344	150	43.6
Expected credit loss	33	27	6	22.2
Finance costs	73	60	13	21.7
Total expenses	973	750	223	29.7
Profit before income tax expense	96	118	(22)	(18.6)
Tax expenses (income)	(28)	1	(29)	(2,900.0)
Profit (loss) for the period	124	117	7	6.0

For the 4th quarter of 2020, other income of the Group decreased of Baht 28 million or 54.9% when compared with 3rd quarter of 2020, this resulted from in 4th quarter of 2020, no sale of NPL (3rd quarter of 2020, sale of NPL Baht 20 million).

Statements of financial position

Assets

Assets (Million Baht)	31 Dec 2020	31 Dec 2019	Increase (decrease)	
			Amount	%
Current assets				
Cash and cash equivalents	715	552	163	29.5
Current investment	401	319	82	25.7
Trade accounts receivable	3	4	(1)	(25.0)
Current portion of hire-purchase contract receivables	1,788	1,188	600	50.5
Current portion of loan receivables with vehicle collateral	635	300	335	111.7
Other receivables	323	199	124	62.3
Inventories	675	686	(11)	(1.6)
Accrued income	4	13	(9)	(69.2)
Assets foreclosed	1	3	(2)	(66.7)
Total non-current assets	4,545	3,264	1,281	39.2
Non-current assets				
Hire-purchase contract receivables	1,558	1,072	486	45.3
Loan receivables with vehicle collateral	2,337	968	1,369	141.4
Other long-term investment	2	2	-	-
Property, plant and equipment	433	426	7	1.6
Right-of-use assets	74	-	74	100.0
Intangible assets	48	50	(2)	(4.0)
Deferred tax assets	229	90	139	154.4
Other non-current assets	21	20	1	5.0
Total non-current assets	4,702	2,628	2,074	78.9
Total assets	9,247	5,892	3,355	56.9

Total assets of the Group increased of Baht 3,355 million or 56.9% when compared with the year ended 2019, significant changes as follow:

- Current investment**

Current investment increased of Baht 82 million or 25.7% when compared with the year ended 2019 since the Group invested cash from issuance of debentures in mutual funds. The Group had unrealised gain from change in valuation which presented in Statement of comprehensive income of Baht 1 million.

- Hire purchase contract receivables and loan receivables with vehicle collateral**

Hire purchase contract receivables and loan receivables with vehicle collateral increased of Baht 2,790 million or 79.1% when compared with the year ended 2019. Increase classified to hire-purchase of electronic and others and vehicles of Baht 1,086 million and loan receivables with vehicle collateral of Baht 1,704 million.

- **Right-of-use assets**

First time adoption of TFRS 16.

Liabilities and equity

Liabilities and equity (Million Baht)	31 Dec 2020	31 Dec 2019	Increase (decrease)	
			Amount	%
Liabilities and equity				
Short-term borrowings from financial institutions	150	-	150	100.0
Trade accounts payable	307	270	37	13.7
Other payables	397	214	183	85.5
Current portion of debentures	950	400	550	137.5
Current portion of lease liabilities	32	-	32	100.0
Current income tax payable	38	-	38	100.0
Total current liabilities	1,874	884	990	112.0
Non-current liabilities				
Debentures	4,262	2,435	1,827	75.0
Lease liabilities	48	-	48	100.0
Provision for employee benefit	202	176	26	14.8
Employee security deposits	9	5	4	80.0
Provident funds	42	48	(6)	(12.5)
Total non-current liabilities	4,563	2,664	1,899	71.3
Total liabilities	6,437	3,548	2,889	81.4
Equity				
Issued and paid share capital	412	402	10	2.5
Premium on ordinary shares	801	735	66	9.0
Advance received from share subscription	299	-	299	100.0
Retained earnings:	1,073	977	96	9.8
Other components of equity	225	230	(5)	(2.2)
Total equity	2,810	2,344	466	19.9
Total liabilities and equity	9,247	5,892	3,355	56.9

- Total liabilities increased of Baht 2,889 million or 81.4% when compared with the year ended 2019; those significant transactions were from issuance of debenture of Baht 2,800 million and repayment of debentures of Baht 400 million on October 2020 and short-term borrowings from financial institutions of Baht 150 million.
- Total equity of the Group increased of Baht 466 million or 19.9% when compared with the year ended 2019. Those significant changes were adjustment to increase since net profit for the 12-month period of Baht 443 million, exercises of warrants and registered shares of Baht 76 million and advance received from share subscription of Baht 299 million and deduct brought forward retained earnings of Baht 271 million followed TFRS9 and payment of dividend from retain earnings as at 31 December 2019 of Baht 40 million and interim dividend from retain earnings as at 30 June 2020 of Baht 41 million.

Business Plan for 2021

The Company aims to continue to grow in the loan service business with the vehicle title loan. The number of loans at the end of 2019 and 2020 were 1,515 million Baht and 3,449 million Baht respectively. In 2021, the Company has a plan to issue debentures to support the expansion of the loan service business with the vehicle title loan of not less than 3,600 million Baht because the Company has already been authorized to undertake personal loan service business under supervision from the Bank of Thailand. It is an opportunity that the Company will drive returns up to 28 percent under fair competition due to the Bank of Thailand's supervision.

In addition to the loan service business with the vehicle title loan, Singer's existing business was the appliance leasing business. There is quality control supervision by introducing information technology systems to control the sales process more efficient and additional collection channels for sales staff to provide services and receive payments. The Company can also focus on providing loans in the product segment with high profit (margin) and low risk. Besides, it focuses on expanding Singer Franchise continually to expand the sales coverage area to reach as many customers as possible.

Liquidity

In 2020, the Group had cash and cash equivalents of 715.1 million baht, an increase of 163.08 million Baht, divided into net cash flow used from operations of 2,260.7 million Baht and used in investing activities of 117.1 million Baht, and cash flow from financing activities in the amount of 2,541 million Baht.

Key Performance indicators

Performance Indicator	2018	2019	2020	Explanation
Net Profit (Loss) Margin	(2.80%)	6.36%	12.12%	The increased net profit margin resulted from an increase in sales income and interest income from hire purchase contracts and loans. It was caused by the expansion of the accounts receivable portfolio, and the Company had controlled cost and expense appropriately
Gross Margin	38.27%	46.44%	46.69%	The Company continued to maintain its gross margin because there was a control of the cost of sales effectively.
Operating Profit (Loss) Margin	(2.50%)	9.67%	18.77%	The increased operating profit margin resulted from an increase in interest income from hire purchase and loan contracts, including decreasing bad debt and doubtful account expenses. There was also a policy to control costs of sales and service costs continuously.
Return on Assets ^{1/}	(1.88%)	3.02%	8.74%	The increased return margin on assets was due to the Company and its subsidiaries increasing earnings before interest and taxes (EBIT) more significant than the increase in total assets. It showed that the Company could operate the business and manage the debtor portfolio efficiently.
Return on Equity	(5.21%)	8.58%	25.70%	The rate of return on equity increased because the Company had a continuous growth performance.
Allowance for Doubtful Accounts to Total Loan Ratio ^{2/}	5.0%	2.4%	4.3%	The allowance for doubtful accounts to total loans ratio was similar each year. The Company tried to maintain the debtor's excellent quality, which the allowance for doubtful debts following the Company's policy was appropriate for the business.

Performance Indicator	2018	2019	2020	Explanation
Bad Debt to Total Loan Ratio	10.5%	9.5%	4.4%	The bad debt to total loan ratio decreased because the subsidiary companies improved the credit review process to be more concise to have more quality debtors.
Liquidity Ratio (times)	1.25	3.71	2.43	The Company and its subsidiaries had a lower liquidity ratio. It was due to the increase in debentures and short-term borrowings.
Debt to Equity Ratio (times)	2.34	1.52	2.29	The Company and its subsidiaries had an increased debt to equity ratio. It was due to the Company had issued more debentures in 2020

Note : ^{1/}Return on assets is calculated from earnings (loss) before interest and taxes EBIT/total assets.

^{2/}Total loan refers to loans and accrued interest.



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 2020 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, 2020.

Mr. Adisak Sukumvitaya
Chairman of the Board

Mr. Kittipong Kanokvilairat
Chief Executive Officer



Remuneration for the Auditor

1. Audit Fee

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 5,990,000.-; 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 __



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 2020, 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 2020 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 3, 4, 10 and 11	
The key audit matter	How the matter was addressed in the audit
<p>The core businesses of the Group are hire-purchase and lending with vehicle collateral consist of a great number of wholesale and retail accounts with small receivable value. The hire-purchase contract receivables and loan receivable with vehicle collateral as at 31 December 2020 amount to Baht 6,317.65 million, approximately 68 % of the Group's total assets.</p> <p>The Group has initially applied TFRS 9 Financial Instruments that specify the Group to consider allowance for expected credit losses (“ECL”). Management has estimated the allowance for expected credit losses based on credit models which are complex and dependent on significant management judgements and estimates including establishment of the criteria for determining whether credit risk has increased</p>	<p>My audit procedures included the followings:</p> <ul style="list-style-type: none">• Understanding the credit approval, collection and monitoring processes including the policies and procedures in consideration of allowance for expected credit losses.• Considering the Group's accounting policies to determine whether these have been set up in accordance with the requirements of TFRS 9 Financial Instruments.• Evaluating the design and implementation and testing the operating effectiveness of key internal controls surrounding the credit approval and allowances for expected credit losses process.• Assessing and testing the reasonableness of staging applied by the group for different types of credit exposures including sampling testing with relevant documents.

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

Refer to Note 3, 4, 10 and 11

The key audit matter

significantly since initial recognition, development of models used to measure ECL, determination of the forward-looking macroeconomic variables and probability-weighted scenarios into the measurement of ECL and consideration for management overlay. In particular, the ongoing economic situation adds further complexity to management's estimation process.

Due to materiality of transactions and involving judgement, I consider this to be key audit matter.

How the matter was addressed in the audit

- Involving KPMG's credit specialists to inspect model documentation performed by expert engaged by the management, assess key data, assumptions, method, models including mathematical theory including evaluating the reasonableness of the economic factors used by management in the models to adjust losses rate based on current economic conditions and forward-looking information by comparing them to relevant market information to derive expected credit losses model parameters on customers portfolios.
- Testing the mathematic of the expected credit losses of hire-purchase contract receivables and loan receivable with vehicle collateral, including testing the calculation and recording of adjustment on first time adoption of TFRS 9.
- Considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.

Valuation of inventory

Refer to Note 4 and 13

The key audit matter

As at 31 December 2020, the Group has inventory amounting to Baht 675.20 million, approximately 7% of the Group's total assets.

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.

The Group considers the allowance for decline in value, obsolescence and reverted inventory by the management estimates and judgment. Consequently, I consider that this to be key audit matter.

How the matter was addressed in the audit

My audit procedures included:

- 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.

(Chokechai Ngamwutikul)
 Certified Public Accountant
 Registration No. 9728

KPMG Phoomchai Audit Ltd.
 Bangkok
 22 February 2021



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	
		2020	2019	2020	2019
Assets					
<i>Current assets</i>					
Cash and cash equivalents	7	715,192,583	552,103,972	524,620,815	358,195,264
Current investment	8, 33	401,477,556	318,664,178	401,477,556	318,664,178
Trade receivables	6, 9	2,640,785	3,986,944	863,733,047	412,821,674
Current portion of hire-purchase contract receivables	10	1,787,943,205	1,188,230,499	-	-
Current portion of loan receivables with vehicle collateral	11	634,671,362	299,766,674	-	-
Other receivables	6, 12	322,728,466	199,375,008	154,213,322	161,972,640
Short-term loans to related parties	6	-	-	4,772,412,386	2,608,688,656
Inventories	13	675,203,508	686,240,968	672,546,229	681,935,837
Accrued income	6	3,931,923	12,425,440	43,083,626	48,202,136
Assets foreclosed		995,750	3,418,000	-	-
Total current assets		4,544,785,138	3,264,211,683	7,432,086,981	4,590,480,385
<i>Non-current assets</i>					
Hire-purchase contract receivables	10	1,558,137,710	1,072,185,763	-	-
Loan receivables with vehicle collateral	11	2,336,894,118	967,658,249	-	-
Investments in subsidiaries	14	-	-	1,458,995,800	1,458,995,800
Other long-term investment		2,000,000	2,000,000	-	-
Property, plant and equipment	15	433,084,919	425,772,172	426,834,609	418,093,799
Right-of-use assets	3, 16	74,051,642	-	55,938,095	-
Intangible assets	18	48,101,918	49,976,907	44,798,451	46,145,213
Deferred tax assets	30	228,822,070	90,018,697	67,354,738	241,616
Other non-current assets		21,522,944	19,730,957	20,297,019	18,711,932
Total non-current assets		4,702,615,321	2,627,342,745	2,074,218,712	1,942,188,360
Total assets		9,247,400,459	5,891,554,428	9,506,305,693	6,532,668,745

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	
		2020	2019	2020	2019
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	19	150,541,526	-	150,541,526	-
Trade accounts payable	6	306,898,070	269,416,477	377,257,731	341,238,944
Other payables	6, 20	397,239,459	214,244,607	377,899,638	231,988,699
Current portion of debentures	19	950,000,000	400,000,000	950,000,000	400,000,000
Current portion of lease liabilities	3, 19	31,553,408	-	24,474,769	-
Current income tax payable		37,681,470	425,584	-	-
Total current liabilities		1,873,913,933	884,086,668	1,880,173,664	973,227,643
Non-current liabilities					
Debentures	19	4,262,340,775	2,434,985,884	4,262,340,775	2,434,985,884
Lease liabilities	3, 19	48,062,193	-	35,945,869	-
Provision for employee benefit	21	201,534,085	175,577,049	175,600,806	151,758,046
Employee security deposits		8,922,083	4,951,042	6,009,227	3,304,264
Provident funds	22	42,504,925	48,412,773	41,848,699	47,801,313
Total non-current liabilities		4,563,364,061	2,663,926,748	4,521,745,376	2,637,849,507
รวมหนี้สิน		6,437,277,994	3,548,013,416	6,401,919,040	3,611,077,150



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	
		2020	2019	2020	2019
Liabilities and equity					
Equity					
Share capital:	23				
Authorised share capital		702,000,000	702,000,000	702,000,000	702,000,000
Issued and paid share capital		412,525,208	401,505,235	412,525,208	401,505,235
Share premium:					
Premium on ordinary shares	23	801,143,202	735,023,364	801,143,202	735,023,364
Reserve arising from business combination under common control		-	-	974,117,594	974,117,594
Advance received from share subscription	24	298,611,124	-	298,611,124	-
Retained earnings:					
Appropriated:					
Legal reserve	25	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		1,046,238,954	950,419,592	366,385,548	554,352,581
Other components of equity	15, 25	224,603,977	229,592,821	224,603,977	229,592,821
Total equity		2,810,122,465	2,343,541,012	3,104,386,653	2,921,591,595
Total liabilities and equity		9,247,400,459	5,891,554,428	9,506,305,693	6,532,668,745

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	
		2020	2019	2020	2019
Note					
Income					
Revenue from sale of goods	6	2,454,795,687	1,529,385,198	2,048,914,309	1,273,282,855
Interest income from hire-purchase contract and loans		972,360,023	753,031,307	-	-
Revenue from rendering of services	6	71,109,604	77,679,509	50,919,547	66,003,169
Revenue from management fees	6	-	-	79,436,423	66,203,293
Other income	6	160,160,143	249,903,165	211,175,446	178,590,204
Total income		3,658,425,457	2,609,999,179	2,390,445,725	1,584,079,521
Expenses					
	6				
Cost of sale of goods	13, 28	1,346,577,540	836,753,144	1,335,387,199	837,335,775
Cost of rendering of services	28	36,637,882	47,086,841	24,155,856	28,844,733
Distribution costs	28	1,066,157,650	624,318,818	734,034,657	468,150,474
Administrative expenses	28	406,072,197	374,102,291	241,974,589	211,131,351
Bad and doubtful debts expenses		-	409,124,248	-	14,101,861
Total expenses		2,855,445,269	2,291,385,342	2,335,552,301	1,559,564,194
Profit from operating activities		802,980,188	318,613,837	54,893,424	24,515,327
Finance costs	29	224,531,715	163,209,904	223,696,171	162,817,190
Expected Credit Loss	33	140,799,362	-	11,046,172	-
Gains on measurement of current investments	8	(1,166,206)	-	(1,166,206)	-
Profit (loss) before income tax expense		438,815,317	155,403,933	(178,682,713)	(138,301,863)
Tax income	30	(4,482,864)	(10,490,662)	(66,674,422)	(2,387,451)
Profit (loss) for the year		443,298,181	165,894,595	(112,008,291)	(135,914,412)



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	
		2020	2019	2020	2019
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on remeasuring available-for-sale investments		-	2,191,959	-	2,191,959
Income tax relating to items that will be reclassified	30	-	(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 to profit or loss</i>					
Gains on revaluation of assets	15	-	13,250,452	-	13,250,452
Income tax relating to items that will not be reclassified	30	-	(2,650,090)	-	(2,650,090)
Total items that will not be reclassified to profit or loss		-	10,600,362	-	10,600,362
Other comprehensive income for the year, net of tax		-	12,353,929	-	12,353,929
Total comprehensive income (expense) for the year		443,298,181	178,248,524	(112,008,291)	(123,560,483)
Basic earnings (loss) per share	30	1.09	0.46	(0.28)	(0.38)
Diluted earnings (loss) per share	30	1.08	0.46	(0.27)	(0.38)

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 on treasury share	Retained earnings		Other components of equity			Total equity
				Legal reserve	Unappropriated	Available-for-sale investments	Revaluation reserve	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									
Contributions by owners of the parent									
Issue of ordinary shares	23	131,505,235	510,023,364	-	-	-	-	-	641,528,599
Total contributions by owners of the parent		131,505,235	510,023,364	-	-	-	-	-	641,528,599
Comprehensive income for the year									
Profit		-	-	-	165,894,595	-	-	-	165,894,595
Other comprehensive income	30	-	-	-	-	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



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 on treasury share	Advance received from share subscription	Retained earnings		Other components of equity		
					Legal reserve	Unappropriated	Available-for-sale investments	Revaluation reserve	Total other components of equity
Year ended 31 December 2020									
Balance at 31 December 2019 - as reported		401,505,235	735,023,364	-	27,000,000	950,419,592	1,753,567	227,839,254	229,592,821
Impact of changes in accounting policies	3	-	-	-	-	(269,766,510)	(1,753,567)	-	(1,753,567)
Balance at 1 January 2020		401,505,235	735,023,364	-	27,000,000	680,653,082	-	227,839,254	227,839,254
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Issue of ordinary shares	23, 24	11,019,973	66,119,838	-	-	-	-	-	-
Advance received from share subscription	24	-	-	298,611,124	-	-	-	-	-
Dividends	32	-	-	-	-	(80,947,586)	-	-	-
Total contributions by and distributions to owners of the parent		11,019,973	66,119,838	298,611,124	-	(80,947,586)	-	-	-
Comprehensive income for the year									
Profit		-	-	-	-	443,298,181	-	-	-
Total comprehensive income (expense) for the year		-	-	-	-	443,298,181	-	-	-
Transfer to retained earnings	15	-	-	-	-	3,235,277	-	(3,235,277)	(3,235,277)
Balance at 31 December 2020		412,525,208	801,143,202	298,611,124	27,000,000	1,046,238,954	-	224,603,977	224,603,977

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 on treasury share	Advance received from share subscription	Retained earnings		Other components of equity			Total equity
				Legal reserve	Unappropriated	Available-for-sale investments	Revaluation reserve	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 23	131,505,235	510,023,364	-	-	-	-	-	-	641,528,599
Total contributions by owners of the parent	131,505,235	510,023,364	-	-	-	-	-	-	641,528,599
Comprehensive income for the year									
Loss	-	-	-	-	(135,914,412)	-	-	-	(135,914,412)
Other comprehensive income 30	-	-	-	-	-	1,753,567	10,600,362	12,353,929	12,353,929
Total comprehensive income (expense) 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



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 on treasury share	Reserve arising from business combination under common control	Advance received from share subscription	Retained earnings		Other components of equity			Total equity
					Legal reserve	Unappropriated	Available-for-sale investments	Revaluation reserve	Total other components of equity	
Year ended 31 December 2020										
Balance at 31 December 2019 – as reported	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
Impact of changes in accounting policies 3	-	-	-	-	-	1,753,567	(1,753,567)	-	(1,753,567)	-
Balance at 1 January 2020	401,505,235	735,023,364	974,117,594	-	27,000,000	556,106,148	-	227,839,254	227,839,254	2,921,591,595
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Issue of ordinary shares 23, 24	11,019,973	66,119,838	-	-	-	-	-	-	-	77,139,811
Advance received from share subscription 24	-	-	-	298,611,124	-	-	-	-	-	298,611,124
Dividends 32	-	-	-	-	-	(80,947,586)	-	-	-	(80,947,586)
Total contributions by and distributions to owners of the parent	11,019,973	66,119,838	-	298,611,124	-	(80,947,586)	-	-	-	294,803,349
Comprehensive income for the year										
Loss	-	-	-	-	-	(112,008,291)	-	-	-	(112,008,291)
Total comprehensive income (expense) for the year	-	-	-	-	-	(112,008,291)	-	-	-	(112,008,291)
Transfer to retained earnings 15	-	-	-	-	-	3,235,277	-	(3,235,277)	(3,235,277)	-
Balance at 31 December 2020	412,525,208	801,143,202	974,117,594	298,611,124	27,000,000	366,385,548	-	224,603,977	224,603,977	3,104,386,653

The accompanying notes are an integral part of these financial statements



(in Baht)

	Note	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
		2020	2019	2020	2019
Cash flows from operating activities					
Profit (loss) for the year		443,298,181	165,894,595	(112,008,291)	(135,914,412)
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>					
Tax income		(4,482,864)	(10,490,662)	(66,674,422)	(2,387,451)
Finance costs		224,531,715	163,209,904	223,696,171	162,817,190
Depreciation		74,973,123	24,009,933	62,754,433	16,686,086
Amortisation		12,668,160	15,843,787	12,039,934	15,168,670
Expected Credit Loss in profit or loss		140,799,362	-	11,046,172	-
Bad and doubtful debts expenses		-	409,124,248	-	14,101,861
Provision for employee benefit		30,235,118	44,136,189	25,886,098	39,632,809
Provision for provident funds		1,620,941	2,050,977	1,469,364	1,845,801
Gains on sale investments		(1,166,206)	(6,472,219)	(1,166,206)	(6,472,219)
Losses on inventories devaluation (reversal of)					
and loss on repossession		156,810,881	24,464,432	790,020	(25,183,449)
Reversal of impairment losses on plant and equipment					
and intangible assets		-	(131,264)	-	(131,264)
Gain on disposal of plant and equipment and intangible assets		(558,896)	(2,592,465)	(558,896)	(2,907,017)
Investment income		(602,659)	(1,119,735)	(194,339,035)	(138,873,347)
		1,078,126,856	827,927,720	(37,064,658)	(61,616,742)
Changes in operating assets and liabilities					
Trade accounts receivable		1,346,159	1,078,643	(450,911,373)	(288,915,905)
Hire-purchase contract receivables		(1,691,901,081)	(422,023,730)	-	-
Loan receivables with vehicle collateral		(1,714,839,625)	(256,292,817)	-	-
Other receivables		(108,771,679)	54,071,053	11,288,565	29,966,781
Accrued income		8,493,517	(4,786,395)	5,118,510	1,430,981
Inventories		(8,909,284)	(20,996,795)	8,599,588	(22,232,113)
Other current assets		2,422,250	(244,000)	-	-
Other non-current assets		(4,806,041)	(3,665,929)	(4,599,142)	(3,422,010)
Trade accounts payable		37,481,593	(78,651,338)	36,018,787	(38,490,158)
Other payables		177,280,672	15,088,630	140,196,760	(53,574,840)
Other current liabilities		-	(5,000,000)	-	(5,000,000)
Employee benefit paid		(4,278,082)	(7,729,270)	(2,043,338)	(6,347,778)

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	
		2020	2019	2020	2019
<i>Cash flows from operating activities</i>					
Employee security deposits		3,971,041	3,237,367	2,704,963	3,304,264
Provident funds paid		(7,528,789)	(10,191,447)	(7,421,978)	(9,965,786)
Net cash generated (used in) from operating		(2,231,912,493)	91,821,692	(298,113,316)	(454,863,306)
Tax paid		(28,873,981)	(33,202,165)	-	(26,435,735)
Net cash (used in) from operating activities		(2,260,786,474)	58,619,527	(298,113,316)	(481,299,041)
<i>Cash flows from investing activities</i>					
Interest received		602,659	1,119,735	194,339,035	138,873,347
Proceeds from sale of current investment		1,518,352,828	1,740,000,000	1,518,352,828	1,740,000,000
Acquisition of current investment		(1,600,000,000)	(2,050,000,000)	(1,600,000,000)	(2,050,000,000)
Acquisition of plant and equipment		(28,899,063)	(6,080,872)	(26,206,618)	(6,145,420)
Proceeds from sale of plant and equipment		561,300	3,238,708	561,300	3,134,573
Decrease (increase) in short-term loans		-	-	(2,163,723,730)	286,855,309
Acquisition of intangible assets		(7,779,118)	(6,358,600)	(7,679,118)	(6,244,600)
Net cash (used in) from investing activities		(117,161,394)	(318,081,029)	(2,084,356,303)	106,473,209
<i>Cash flows from financing activities</i>					
Proceeds from advance received from share subscription	23	298,611,124	-	298,611,124	-
Finance cost paid		(215,203,440)	(153,187,481)	(215,147,069)	(152,794,767)
Dividends paid to owners of the Company		(80,947,586)	-	(80,947,586)	-
Bank overdrafts and short-term borrowings from financial institutions decrease	19	150,541,526	(364,002,633)	150,541,526	(309,000,000)
Short-term loans from other parties decrease	19	-	(287,022,739)	-	(287,022,739)
Proceeds from issue of debentures	19	2,762,340,775	1,484,985,884	2,762,340,775	1,484,985,884
Repayment of debentures	19	(400,000,000)	(800,000,000)	(400,000,000)	(800,000,000)
Proceed from issue of shares	23	77,139,811	641,528,599	77,139,811	641,528,599
Payment of lease liabilities		(51,445,731)	-	(43,643,411)	-
Net cash from financing activities		2,541,036,479	522,301,630	2,548,895,170	577,696,977
Net increase in cash and cash equivalents		163,088,611	262,840,128	166,425,551	202,871,145
Cash and cash equivalents at 1 January		552,103,972	289,263,844	358,195,264	155,324,119
Cash and cash equivalents at 31 December	7	715,192,583	552,103,972	524,620,815	358,195,264

The accompanying notes are an integral part of these financial statements

Notes to the financial statements

For the year ended 31 December 2020

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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 22 February 2021.

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 (29.45% shareholding) (2019: 30.26%) shareholding 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, life and non-life insurance broker.

Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in notes 6 and 14.

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 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies 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. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(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 4 (i) and 17	Leases: <ul style="list-style-type: none"> • whether an arrangement contains a lease; • whether the Group is reasonably certain to exercise extension options; • whether the Group exercises termination options; • whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
Note 4 (q) and 26	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 and rendering of services 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;
Note 5	Impact of COVID-19 Outbreak

(ii) Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties at 31 December 2020 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 4 (i)	Determining the incremental borrowing rate to measure lease liabilities;
Note 5	Impact of COVID-19;
Note 9 and 33	Measurement of ECL allowance of trade accounts receivable;
Note 10 and 33	Measurement of ECL allowance of hire-purchase contract receivables;
Note 11 and 33	Measurement of allowance for doubtful accounts of loan receivables with vehicle collateral;
Note 12 and 33	Measurement of ECL allowance of other receivables;
Note 13	Measurement of allowance for obsolete and damaged inventory;
Note 21	Measurement of defined benefit obligation: key actuarial assumptions;
Note 30	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

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

Impact on changes in accounting policy	Note	Consolidated financial statements		Separate financial statements	
		Retained earnings - Unappropriated	Other components of equity (in thousand Baht)	Retained earnings - Unappropriated	Other components of equity
At 31 December 2019 - as reported		950,420	229,593	554,353	229,593
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	(a.1)	2,192	(2,192)	2,192	(2,192)
Impairment losses on financial assets	(a.2)	(339,272)	-	-	-
Related tax		67,313	438	(438)	438
At 1 January 2020 - restated		680,653	227,839	556,107	227,839

(a) TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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. The details of accounting policies are disclosed in note 4(d) and 4(j). The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Notes to the financial statements

For the year ended 31 December 2020

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

Consolidated financial statements

Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in thousand Baht)	Amortised cost - net	Total
Financial assets				
Cash and cash equivalents	552,104	-	552,104	552,104
Current investments	318,664	318,664	-	318,664
Trade accounts receivable	3,987	-	3,987	3,987
Other receivables	219,007	-	219,007	219,007
Loan receivables with vehicle collateral	1,267,426	-	1,256,727	1,256,727
Loan to related parties	214,275	-	214,275	214,275
Total financial assets	2,575,463	318,664	2,246,100	2,564,764
Financial liabilities				
Trade and other payables	540,825	-	540,825	540,825
Other financial liabilities - debentures	2,850,000	-	2,850,000	2,850,000
Total financial liabilities	3,390,825	-	3,390,825	3,390,825

Separate financial statements

Classification under TAS 105 at 31 December 2019		Classification under TFRS 9 at 1 January 2020		
	Carrying amounts	Fair value through profit or loss (in thousand Baht)	Amortised cost - net	Total
Financial assets				
Cash and cash equivalents	358,195	-	358,195	358,195
Current investments	318,664	318,664	-	318,664
Trade accounts receivable	412,822	-	412,822	412,822
Other receivables	176,987	-	176,987	176,987
Loan to related parties	2,608,689	-	2,608,689	2,608,689
Total financial assets	3,875,357	318,664	3,556,693	3,875,357
Financial liabilities				
Trade and other payables	620,116	-	620,116	620,116
Other financial liabilities - debentures	2,850,000	-	2,850,000	2,850,000
Total financial liabilities	3,470,116	-	3,470,116	3,470,116

Cash and cash equivalents, trade receivables, loan receivables with vehicle collateral, other receivables and loan to related parties are measured at amortised cost as it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(a.2) Impairment - Financial assets and hire-purchase contract receivable

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group and the Company estimates allowance for doubtful account by analysing 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. The new impairment model applies to financial assets measured at amortised cost and lease receivable.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Allowance for doubtful accounts at 31 December 2019		
- Trade accounts receivables	10,727	10,255
- Hire-purchase contract receivable	83,638	-
- Loan receivables with vehicle collateral	614	-
- Ex-employee's shortage receivables and other receivables	109,640	108,816
	204,619	119,071
<i>Additional expected credit loss recognised at 1 January 2020 on:</i>		
- Trade accounts receivables	-	-
- Hire-purchase contract receivable	328,573	-
- Loan receivables with vehicle collateral	10,699	-
- Ex-employee's shortage receivables and other receivables	-	-
Allowance for impairment loss at 1 January 2020	543,891	119,071

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

(b) TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Increase in right-of-use assets	65,229	59,388
Increase in lease liabilities	65,229	59,388
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	67,441	63,378
Discounted using the incremental borrowing rate at 1 January 2020	65,229	59,388
Lease liabilities recognised at 1 January 2020	65,229	59,388
Weighted-average incremental borrowing rate (% per annum)	6	6

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(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) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

(c) Foreign currencies

Foreign currency transactions

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.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, other receivables, ex-employee's shortage receivables, loan receivables with vehicle collateral, debt securities issued by the Group and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is an account receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies applicable before 1 January 2020

Trade accounts receivables, other receivables and ex-employee's shortage 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.

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

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.

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.

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.

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.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(e) 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.

(f) 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.

(g) 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 accumulated 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.

Any gains and losses on disposal of 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 in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

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 reserve 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 reserve 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.

(h) 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.

(i) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, amount under option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises income received under hire-purchase contract in profit or loss over the contract term as part of 'interest income from hire-purchase contract'. Initial direct costs incurred in arranging an contract are added to the carrying amount of the leased asset and recognised over the contract term on the same basis as income.

The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

Accounting policies applicable before 1 January 2020

As a lessee, 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 or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

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.

(j) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables, other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, loan receivables with vehicle collateral and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, other receivables and ex-employee receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for hire-purchase contract receivables and loan receivables with vehicle collateral, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP growth rates, interest rates and house price indices among others. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument should consider the amount and timing of cash flows that are expected from confiscation on the collateral less the costs of obtaining and selling the collateral without considering the possibility of the confiscation.

The estimate of expected cash shortfalls are discounted using the initial effective interest rate on the financial asset.

Expected Loss Recognition - Staging

Stage 1 Financial asset without a significant increase in credit risk (Performing)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If a financial assets is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Stage 2 Financial asset with a significant increase in credit risk (Under-performing)

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are 30 or more days past due and have more than 3 times of 30 or more days past due during the past 12 months, or 60 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Stage 3 Financial assets that are credit impaired (Non-performing)

Financial assets that are credit impaired or in default represent those that are at over 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit impaired where the customers are unlikely to pay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the borrower;
- Breach of contract such as default or a past due event;
- Pending or actual bankruptcy or other financial reorganisation to avoid of the borrower's obligations;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; or
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Impairment provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, representing the difference between the present value of the cash flows expected to be recovered, discounted at the instrument's original effective interest rate, and the gross carrying value of the instrument prior to any credit impairment.

Modified financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within credit impairment in the income statement with a corresponding decrease in the gross carrying value of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Improvement in credit risk

A period may elapse from the point at which financial instruments enter stage 2 or stage 3 and are reclassified back to stage 1. For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the financial instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where financial instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the financial instruments can be reclassified to stage 1. This includes instances requiring the action to be resolved before loans are reclassified to stage 1.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of ‘investment grade’.

Write-off and reversal of credit impairment loss

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

If the amount of the credit impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor’s credit rating, the previously recognised credit impairment loss is reversed by adjusting the provision account. The amount of the reversal is recognised in profit or loss.

Accounting policies applicable before 1 January 2020

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 exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

An impairment loss and doubtful debt expense of trade accounts receivables, ex-employee’s shortage receivables, other receivables, hire-purchase contract receivables, loan receivables with vehicle collateral and short-term loan receivables is described in accounting policies applicable before 1 January 2020 in note 4(d).

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal 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. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(k) Impairment of non-financial assets

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. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) 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.

(m) 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 22).

(n) 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.

(o) Measurement of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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.

(p) 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.

(q) Revenue

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.

Sale of goods and services

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.

Payment to a customer

Interest subsidy expenses paid to the customer (its subsidiary), the Company recognises such payments as a reduction in revenue.

Hire-purchase contract sales

Hire-purchase contract sales are based on hire-purchase contracts in which the related debts are effectively secured by the products sold. Revenue from hire-purchase sales comprises revenue from the cash sales of products and interest. Revenue from hire-purchase is recognised when a contract is signed and the first payment is received. Interest is recorded as interest income from hire-purchase contract and is recognised as described in note 4(r).

(r) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Calculating effective interest rate includes fees as well as all receiving and paying costs which are parts of effective interest rate, transaction costs, and incremental costs which directly relate to purchase or issuance of financial assets or liabilities.

Accounting policies applicable before 1 January 2020

Interest income from hire-purchase contract is recognised as interest on consecutive payment by 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.

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

(s) *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.

(t) *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.

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.

(u) 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.

(v) 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.

(w) 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 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected Thai and world economy. The management is closely monitoring the situation to ensure the safety of the Company's staff and to manage the negative impact on the business as much as possible.

As a result of the COVID-19 having a widespread impact on all business sectors and customer segments across Thailand, the Bank of Thailand ("BoT") has issued a series of measures, covering payment moratoriums, as well as a loan repayment holiday to get the Group and the Company help affected borrowers that are encountering short-term cash flow problems to resume repayment ability at the end. The Group and the Company provides additional relief measures as follows

1. Extend the installment period
2. Reduce installments
3. Pay only the principle
4. Pay only the interest
5. Pause payment

In relation to financial reporting, key concerns are on the application of forward-looking information and pro-cyclicality effect from applying TFRS 9 ECL provisioning concept. The BoT in collaboration with TFAC announced some guidelines to be applied under these 2-year period of 2020 and 2021, highlighted:

- Non NPL modified loans (pre-emptive restructures) can be classified as stage 1 performing immediately once they are identified via well screening process for likely to repay borrowers, or else they remain at the stage before entering into relief programs;
- NPL modified loans (troubled debt restructures) can be classified as stage 1 performing only if they can repay 3 consecutive months or 3 consecutive dues, whichever is longer;
- Resetting the effective interest rate
- As a result of unprecedented circumstance, forward-looking information can be put less weight than historical repayment in ECL provisioning.

Regarding the impacts on the Group and the Company's performance, the Group and the Company's ECL still reflect fair position through closely monitoring, together with management overlay. This can ensure that in times of downturn, credit risk development is captured and buffered with prudence.

6 Related parties

Relationship with subsidiaries is described in note 14. 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, 29.45% shareholding (2019: 30.26%) 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.

Notes to the financial statements

For the year ended 31 December 2020

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
Cost of sales of goods	Weighted average price determined by product
Cost of rendering of services	Fixed price determined by product
Management fee income	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
Other income	Price as agreed
Rental expense	Contractual price
Other expense	Price as agreed

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	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Major shareholder				
Sale of goods	19	-	19	-
Other expense	1,000	4	1,000	4
Management fee	4,284	4,152	4,284	4,152
Subsidiaries				
Sale of goods	-	-	1,845,998	1,092,104
Management fee income	-	-	79,436	66,203
Interest income	-	-	193,921	138,102
Other income	-	-	3,939	3,288
Purchase of goods	-	-	149,307	139,580
Cost of sales of goods	-	-	85,030	50,702
Other expense	-	-	23	-
Other related parties				
Sale of goods	632	510	413	461
Service income	18,047	19,108	16,525	19,108
Revenue from marketing support	9,622	3,209	9,622	3,209
Commission income	16,737	2,352	-	-
Revenue from sales of rights in receivable	67,171	147,949	-	89
Other income	112	3,563	41	-
Purchase of goods	9,061	2,057	9,061	2,057
Debt collecting fee	5,096	24,968	3	48
Cost of rendering services	6	-	6	-
Other expense	6,251	4,978	5,401	2,165

Notes to the financial statements

For the year ended 31 December 2020

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Key management personnel</i>				
Key management personnel compensation				
Short-term benefit	74,876	66,353	53,176	49,375
Post-employment benefits	7,135	3,593	5,650	2,988
Total	82,011	69,946	58,826	52,363

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	862,201	411,848
Other related parties	138	585	-	440
Total	138	585	862,201	412,288
<i>Other receivables</i>				
Subsidiaries	-	-	3,390	4,836
Other related parties	14,093	16,469	2,548	16,083
Total	14,093	16,469	5,938	20,919
<i>Accrued income</i>				
Subsidiaries	-	-	45,603	43,314
Other related parties	2,289	2,302	1,451	1,890
Total	2,289	2,302	47,054	45,204

	Interest rate	Separate financial statements			
		At 31 December (% per annum)	At 1 January	Increase Decrease (in thousand Baht)	At 31 December
<i>Short-term loans</i>					
2020					
Subsidiary	5.25 - 6.04	2,608,689	2,849,830	(686,107)	4,772,412
Net		2,608,689			4,772,412
2019					
Subsidiary	5.25 - 6.04	2,895,544	943,391	(1,230,246)	2,608,689
Net		2,859,544			2,608,689

Loan agreement

The Company entered into a loan agreement with SG Capital Co., Ltd. in the amount of Baht 4,772.41 million. The interest rate shall be calculated from an average interest rate of the Company's debentures, which were issued each time, plus 0.25% per annum. The interest shall be paid by monthly. Subject to the terms and conditions of the agreement, the principle of such loans is due at call.

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Trade accounts payables				
Subsidiaries	-	-	73,856	74,694
Other related parties	33,664	149	33,664	2
Total	33,664	149	107,520	74,696

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other payables				
Major shareholder	-	370	-	370
Subsidiaries	-	-	142,627	92,315
Other related parties	42,507	1,611	2	9
Total	42,507	1,981	142,629	92,694

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 agreed to sell 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.

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.

Notes to the financial statements

For the year ended 31 December 2020

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	270	297	213	200
Cash at banks - current accounts	115,471	402,602	9,449	331,793
Cash at banks - saving accounts	599,335	148,854	514,842	25,851
Cash in transit-current accounts/ saving account	117	351	117	351
Total	715,193	552,104	524,621	358,195

8 Current investments

The effect of initially applying TFRS 9 in the Group's financial instruments is described in Note 3. Due to the transition method chosen in applying TFRS 9, comparative information has not been restated to reflect the new requirements.

	Consolidated financial statements		Separate financial statements	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Current investments				
Debt instruments available for sale	-	318,664	-	318,664
Debt instruments measured at fair value to profit or loss	401,478	-	401,478	-
Total	401,478	318,664	401,478	318,664

9 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related parties	6	138	585	862,201	412,288
Other parties		12,931	14,129	11,235	10,789
Total		13,069	14,714	873,436	423,077
Less allowance for impairment (2019: allowance for doubtful accounts)	33	(10,428)	(10,727)	(9,703)	(10,255)
Net		2,641	3,987	863,733	412,822
Impairment losses (reversal of) (2019: bad and doubtful debts expenses) for the year		(299)	7,859	(552)	7,387

Aging analyses for trade accounts receivable is described in note 33.

Singer Thailand Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

10 Hire-purchase contract receivables**Consolidated financial statements**

31 December 2020

	Portion due within one year	Portion due over one year but within two years	Portion due over two year but within three years	Portion due over three year but within four years <i>(in thousand Baht)</i>	Portion due over four year but within five years	Portion due over five years	Total
Hire purchase receivables	2,794,906	1,312,245	436,621	191,834	47,653	3,305	4,786,564
Less unearned interest income	(816,391)	(275,488)	(59,450)	(22,740)	(3,176)	(82)	(1,177,327)
	1,978,515	1,036,757	377,171	169,094	44,477	3,223	3,609,237
Less allowance for impairment	(190,572)	(56,514)	(12,311)	(3,540)	(159)	(60)	(263,156)
Net	1,787,943	980,243	364,860	165,554	44,318	3,163	3,346,081

Notes to the financial statements

For the year ended 31 December 2020

Consolidated financial statements 31 December 2019			
	Portion due		Total
	within one year	over than one year (in thousand Baht)	
Hire purchase receivables	1,839,322	1,365,047	3,204,369
Less unearned interest income	(582,480)	(277,835)	(860,315)
	1,256,842	1,087,212	2,344,054
Less allowance for doubtful debt	(68,612)	(15,026)	(83,638)
Net	1,188,230	1,072,186	2,260,416

	Consolidated financial statements	
	2020	2019
	(in thousand Baht)	
Expected credit loss (reversal of) (2019: bad and doubtful debts expenses)	103,049	386,365

As at 31 December 2020 and 2019, the Group has written off bad debts for Bath 252.10 million and Bath 481.29 million, respectively.

Notes to the financial statements

As at 31 December 2020, carrying values and allowance for impairment for electronic appliances, others and vehicles hire-purchase contract receivables were as follows:

At 31 December 2019, aging analyses for electronic appliances, others and vehicles hire-purchase contract receivables are described in note 33.

Notes to the financial statements

For the year ended 31 December 2020

Modification of hire-purchase contract receivables

The financial statements for the year ended 31 December 2020 and 2019 includes the following changes through various types of modification:

	Consolidated financial statements			
	2020		2019	
	Before modification	After modification (in thousand Baht)	Before modification	After modification
Modification of hire-purchase contract receivables net of unearned interest income for the year	75,820	75,820	-	-

Cash collection under modification of hire-purchase contract receivables for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements	
	2020	2019
	(in thousand Baht)	
Cash collection under modification for the year	21,260	20,102

As at 31 December 2020 and 2019 modification of hire-purchase contract receivables have remaining balances were as follows:

	Consolidated financial statements	
	31 December 2020	31 December 2019
	(in thousand Baht)	
Hire-purchase contract receivables after modification	82,122	27,562

11 Loan receivables with vehicle collateral

	Consolidated financial statement					
	Portion due within one year 31 December		Portion due after one year 31 December		Total 31 December	
	2020	2019	2020	2019	2020	2019
	(in thousand Baht)					
Loan receivables with vehicle collateral	634,626	295,618	2,343,447	968,064	2,978,073	1,263,682
Add accrued interest receivable	16,897	4,358	-	-	16,897	4,358
	651,523	299,976	2,343,447	968,064	2,994,970	1,268,040
Less allowance for impairment (2019: allowance for doubtful account)	(16,852)	(209)	(6,553)	(405)	(23,405)	(614)
Net	634,671	299,767	2,336,894	967,659	2,971,565	1,267,426

Consolidated financial statements

31 December	31 December
2020	2019

(in thousand Baht)

Impairment losses (reversal of) (2019: <i>Bad and doubtful debts expenses</i>) for the year	12,469	(1,029)
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At 31 December 2020, carrying values and allowance for impairment loss for loan receivables with vehicle collateral were as follows:

Consolidated financial statements

Loan receivables with vehicle collateral and accrued interest receivable	Allowance for impairment
<i>(in thousand Baht)</i>	

Staging

Performing assets	2,815,428	13,842
Under-performing assets	171,791	5,910
Non-performing assets	7,751	3,653
Total	2,994,970	23,405

Aging analyses for loan receivables with vehicle collateral as at 31 December 2019 is described in note 33.

Modification loan receivables with vehicle collateral

The financial statements for the year ended 31 December 2020 and 2019 includes the following changes through various types of modification:

Consolidated financial statements

	2020		2019
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Before modification	After modification	Before modification	After modification
<i>(in thousand Baht)</i>			

Modification of loan receivables with vehicle collateral for the year	20,712	20,712	-	-
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Cash collection under modification of loan receivables with vehicle collateral for the year ended 31 December 2020 and 2019 were as follows:

Consolidated financial statements

2020	2019
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(in thousand Baht)

Cash collection under modification for the year	3,122	-
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Notes to the financial statements

For the year ended 31 December 2020

As at 31 December 2020 and 2019, modification of loan receivables with vehicle collateral have remaining balances were as follows:

	Consolidated financial statements	
	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Loan receivables with vehicle collateral after modification	23,800	6,210

12 Other receivables

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Related parties	6	14,093	16,469	5,938	20,919
Ex-employee		102,550	107,863	102,550	107,863
Personal loan receivables		89,211	4,614	-	-
Employee		27,233	7,275	27,230	7,275
Other parties					
- Rebate and royalty receivables		54,765	75,037	54,765	75,037
- Withholding tax		39,840	32,792	17,532	20,302
- Value added tax		37,591	1,005	-	208
- Advance payment for rendering service		15,678	11,808	15,678	11,808
- Accrued promotion income		10,935	10,935	10,935	10,935
- Others		55,157	41,217	29,103	16,442
Total		447,053	309,015	263,731	270,789
Less allowance for impairment (2019: allowance for doubtful accounts - ex-employee and others)		(124,325)	(109,640)	(109,518)	(108,816)
Net		322,728	199,375	154,213	161,973
Impairment loss (2019: bad and doubtful debts expenses) for the year		25,580	7,539	11,598	6,715

As at 31 December 2020, the Company had long outstanding balance of ex-employee's shortage remittance amounting to Baht 102.55 million (2019: Baht 107.86 million) and set up allowance for impairment for Baht 92.30 million (2019: allowance for doubtful accounts for Baht 97.08 million).

13 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	555,179	514,303	555,179	514,303
Reverted inventories	157,083	189,294	134,898	184,374
Service parts	3,056	2,811	-	-
	<u>715,318</u>	<u>706,408</u>	<u>690,077</u>	<u>698,677</u>
Less allowance for loss on decline in value	<u>(40,114)</u>	<u>(20,167)</u>	<u>(17,531)</u>	<u>(16,741)</u>
Net	<u>675,204</u>	<u>686,241</u>	<u>672,546</u>	<u>681,936</u>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	1,326,631	861,550	1,334,597	862,519
- Write-down to net realisable value (reversal of)	<u>19,947</u>	<u>(24,797)</u>	<u>790</u>	<u>(25,183)</u>
Net	<u>1,346,578</u>	<u>836,753</u>	<u>1,335,387</u>	<u>837,336</u>

14 Investments in subsidiaries

Investments in subsidiaries as at 31 December were as follows:

Separate financial statements

	Type of business	Country of operation	Ownership Interest		Paid share capital		Cost method	
			2020	2019	2020	2019	2020	2019
			(%)		(in thousand Baht)			
SG Capital Co., Ltd.	Hire-purchase of home appliance, commercial products, mobile phones, hire-purchase of vehicle, loan receivables with vehicle collateral and others	Thailand	99.99	99.99	1,450,000	1,450,000	1,449,998	1,449,998
SG Service Plus Co., Ltd.	Repair and maintenance service of electronic appliances to a related company	Thailand	99.96	99.96	5,000	5,000	4,998	4,998
SG Broker Co., Ltd.	Life and non-life insurance broker	Thailand	99.99	99.99	4,000	4,000	4,000	4,000
Total					1,458,996	1,458,996	1,458,996	1,458,996

In 2020 and 2019, the Company had no dividend income from subsidiaries.

Singer Thailand Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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 2019	302,414	134,856	66,264	109,164	2,058	11,429	909	627,094
Additions	-	-	1,323	5,277	9	250	-	6,859
Surplus on revaluation (reversal of) Transfer	12,708	(1,231)	-	-	-	-	-	11,477
Disposals	-	-	909	-	-	-	(909)	-
	-	-	-	(876)	-	(2,400)	-	(3,276)
At 31 December 2019 and 1 January 2020	315,122	133,625	68,496	113,565	2,067	9,279	-	642,154
Additions	-	-	14,036	13,073	-	-	1,783	28,892
Disposals	-	-	-	-	(3)	(2,445)	-	(2,448)
At 31 December 2020	315,122	133,625	82,532	126,638	2,064	6,834	1,783	668,598
Depreciation and impairment loss								
At 1 January 2019	665	52,504	53,103	79,004	1,401	10,609	-	197,286
Depreciation charge for the year	-	4,035	6,953	12,310	288	423	-	24,009
Reversal of accumulated depreciation on revaluation surplus	-	(1,773)	-	-	-	-	-	(1,773)
Reversal of impairment losses	(131)	-	-	-	-	-	-	(131)
Disposals	-	-	-	(831)	-	(2,178)	-	(3,009)
At 31 December 2019 and 1 January 2020	534	54,766	60,056	90,483	1,689	8,854	-	216,382
Depreciation charge for the year	-	4,044	4,898	12,194	55	386	-	21,577
Disposals	-	-	-	-	(3)	(2,443)	-	(2,446)
At 31 December 2020	534	58,810	64,954	102,677	1,741	6,797	-	235,513
Net book value								
At 31 December 2019	314,588	78,859	8,440	23,082	378	425	-	425,772
At 31 December 2020	314,588	74,815	17,578	23,961	323	36	1,783	433,085

Notes to the financial statements

For the year ended 31 December 2020

Separate financial statements

	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment <i>(in thousand Baht)</i>	Vehicle	Construction in progress	Total
Cost / revaluation							
At 1 January 2019	302,414	134,856	57,541	92,621	11,429	-	598,861
Additions	-	-	745	5,151	250	-	6,146
Surplus on revaluation (reversal of)	12,708	(1,231)	-	-	-	-	11,477
Disposals	-	-	-	(735)	(2,400)	-	(3,135)
At 31 December 2019 and 1 January 2020	315,122	133,625	58,286	97,037	9,279	-	613,349
Additions	-	-	13,629	10,795	-	1,783	26,207
Disposals	-	-	-	-	(2,445)	-	(2,445)
At 31 December 2020	315,122	133,625	71,915	107,832	6,834	1,783	637,111
Depreciation and impairment losses							
At 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 and 1 January 2020	534	54,766	52,599	78,500	8,856	-	195,255
Depreciation charge for the year	-	4,044	4,015	9,019	386	-	17,464
Disposals	-	-	-	-	(2,443)	-	(2,443)
At 31 December 2020	534	58,810	56,614	87,519	6,799	-	210,276
Net book value							
At 31 December 2019	314,588	78,859	5,687	18,538	423	-	418,094
At 31 December 2020	314,588	74,815	15,301	20,313	35	1,783	426,835

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 243.58 million and Baht 229.10 million respectively (2019: Baht 233.18 million and Baht 229.10 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 2020, fair value measurement for land and buildings, net of Baht 389.49 million (2019: Baht 393.45 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 2020 and 2019 were as follows:

	Consolidated and Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Balance at 1 January	227,893	220,467
Revaluation of land	-	12,708
Revaluation of buildings	-	542
Increase in deferred tax liabilities - revaluation	-	(2,650)
	<u>-</u>	<u>10,600</u>
Depreciation	(4,044)	(4,035)
Decrease in deferred tax liabilities - depreciation	809	807
	<u>(3,235)</u>	<u>(3,228)</u>
Balance at 31 December	224,604	227,839

Notes to the financial statements

For the year ended 31 December 2020

16 Right-of-use assets

	Consolidated financial statements			
	Building	Office furniture and equipment (in thousand Baht)	Vehicle	Total
At 31 December 2019 and 1 January 2020	-	-	-	-
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3(b))	47,905	7,890	9,434	65,229
At 1 January 2020 - as adjusted	47,905	7,890	9,434	65,229
Additions	52,393	156	10,067	62,616
Disposals	(620)	(32)	-	(652)
At 31 December 2020	99,678	8,014	19,501	127,193
Depreciation				
At 31 December 2019 and 1 January 2020	-	-	-	-
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3(b))	-	-	-	-
At 1 January 2020 - as adjusted	-	-	-	-
Depreciation charge for the year	44,957	3,016	5,417	53,390
Disposals	(240)	(9)	-	(249)
At 31 December 2020	44,717	3,007	5,417	53,141
Net book value				
At 31 December 2019	-	-	-	-
At 31 December 2020	54,961	5,007	14,084	74,052

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements			
	Building	Office furniture and equipment (in thousand Baht)	Vehicle	Total
At 31 December 2019 and 1 January 2020	-	-	-	-
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3(b))	45,834	6,464	7,090	59,388
At 1 January 2020 - as adjusted	45,834	6,464	7,090	59,388
Additions	34,254	-	7,963	42,217
Disposals	(620)	-	-	(620)
At 31 December 2020	79,468	6,464	15,053	100,985
Depreciation				
At 31 December 2019 and 1 January 2020	-	-	-	-
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3(b))	-	-	-	-
At 1 January 2020 - as adjusted	-	-	-	-
Depreciation charge for the year	38,832	2,437	4,018	45,287
Disposals	(240)	-	-	(240)
At 31 December 2020	38,592	2,437	4,018	45,047
Net book value				
At 31 December 2019	-	-	-	-
At 31 December 2020	40,876	4,027	11,035	55,938

17 Leases*As a lessee*

	Consolidated financial statements	Separate financial statements
At 31 December 2020		
Right-of-use assets		
Building	54,961	40,876
Equipment	5,007	4,027
Vehicle	14,084	11,035
Total	74,052	55,938

In 2020, additions to the right-of-use assets of the Group was Baht 74.1 million and Baht 55.9 million, respectively.

The Group leases a number of warehouse and branch for 2 - 3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

During 2020, The Group leases a number of copy machine for 3 - 4 years, and paid fixed and variable lease payment that are based on usage over the lease term. These payment terms are common in Thailand.

Notes to the financial statements

For the year ended 31 December 2020

Year ended 31 December 2020

Fixed payments

Total

Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>	
51,446	43,643
51,446	43,643

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For the year ended 31 December***Amounts recognised in profit or loss***

Depreciation of right-of-use assets:

- Building

- Equipment

- Vehicle

Interest on lease liabilities

Expenses relating to short-term leases

Lease expense

Contingent rent expense

Consolidated financial statements		Separate financial statements	
2020	2019	2020	2019
<i>(in thousand Baht)</i>			

44,957

-

38,832

-

3,016

-

2,437

-

5,417

-

4,018

-

3,615

-

2,835

-

2,291

-

1,889

-

-

55,737

-

51,512

-

67,441

-

63,378

In 2020, total cash outflow for leases of the Group was Baht 51 million and Baht 44 million, respectively.

18 Intangible assets**Consolidated financial statements**

	Software licences	Software licences under installment <i>(in thousand Baht)</i>	Total
<i>Cost</i>			
At 1 January 2019	100,523	1,775	102,298
Additions	2,630	3,615	6,245
Transfer	2,400	(2,400)	-
Disposals	(32,370)	(380)	(32,750)
At 31 December 2019 and 1 January 2020	73,183	2,610	75,793
Additions	3,659	4,120	7,779
Transfer	2,610	(2,610)	-
At 31 December 2020	79,452	4,120	83,572
<i>Amortisation</i>			
At 1 January 2019	47,423	-	47,423
Amortisation for the year	10,762	-	10,762
Disposals	(32,369)	-	(32,369)
At 31 December 2019 and 1 January 2020	25,816	-	25,816
Amortisation for the year	9,654	-	9,654
At 31 December 2020	35,470	-	35,470
<i>Net book value</i>			
At 31 December 2019	47,367	2,610	49,977
At 31 December 2020	43,982	4,120	48,102

Notes to the financial statements

For the year ended 31 December 2020

Separate financial statements

	Software licences	Software licences under installment <i>(in thousand Baht)</i>	Total
Cost			
At 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 and 1 January 2020	67,511	2,610	70,121
Additions	3,559	4,120	7,679
Transfer	2,610	(2,610)	-
At 31 December 2020	73,680	4,120	77,800
Amortisation			
At 1 January 2019	46,258	-	46,258
Amortisation for the year	10,088	-	10,088
Disposals	(32,370)	-	(32,370)
At 31 December 2019 and 1 January 2020	23,976	-	23,976
Amortisation for the year	9,026	-	9,026
At 31 December 2020	33,002	-	33,002
Net book value			
At 31 December 2019	43,535	2,610	46,145
At 31 December 2020	40,678	4,120	44,798

19 Interest-bearing liabilities

	Consolidated financial statements					
	2020		2019			
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Current						
Bank overdrafts	-	542	542	-	-	-
Short-term loans from financial institutions	-	150,000	150,000	-	-	-
Current portion of debentures	-	950,000	950,000	-	400,000	400,000
Lease liabilities	-	31,553	31,553	-	-	-
Non-current						
Debentures	-	4,262,341	4,262,341	-	2,434,986	2,434,986
Lease liabilities	-	48,062	48,062	-	-	-
Total	-	5,442,498	5,442,498	-	2,834,986	2,834,986

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements					
	Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total
Current						
Bank overdrafts	-	542	542	-	-	-
Short-term loans from financial institutions	-	150,000	150,000	-	-	-
Current portion of debentures	-	950,000	950,000	-	400,000	400,000
Lease liabilities	-	24,475	24,475	-	-	-
Non-current						
Debentures - unsecured	-	4,262,341	4,262,341	-	2,434,986	2,434,986
Lease liabilities	-	35,946	35,946	-	-	-
Total	-	5,423,304	5,423,304	-	2,834,986	2,834,986

As at 31 December 2020, the Group had bank overdrafts bearing interest at MOR rates of 5.82% to 5.88% per annum (2019: 6.75% to 6.88% per annum).

As at 31 December 2020, the Group had short-term loans from financial institutions at MLR-1 rates and at MRR rates of 4.25% to 6.22% per annum (2019: 4.50% to 6.87% per annum).

As at 31 December 2020, the Group and the Company had unutilised credit facilities totalling Baht 315.76 million (2019: Baht 466.30 million).

Debenture issued by Singer Thailand Public Company Limited

In the Board of Directors meeting on 23 February 2018 passed a resolution approving unsecured and senior debentures amounting to Baht 950 million at par value of Baht 1,000, interest rate at 5.50% per annum. The Company issued the debenture on 30 March 2018 and will be matured on 30 March 2021.

On 20 April 2018, the Annual General meeting No. 51 of the Company's shareholders passed a resolution approving the plan of debenture issuance with the issuance size limit not to exceed Baht 5,000 million detail of issued debentures in 2019 and 2020 as follows:

1. The first series of 3-year debentures amounting to Baht 1,500 million at par value of Baht 1,000, interest rate at 6.00% per annum, unsecured and senior debentures. The Company issued the debenture on 25 July 2019 and will be matured on 25 July 2022.
2. The second series of 3-year debentures amounting to Baht 800 million at par value of Baht 1,000, interest rate at 5.90% per annum, unsecured and senior debentures. The Company issued the debenture on 28 May 2020 and will be matured on 28 May 2023.
3. The third series of 3-year debentures amounting to Baht 1,000 million at par value of Baht 1,000, interest rate at 5.80% per annum, unsecured and senior debentures. The Company issued the debenture on 11 September 2020 and will be matured on 11 September 2023.
4. The fourth series of 3-year and 3-month debentures amounting to Baht 1,000 million at par value of Baht 1,000, interest rate at 5.75% per annum, unsecured and senior debentures. The Company issued the debenture on 17 December 2020 and will be matured on 17 March 2024.

Notes to the financial statements

For the year ended 31 December 2020

20 Other payables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Other payables - related parties	6	42,507	1,981	142,628	92,694
Accrued commission		42,593	30,074	33,559	23,702
Accrued advertising and sales promotion		42,266	18,336	42,266	18,336
Other payables - other parties		39,488	20,204	-	-
Accrued interest		27,992	22,278	27,992	22,278
Insurance premium payable		25,272	3,832	-	-
Accrued tradename and trademark expenses		22,824	13,957	22,824	13,957
Advance received		20,105	23,374	20,105	23,374
Accrued expense		21,282	11,496	21,282	11,496
Others		112,910	68,713	67,243	26,152
Total		397,239	214,245	377,900	231,989

21 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.

	Consolidated financial statements		Separate financial statements	
<i>Present value of the defined benefit obligations</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	175,577	139,170	151,758	118,473
Include in profit or loss:				
Current service cost	26,135	25,069	22,360	21,220
Past service cost	-	15,457	-	15,306
Interest on obligation	4,100	3,610	3,526	3,107
	30,235	44,136	25,886	39,633
Others:				
Benefit paid	(4,278)	(7,729)	(2,043)	(6,348)
At 31 December	201,534	175,577	175,601	151,758

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.

Notes to the financial statements

For the year ended 31 December 2020

<i>Actuarial assumptions</i>	Consolidated and Separate financial statements	
	2020	2019
Discount rate	2.50%	2.50%
Future salary growth		
– salaried staff	5.0%	5.0%
– commissioned agent	Notional commission model, inflated by price inflation of 3.5%	Notional commission model, inflated by price inflation of 3.5%

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligations was 8 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

<i>Effect to the defined benefit obligation At 31 December</i>	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(14,620)	(12,969)	16,810	14,909
Future salary growth	15,802	14,014	(14,045)	(12,458)

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(12,327)	(10,965)	14,147	12,584
Future salary growth	13,234	11,772	(11,738)	(10,481)

22 Provident funds

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	48,413	56,553	47,801	55,921
Provision used				
– Company and interest	(5,462)	(7,684)	(5,403)	(7,468)
– Employee	(2,066)	(2,507)	(2,018)	(2,498)
Provision setup				
– Company and interest	1,269	1,526	1,162	1,458
– Employee	351	525	307	388
At 31 December	42,505	48,413	41,849	47,801

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.

23 Share capital

	<i>Par value per share (in Baht)</i>	2020		2019	
		Number	Baht	Number	Baht
<i>(thousand share/thousand Baht)</i>					
Authorised shares					
At 1 January					
- ordinary shares	1	702,000	702,000	270,000	270,000
Increase of new shares	1	-	-	432,000	432,000
At 31 December					
- ordinary shares	1	702,000	702,000	702,000	702,000
Issued and paid-up shares					
At 1 January					
- ordinary shares	1	401,505	401,505	270,000	270,000
Increase of new shares	1	-	-	131,505	131,505
Shares issued from exercised warrants		11,020	11,020	-	-
At 31 December					
- ordinary shares	1	412,525	412,525	401,505	401,505

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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, 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.

24 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:	23 April 2023

Movements during the year ended 2020 and 2019 of warrants SINGER-W1 and SINGER-W2 were as follows:

<i>For the year ended 31 December</i>	Consolidated and Separate financial statements			
	2020		2019	
	Average exercise price per share (Baht)	Number (in thousand units)	Average exercise price per share (Baht)	Number (in thousand units)
SINGER - W1				
At 1 January	7	65,753	7	-
Issued during the period	7	-	7	65,753
Exercised during the period	7	(53,641)	7	-
At 31 December	7	12,112	7	65,753

<i>For the year ended 31 December</i>	Consolidated and Separate financial statements			
	2020		2019	
	Average exercise price per share (Baht)	Number (in thousand units)	Average exercise price per share (Baht)	Number (in thousand units)
SINGER - W2				
At 1 January	14	65,753	14	-
Issued during the period	14	-	14	65,753
Exercised during the period	14	(19)	14	-
At 31 December	14	65,734	14	65,753

During June 2020, the Company's shareholders had exercised warrants SINGER-W1 in amount of 6.47 million shares. The Company received cash for paid-up capital in amount of Baht 45.33 million in June 2020. The Company registered additional paid up share capital with the Ministry of Commerce on 8 July 2020.

During September 2020, the Company's shareholders had exercised warrants SINGER-W1 in amount of 4.54 million shares. The Company received cash for paid-up capital in amount of Baht 31.81 million in September 2020. The Company registered additional paid up share capital with the Ministry of Commerce on 6 October 2020.

During December 2020, the Company's shareholders had exercised warrants SINGER-W1 in amount of 42.63 million shares. The Company received cash for paid-up capital in amount of Baht 298.35 million in December 2020, which was recorded under advance received from share subscription. The Company registered additional paid up share capital with the Ministry of Commerce on 6 January 2021.

During December 2020, the Company's shareholders had exercised warrants SINGER-W2 in amount of 0.02 million shares. The Company received cash for paid-up capital in amount of Baht 0.27 million in December 2020, which was recorded under advance received from share subscription. The Company registered additional paid up share capital with the Ministry of Commerce on 6 January 2021.

25 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 reserve of 2019

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Revaluation reserve

The revaluation reserve comprises the cumulative net change in the valuation of property and plant included in the financial statements at valuation until such property and plant sold or otherwise disposed of.

26 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

[illegible]

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 and recognised the interest income over the period.

Notes to the financial statements

For the year ended 31 December 2020

27 Employee benefit expenses

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Wages and salaries		329,583	282,897	156,188	138,080
Commission		419,320	268,442	346,605	203,368
Sales incentive		180,047	86,284	180,025	84,571
Defined benefit plans	21	30,748	44,136	25,886	39,633
Defined contribution plans		20,901	21,767	12,710	13,567
Others		11,485	6,576	8,938	5,449
Total		992,084	710,102	730,352	484,668

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.

28 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods and work in progress		1,296,124	820,955	1,275,029	811,514
Employee benefit expenses	27	992,084	710,102	730,352	484,668
Travel expenses		79,420	80,067	35,013	46,236
Lease-related expenses (2019: Lease payment)		70,776	55,737	62,204	51,512
Loss on repossession		136,864	49,261	-	-
Product installation fee		47,852	16,825	55,769	21,458
Management service fee		29,997	23,029	29,997	23,029
Depreciation of plant and equipment	15	21,578	24,009	17,463	16,685
Local freight		32,951	20,247	32,959	20,239
Amortisation of intangible assets	18	9,654	10,762	9,026	10,088
Trade discounts		19,795	8,146	-	-
Allowance of product warranty		-	-	29,259	28,618
Others		118,350	63,121	58,481	31,415
Total cost of sales of goods, distribution costs and administrative expenses		2,855,445	1,882,261	2,335,552	1,545,462

Notes to the financial statements

For the year ended 31 December 2020

29 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finance costs:				
Debentures	217,735	135,634	217,735	135,634
Bank overdrafts and loans from Bank	2,323	23,946	2,239	23,548
Lease liabilities	3,615	-	2,835	-
Others	859	3,630	887	3,635
Total	224,532	163,210	223,696	162,817

30 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Income tax recognised in profit or loss</i>				
Current tax expense				
Current year	66,130	-	-	-
Adjustment in prior years	-	(1,251)	-	(1,675)
Deferred tax expense				
Movements in temporary differences	(70,613)	(9,240)	(66,674)	(712)
Total tax income	(4,483)	(10,491)	(66,674)	(2,387)

	Consolidated financial statements					
	Before tax	2020 Tax expense (note 8,15)	Net of tax	Before tax	2019 Tax expense (note 8,15)	Net of tax
	<i>(in thousand Baht)</i>					
Income tax						
<i>Recognised in other comprehensive income</i>						
Revaluation of property and plant	-	-	-	13,250	(2,650)	10,600
Available-for-sale financial assets	-	-	-	2,192	(438)	1,754
Total	-	-	-	15,442	(3,088)	12,354

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements					
	Before tax	2020 Tax expense (note 8,15)	Net of tax (in thousand Baht)	Before tax	2019 Tax expense (note 8,15)	Net of tax
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
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,442</u>	<u>(3,088)</u>	<u>12,354</u>

Notes to the financial statements

For the year ended 31 December 2020

Reconciliation of effective tax rate

	Consolidated financial statements			Separate financial statements		
	2020			2020		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		438,815		155,404		(178,683)
Income tax using the Thai corporation tax rate	20	87,763	20	31,081	20	(35,737)
Elimination in consolidated financial statement		(50,729)		(39,156)		-
Expense difference between accounting and tax		(19,905)		(30,636)		(375)
Expenses not deductible for tax purposes		12,910		5,001		3,794
Double deduction expense for tax purposes		(6,882)		(4,289)		(6,666)
Over provided in prior years		-		(1,251)		-
Previous tax losses for which no deferred tax asset was recognised		(27,690)		-		(27,690)
Current year losses for which no deferred tax asset was recognised		50		28,759		-
Total	(1.02)	(4,483)	(6.75)	(10,491)	(37.31)	(66,674)
						(1.73)
						(2,387)

	Consolidated financial statements			Separate financial statements		
	2020			2020		
	Assets	Liabilities		Assets	Liabilities	
Deferred tax						
At 31 December						
Total	290,122	151,757	(61,738)	128,654	61,980	(61,738)
Set off of tax	(61,300)	(61,738)	61,300	(61,300)	613,00	61,738
Net deferred tax assets	228,822	90,019	-	67,354	242	-

Notes to the financial statements

For the year ended 31 December 2020

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 <i>(in thousand Baht)</i>	Other comprehensive income	At 31 December
<i>Deferred tax</i>				
2020				
<i>Deferred tax assets</i>				
Expected credit loss allowance	107,572	(24,054)	-	83,518
Allowance for decline in value of inventories	4,035	3,989	-	8,024
Provision for employee benefit	35,116	4,775	-	39,891
Deferred revenue	38,908	52,098	-	91,006
Provision for provident funds	5,684	(953)	-	4,731
Impairment loss on property and plant	28	(28)	-	-
Right-of-use assets	-	890	-	890
Loss carry forward	28,166	33,896	-	62,062
Total	219,509	70,613	-	290,122
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(61,300)	-	-	(61,300)
Available-for-sale securities	-	-	-	-
Total	(61,300)	-	-	(61,300)
Net	158,209	70,613	-	228,822
2019				
<i>Deferred tax assets</i>				
Allowance for doubtful account	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
<i>Deferred tax liabilities</i>				
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

Notes to the financial statements

For the year ended 31 December 2020

		Separate financial statements (Charged) / credited to:		
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
<i>Deferred tax</i>				
<i>2020</i>				
<i>Deferred tax assets</i>				
Expected credit loss allowance	22,712	30	-	22,742
Allowance for decline in value of inventories	3,348	158	-	3,506
Provision for employee benefit	30,352	4,508	-	34,860
Provision for provident funds	5,541	(954)	-	4,587
Impairment loss on property and plant	27	(27)	-	-
Right-of-use assets	-	897	-	897
Loss carry forward	-	62,062	-	62,062
Total	61,980	66,674	-	128,654
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(61,300)	-	-	(61,300)
Available-for-sale securities	-	-	-	-
Total	(61,300)	-	-	(61,300)
Net	680	66,674	-	67,354
<i>2019</i>				
<i>Deferred tax assets</i>				
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
<i>Deferred tax liabilities</i>				
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

Notes to the financial statements

For the year ended 31 December 2020

<i>Unrecognised deferred tax assets</i>	Consolidated		Separate	
	Financial statements		Financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Reserve arising from business combination under common control	38,965	58,447	-	-
Tax losses	50	28,759	-	28,690
Total	39,015	87,206	-	28,690

In 2020, the Company has recognised deferred tax assets amounted of Baht 27.69 million of previously unrecognised tax losses because management has considered that it is probable that there will be sufficient future taxable profit to utilise the benefits there from.

31 Earnings (loss) per share

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<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)	443,298	165,895	(112,008)	(135,914)
Number of ordinary shares outstanding at 1 January	401,505	270,000	401,505	270,000
Effect of shares issued				
On 23 April 2019	-	91,153	-	91,153
On 8 July 2020	3,376	-	3,376	-
On 6 October 2020	1,210	-	1,210	-
Effect of warrants exercised	1,025	-	1,025	-
Weighted average number of ordinary shares outstanding (basic) at 31 December	407,116	361,153	407,116	361,153
Effect of exercise of share options	4,355	295	4,355	295
Weighted average number of ordinary shares outstanding (diluted) at 31 December	411,471	361,448	411,471	361,448
Earnings per (loss) share (basic) (in Baht)	1.09	0.46	(0.28)	(0.38)
Earnings per (loss) share (diluted) (in Baht)	1.08	0.46	(0.27)	(0.38)

32 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2020				
Annual dividend	9 April 2020	8 May 2020	0.10	40,151
Interim dividend	10 August 2020	9 September 2020	0.10	40,797
Dividend paid				80,948

33 Financial instruments**(a) Carrying amounts and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

		Consolidated and Separated financial statements					
		Carrying amount			Fair value		
<i>At 31 December 2020</i>	<i>Note</i>	Fair value through profit or loss	Amortised cost - net	Total <i>(in thousand Baht)</i>	Level 1	Level 2	Total
<i>Financial assets (liabilities)</i>							
Current investments	8	401,478	-	401,478	400,072	1,406	401,478
Debenture	19	-	(5,212,341)	(5,212,341)	-	(5,281,367)	(5,281,367)
Total financial assets (liabilities)		401,478	(5,212,341)	(4,840,863)			

		Consolidated and Separated financial statements			
		Book value	Fair value		Total
<i>At 31 December 2019</i>			Level 1 <i>(in thousand Baht)</i>	Level 2 <i>(in thousand Baht)</i>	
Current investments		318,664	318,664	-	318,664
Debentures		2,850,000	-	2,872,897	2,872,897

Financial instruments measured at fair value

The Company determines Level 1 Fair values for current investments that are marketable investments that are measured at FVTPL (2019: *Available-for-sale securities*). The valuation technique used was the net asset value as of the reporting date.

At 31 December 2020, current investment which is debt securities measured at FVTPL with a carrying amount of Baht 1.41 million were determined Level 2 Fair values because quoted prices in the market for these debt securities were no longer regularly available. To determine the fair value of the debt securities, management used a valuation technique in which the net asset value as of the closing date announced was reconciled with each announced amount return to the unit holder.

Financial instruments not measured at fair value

The Company determines Level 2 Fair values debentures based on Thai Bond Market Association as of the reporting date.

(b) Movement of marketable debt securities

<i>Marketable debt securities</i>	Consolidated and Separate financial statements				
	At 1 January	Purchase	Disposal (in thousand Baht)	Fair value adjustment	At 31 December
2020					
Current financial assets					
Debt securities measured at					
- FVTPL	318,664	1,600,000	(1,518,352)	1,166	401,478
Total	318,664	1,600,000	(1,518,352)	1,166	410,478
2019					
Current investments					
Available-for-sale securities	-	2,050,000	(1,733,528)	2,192	318,664
Total	-	2,050,000	(1,733,528)	2,192	318,664

(c) Financial risk management policies**Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

The Group are exposed to credit risk primarily with respect to hire-purchase contract receivables and loan receivables with vehicle collateral. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of loan receivables less allowance for expected credit loss as stated in the statements of financial position.

Notes to the financial statements

For the year ended 31 December 2020

Credit quality analysis**(c.1.1) Trade accounts receivables, ex-employee's shortage receivables and other receivables**

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables, ex-employee's shortage receivables and other receivables.

	Consolidated financial statements				
	Trade accounts receivables (see note 9)	Ex-employee's shortage receivables (see note 12)	Other receivables (in thousand Baht)	Total carrying amounts	Allowance for expected credit loss
At 31 December 2020					
Within credit terms	2,550	-	292,880	295,430	-
Overdue:					
Less than 3 months	74	-	10,428	10,502	-
3 - 6 months	28	-	2,306	2,334	822
6 - 9 months	49	-	5,467	5,516	2,619
9 - 12 months	105	-	88	193	162
Over 12 months	10,263	102,550	33,334	146,147	131,150
Total	13,069	102,550	344,503		134,753
Less allowance for expected credit loss	(10,428)	(92,295)	(32,030)		
Net	2,641	10,255	312,473		

	Separate financial statements				
	Trade accounts receivables (see note 9)	Ex-employee's shortage receivables (see note 12)	Other accounts receivable (in thousand Baht)	Total carrying amounts	Allowance for expected credit loss
At 31 December 2020					
Within credit terms	863,728	-	124,365	988,093	-
Overdue:					
Less than 3 months	5	-	10,428	10,433	-
3 - 6 months	-	-	2,136	2,136	641
6 - 9 months	-	-	5,267	5,267	2,370
9 - 12 months	-	-	88	88	57
Over 12 months	9,703	102,550	18,897	131,150	116,153
Total	873,436	102,550	161,181		119,221
Less allowance for expected credit loss	(9,703)	(92,295)	(17,223)		
Net	863,733	10,255	143,958		

The normal credit term granted by the Group ranges from 30 days to 60 days.

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Aging analyses for trade accounts receivable as at 31 December 2019 were as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Within credit terms	3,630	412,496
Overdue:		
Less than 3 months	346	327
3 - 6 months	15	-
6 - 9 months	34	11
9 - 12 months	4,278	4,228
Over 12 months	6,411	6,015
	<u>14,714</u>	<u>423,077</u>
<i>Less allowance for doubtful accounts</i>	<u>(10,727)</u>	<u>(10,255)</u>
Net	<u>3,987</u>	<u>412,822</u>

The normal credit term granted by the Group ranges from 30 days to 60 days.

***Movement of allowance for expected credit loss of trade
accounts receivables, ex-employee's shortage
receivables and other receivables***

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
	<i>Note</i>	
At 1 January 2020	3(a.2) 120,367	119,071
Addition	28,335	14,098
Reversal	(4,142)	(4,142)
Write-off	<u>(9,806)</u>	<u>(9,806)</u>
At 31 December 2020	<u>134,754</u>	<u>119,221</u>

Notes to the financial statements

For the year ended 31 December 2020

(c.1.2) Hire-purchase contract receivables and loan receivables with vehicle collateral

	12-months ECL	Consolidated financial statements		Total
		Lifetime ECL - not credit- impaired	Lifetime ECL - credit- impaired	
<i>At 31 December 2020</i>		<i>(in thousand Baht)</i>		
Hire-purchase contract receivables	2,455,206	870,174	283,857	3,609,237
Loan receivables with vehicle collateral	2,815,428	171,791	7,751	2,994,970
	5,270,634	1,041,965	291,608	6,604,207
Less allowance for expected credit loss	(75,572)	(54,089)	(156,900)	(286,561)
Net	5,195,062	987,876	134,708	6,317,646

	12-months ECL	Consolidated financial statements		Total
		Lifetime ECL - not credit- impaired	Lifetime ECL- credit- impaired	
<i>Movement of allowance for expected credit loss</i>		<i>(in thousand Baht)</i>		
<i>Hire-purchase contract receivables</i>				
At 1 January 2020 - restated				
(see note 3(a.2))	4,492	4,092	403,627	412,211
Change from stage reclassification	640	37,959	(38,599)	-
Change from remeasurement of ECL	10,973	(18,075)	27,111	20,009
Purchased or acquired	46,932	25,293	18,837	91,062
Repaid / Derecognition	(1,307)	(1,090)	(257,729)	(260,126)
At 31 December 2020	61,730	48,179	153,247	263,156

	12-months ECL	Consolidated financial statements		Total
		Lifetime ECL - not credit- impaired	Lifetime ECL- credit- impaired	
<i>Movement of allowance for expected credit loss</i>		<i>(in thousand Baht)</i>		
<i>Loan receivables with vehicle collateral</i>				
At 1 January 2020 - restated				
(see note 3(a.2))	389	437	10,487	11,313
Change from stage reclassification	26	4,225	(4,251)	-
Change from remeasurement of ECL	2,361	(500)	(525)	1,336
Purchased or acquired	11,229	1,795	-	13,024
Repaid / Derecognition	(163)	(47)	(2,058)	(2,268)
At 31 December 2020	13,842	5,910	3,653	23,405

Impairment loss of financial assets (reversal of)**For the year ended 31 December 2020**

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
- Trade receivable	(299)	(552)
- Hire-purchase contract receivables	103,049	-
- Loan receivables with vehicle collateral	12,469	-
- Ex-employee's shortage receivables and other receivables	25,580	11,598
Total	140,799	11,046

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Singer Thailand Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Aging analyses for electronic appliances, others as at 31 December 2020 were as follows:

	Consolidated financial statements				
	Electronic appliances and others		Vehicles		
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽¹⁾	Allowance for doubtful accounts	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽⁴⁾
			<i>(in thousand Baht)</i>		
Within credit terms ⁽²⁾	1,318,115	326,187	3,262	195,335	504
Overdue:					5
Less than 3 months ⁽²⁾	444,576	196,236	9,812	52,280	1,253
3 - 6 months ⁽²⁾	146,834	95,714	23,929	-	-
6 - 9 months ⁽²⁾	184,370	125,486	43,920	-	-
9 - 12 months ⁽²⁾	2,053	2,047	1,535	-	-
Over 12 months ⁽²⁾	432	425	425	59	59
Additional allowance for doubtful debt ⁽³⁾			666		-
Total	2,096,380	746,095	83,549	247,674	1,816
					89

(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.

(4) Net of collateral (vehicles)

Aging analyses for loan receivables with vehicle collateral as at 31 December 2019 were as follows:

	Consolidated financial statements		
	Loan receivables with vehicle collateral and accrued interest receivable	Net receivables for set up allowance for doubtful account ⁽⁴⁾ (in thousand Baht)	Allowance for doubtful accounts
31 December 2019			
Within credit terms overdue:	1,171,429	10,395	104
Less than 3 months	96,206	5,254	105
Over 12 months	405	405	405
Total	1,268,040	16,054	614

⁽⁴⁾ Net of collateral (vehicles)

(c.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

Collateral held

In addition to determining counterparty credit quality through risk analysis, the Group also uses collateral as one type of credit risk mitigation to reduce potential credit losses to the Group. The Group considered the collateral value as at contractual effective date whether it is adequate to the Group's acceptable risk. Collateral is comprised of electronic appliances, vehicles and others whose values are appraised on an initial recognition of hire-purchase contract receivables and loan receivables with vehicle collateral.

For guarantee, the process for the analysis of guarantor's creditworthiness is aligned to credit assessment process for borrowers.

Concentrations of credit risk

The Group monitor concentrations of credit risk by type of financing which credit risk concentration of hire-purchase contract receivables more than 50% are in retail group comprising of day labour, and loan receivables with vehicle collateral more than 50% are the small and medium enterprises (SMEs).

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and including forward-looking information.

Definition of default

The Group consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group within 30 days from maturity date;
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group have collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability weighted of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group consider credit risk to be similar such as types of financing and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved. Appropriate judgements are also incorporated to estimate ECL using macroeconomic data. The Group assess both the current situation and the forecast of future economic conditions and probability weighted for each situation.

The Group use base scenario as weighted probability scenario to measure the ECL.

However, the Group review the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Group also consider to provide the management overlay as a part of ECL.

Notes to the financial statements

For the year ended 31 December 2020

(c.2) 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.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
Contractual cash flows						
			More than 1	More than 2	More than 5	
<i>At 31 December 2020</i>	Carrying amount	1 year or less	year but less than 2 years	years but less than 5 years	years	Total
			<i>(in thousand Baht)</i>			
Non-derivative financial liabilities						
Bank overdrafts	542	542	-	-	-	542
Loans from financial institutions	150,000	150,000	-	-	-	150,000
Trade payables	306,898	306,898	-	-	-	306,898
Debentures	5,212,341	950,000	1,491,045	2,771,296	-	5,212,341
Lease liabilities	79,616	31,554	24,380	22,714	968	79,616
	5,749,397	1,438,994	1,515,425	2,794,010	968	5,749,397
Separate financial statements						
Contractual cash flows						
			More than 1	More than 2	More than 5	
<i>At 31 December 2020</i>	Carrying amount	1 year or less	year but less than 2 years	years but less than 5 years	years	Total
			<i>(in thousand Baht)</i>			
Non-derivative financial liabilities						
Bank overdrafts	542	542	-	-	-	542
Loans from financial institutions	150,000	150,000	-	-	-	150,000
Trade payables	377,258	377,258	-	-	-	377,258
Debentures	5,212,341	950,000	1,491,045	2,771,296	-	5,212,341
Lease liabilities	60,421	24,475	17,160	17,818	968	60,421
	5,800,562	1,502,275	1,508,205	2,789,114	968	5,800,562

(c.3) Market risk

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 derivatives for speculative or trading purposes.

(c.3.1) 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.

(c.3.2) 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 flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from debentures (see note 19). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

34 Capital management

The Board 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 monitors the return on capital, which the Group considers as return on operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Capital commitments				
Software	1,026	860	1,026	290
Total	1,026	860	1,026	290

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
For the year ended 31 December 2019		
Non-cancellable operating lease commitments		
Within 1 year	41,944	39,784
1 - 5 years	23,542	21,639
After 5 years	1,955	1,955
Total	67,441	63,378

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 2020	31 December 2019	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>			
Other commitments				
Purchase orders for goods and services	668,951	428,868	668,625	427,175
Bank guarantees	4,670	4,170	4,010	4,010
Total	673,621	433,038	672,635	431,185

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.

36 Contingent liabilities

As at 31 December 2020 and 2019, 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, on 25 December 2020, the Court of Appeal for Specialized The first defendant (S. Safe Oil Company Limited) is guilty of the Patent Act 2522, Section 85, Section 36, paragraph (1), a fine of 2,000 Baht for confiscation of the goods. In addition to the amendment to be in accordance with the Central Intellectual Property and International Trade Court.

Up to date status, the Civil Case is during the temporary disposal stage in order to hear the final judgement in the Criminal 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. 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.

37 Events after the reporting period

On 22 February 2021, the Company's Board of Director meeting approved to pass the resolution to the Annual General Meeting of the Company's shareholders which will be held in April 2021, for the payment dividend in respect of retained earnings as at 31 December 2020 at Baht 0.15 per share, totaling Baht 68.27 million.

38 Thai Financial Reporting Standards (TFRS) not yet adopted

The amendment to TFRS 16 provides an option for lessees not to assess whether COVID-19-related rent concessions are lease modifications, but to directly decrease the lease liability. The impact from the application of the option shall be adjusted to retained earnings on 1 January 2021 and no adjustments are to be made on comparative financial statements. Management is currently considering whether or not to elect to apply the option.

39 Reclassification

Certain accounts in the financial statements for the year ended 2019 have been reclassified to conform to the presentation in the financial statements for the year ended 31 December 2020 were as follows:

	2019		
	Consolidated financial statements		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>Statement of financial position</i>			
<i>For the year ended 31 December 2019</i>			
Other receivables	214,275	(14,900)	199,375
Prepayment for outlet leases	5,649	(5,649)	-
Intangible assets	50,091	(114)	49,977
Other non-current assets	14,082	5,649	19,731
Debentures	(2,450,000)	15,014	(2,434,986)
		<u>-</u>	

	2019		
	Separate financial statements		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<i>Statement of financial position</i>			
<i>For the year ended 31 December 2019</i>			
Other receivables	176,986	(15,014)	161,973
Prepayment for outlet leases	5,649	(5,649)	-
Other non-current assets	13,063	5,649	18,712
Debentures	(2,450,000)	15,014	(2,434,986)
		<u>-</u>	

Notes to the financial statements

For the year ended 31 December 2020

2019			
Consolidated			
financial statements			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
Statement of comprehensive income			
For the year ended 31 December 2019			
Interest income from hire-purchase contract and loan receivables	(753,399)	368	(753,031)
Cost of sale of goods	819,149	17,604	836,753
Cost of rendering of services	65,100	(18,013)	47,087
Distribution costs	647,168	(22,849)	624,319
Administrative expenses	351,212	22,890	374,102
		-	
2019			
Separate financial statements			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
Statement of comprehensive income			
For the year ended 31 December 2019			
Cost of sale of goods	837,745	(409)	837,336
Administrative expenses	210,722	409	211,131
		-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

The 53rd Annual General Meeting of Shareholders

Singer Thailand Public Company Limited held the “53rd Annual General Meeting of Shareholders” on June 26, 2020, at the Meeting Room, Jaymart Building B, 2nd Floor, Ramkhamhaeng Road, Ratpatthana Subdistrict, Saphansoong District, Bangkok 10240 to consider various agendas related by organizing meetings both offline and online via electronic media on Blockchain technology (Blockchain AGM Voting). Jaymart Group developed it to emphasize being a leader in retail and finance by bringing technology to support. In this meeting, the shareholders approved every agenda as proposed by the Board of Directors. There was also an interim dividend payment from the Company’s retained earnings for the year 2019 at the rate of 0.10 baht per share.



Opportunity Day



Singer Thailand Public Company Limited had attended the event “Listed Companies Meet Investors” (Opportunity Day) of the year 2020, which organized by the Stock Exchange of Thailand regularly every year to announce the performance and clarify the Company’s operating plans to investors, shareholders, analysts, general public and mass media. In 2020, the Company participated in the operating result announcement activity two times, i.e., the performance of 2019 and Quarter 2/2020, by jointly announced with other companies in the Jaymart group. Such activities were broadcast live via the SET’s webcast and could be viewed at www.singerthai.co.th.

Analyst Meeting



Singer Thailand Public Company Limited held an analyst meeting to present the overview of the results of every quarter of the year 2020, including an overview statement, the Company's strategy of operation, and answering questions from the meeting attendees. It received the attention of investors and analysts regularly. The meeting was held at the Company's headquarters at CAT Telecom Building, Bangrak, Bangkok.



The Extraordinary Meeting of Shareholders No. 1/2020

Singer Thailand Public Company Limited arranged the Extraordinary General Meeting of Shareholders No. 1/2020 on November 6, 2020, on the 30th floor of CAT Telecom Building by the Board of Directors and the Company's management attending meetings in unison.

This EGM was held for the shareholders' meeting to approve the issuance and offering of additional debentures in the amount not exceeding 3,000 million Baht or other currency equivalents (when combined with the original amount of not exceeding 5,000 million Baht or other equivalent currency in which the Company would have a credit limit for the issuance and offering of debentures totaling not exceeding 8,000 million Baht), to repay the outstanding debt and/or used it as working capital, including business expansion. At this meeting, the shareholders passed a resolution approving the issuance and offering additional debentures proposed by the Board of Directors.



Sewing of Protective Isolation Gowns for Healthcare Professionals and Public Health Agencies



Due to the Covid-19 virus epidemic situation, Singer Thailand Public Company Limited was concerned with medical personnel and the public health department as well. Therefore, the Isolation Gown Project was led by Mr. Kittipong Kanokvilairat, Chief Executive Officer, at the Multi-Purpose Area, Floor 1, CAT Telecom Building, Charoenkrung Road, Bangrak, Bangkok, from April 1 to June 15, 2020.

This project was a continuation of sanitary mask sewing by Singer staff and the disabled from the Career Promotion Center for Disabled Persons, Nonthaburi, to be donated to medical personnel and public health agencies across the country. The isolation gowns were manufactured and sewn on Singer sewing machines according to good hygiene. They were UV treated to be ready for immediate use. The Company also cooperated with the Ministry of Social Development and Human Security to be the intermediary to provide isolation gowns to healthcare workers, which was a vital surveillance force to prevent infection from examination, treatment, and care of patients or those in the risk group.



Have an audience with Her Royal Highness Princess Maha Chakri Sirindhorn to present Singer sewing machines 130 units.



Her Royal Highness Princess Maha Chakri Sirindhorn bestowed on the occasion Mr. Kittipong Kanokvilairat, the CEO of Singer Thailand Public Company Limited to bring the management and employees to meet and present 130 Singer sewing machines on the occasion of the Company's operation for its 130th anniversary. The sewing machines consisted of the normal machine, straight stitch, serger machine, and portable machine in order to bestow upon the royal patronage on September 12, 2019, at 3:00 p.m., at Sala Dusidalai Suan Chitralada.



In the past year 2020, Her Royal Highness graciously ordered giving sewing machines to the Non-formal education in Mae Ramat District, Tak Province, Yungthong Border Patrol Police School Khuan Kalong District, Satun Province, and Ban Letong Ku Border Patrol Police School, Umphang District, Tak Province.



Singer presented the Royal Kathina cloth for the year 2020

His Majesty King Maha Vajiralongkorn Badinthon Thepvorangkun graciously granted to bestow Phra Kathina cloth for the year 2020 to Singer Thailand Public Company Limited to present to the monks at the temple of the Royal Monastery of Maha Phuttaram Temple, Mueang Sisaket, Sisaket Province on October 18, 2020. Singer Thailand Public Company Limited and affiliates led by Mr. Kittipong Kanokvilairat, CEO, royal recipient to present the royal Kathina cloth, presided over the ceremony led the management team and government officials in Sisaket, honored guests, and those who have faith attended the ceremony. For offering the royal Kathina cloth this time, there was an amount by the royal charity to provide monks with and novices and provide to the royal monastery, the total amount of 843,815.46 baht.

Kathina is a Buddhist tradition to have carried on to each other for a long time to patronize the monks who complete Buddhist lent to receive merit according to the discipline and capital for the restoration of the monastery. It combines the strength of physical, verbal, and mental unity in creating goodness and happiness of coexistence in society, including sustaining and promoting Buddhism to be stable and prosperous.



SINGER®

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