

**H.T. SET/028/2021**

10 November 2021

**To: Managing Director
The Stock Exchange of Thailand****Re: Management Discussion & Analysis for 3rd quarter and the 9-month period of 2021 of Singer Thailand Public Company Limited (the Company) and its subsidiaries (the Group)**

The Group would like to explain performances of the 3rd quarter and the 9-month period of 2021, comparing to the same period of previous year as follow:

Statement of comprehensive income (Million Baht)	Quarter 3		Increase (decrease)		9 months		Increase (decrease)	
	2021	2020	Amount	%	2021	2020	Amount	%
Revenues								
Revenue from sales of goods	500	536	(36)	(6.7)	1,906	1,709	197	11.5
Interest income from hire-purchase contract and loans	376	268	108	40.3	1,074	705	369	52.3
Revenue from rendering of services	17	20	(3)	(15.0)	46	49	(3)	(6.1)
Other income	21	20	1	5.0	42	49	(7)	(14.3)
Total revenues	914	844	70	8.3	3,068	2,512	556	22.1
Expenses								
Cost of sales of goods	251	301	(50)	(16.6)	982	979	3	0.3
Cost of rendering of services	5	18	(13)	(72.2)	16	30	(14)	(46.7)
Distribution costs and Administrative expenses	324	345	(21)	(6.1)	1,136	980	156	15.9
Total expenses	580	664	(84)	(12.7)	2,134	1,989	145	7.3
Profit from operating activities	334	180	154	85.6	934	523	411	78.6
Finance costs	116	60	56	93.3	298	152	146	96.1
Expected credit loss	15	3	12	400.0	24	29	(5)	(17.2)
Gains on measurement of current investments	(1)	(1)	-	-	(3)	(1)	(2)	200.0
Profit before income tax expense	204	118	86	72.9	615	343	272	79.3
Tax expense	39	1	38	3,800.0	127	24	103	429.2
Profit for the period	165	117	48	41.0	488	319	169	53.0

For the 3rd quarter of 2021, the Group had net profit of Baht 165 million which increased of Baht 48 million or 41.0% from net profit of Baht 117 million of the 3rd quarter of previous year.

For the 9-month period of 2021, the Group had net profit of Baht 488 million which increased of Baht 169 million or 53.0% from net profit of Baht 319 million of the same period of previous year.

Total revenue

For the 3rd quarter and the 9-month period of 2021, total revenue increased of Baht 70 million and Baht 556 million, respectively, this resulted from the major increase in revenue from sales of goods and interest income from hire-purchase contract and loans.

Revenue from sales of goods

For the 3rd quarter of 2021, revenue from sales of goods decreased of Baht 36 million or 6.7% and cost of sales of goods decreased of Baht 50 million, resulted in Gross margin 49.8%.

For the 9-month period of 2021, revenue from sales of goods increased of Baht 197 million or 11.5% and cost of sales of goods increased of Baht 3 million, resulted in Gross margin 48.5%. Major sales were from top 5 products which were Air conditioners, Freezers, Fuel vending machines, Washing machines and TV.

The growth in sales in 2021, resulted from the fact that we consistently adapted to market condition, including increasing in number of salespersons and arranging sales teams to be more efficient.

Interest income from hire-purchase contract and loans

For the 3rd quarter and the 9-month period of 2021, interest income from hire-purchase contract and loans of the Group increased by Baht 108 million and Baht 369 million, respectively since an expansion of the loans portfolio.

Other income

For the 3rd quarter and for the 9-month period of 2021, other income of the Group increased of Baht 1 million or 5.0% when compared with same quarter of the previous year and decreased of Baht 7 million or 14.3% when compared with same period of the previous year, resulted from commission income Baht 12 million.

Expected credit loss

For the 3rd quarter of 2021, expected credit loss of the Group increased of Baht 12 million when compared with same quarter of the previous year from bad debt recovery and sale of NPL of Baht 7 million and Baht 25 million in 2021 and 2020, respectively.

For the 9-month period of 2021, expected credit loss of the Group decreased of Baht 5 million or 17.2% when compared with same period of the previous year. This result from an improvement in debt management. As a result, The Group recognised expected credit loss of Baht 38 million and a bad debt recovery and sale of NPL of Baht 14 million, while the same period of the previous year, expected credit loss of Baht 108 million with a bad debt recovery and sale of NPL of Baht 79 million.

Statements of financial position**Assets**

Assets (Million Baht)	30 Sep 2021	31 Dec 2020	Inc (Dec)	
			Amount	%
Current assets				
Cash and cash equivalents	526	715	(189)	(26.4)
Current investment	1,200	401	799	199.3
Trade accounts receivable	5	3	2	66.7
Current portion of hire-purchase contract receivables	2,707	1,788	919	51.4
Current portion of loan receivables	1,067	651	416	63.9
Other receivables	361	241	120	49.8
Inventories	705	675	30	4.4
Accrued income	11	4	7	175.0
Assets foreclosed	3	1	2	200.0
Total non-current assets	6,585	4,479	2,106	47.0
Non-current assets				
Hire-purchase contract receivables	1,849	1,558	291	18.7
Loan receivables	3,763	2,410	1,353	56.1
Other long-term investment	2	2	-	-
Property, plant and equipment	452	433	19	4.4
Right-of-use assets	109	74	35	47.3
Intangible assets	45	48	(3)	(6.3)
Deferred tax assets	167	229	(62)	(27.1)
Other non-current assets	17	22	(5)	(22.7)
Total non-current assets	6,404	4,776	1,628	34.1
Total assets	12,989	9,255	3,734	40.3

Total assets of the Group increased of Baht 3,734 million or 40.3% when compared with the year ended 2020, significant changes as follow:

- **Current investment**

Current investment increased of Baht 799 million or 199.3% when compared with the year ended 2020 since the Group invested cash from issuance of debentures in mutual funds. The Group had gains on measurement of current investments which presented in Statement of comprehensive income of Baht 2.7 million.

- **Hire purchase contract receivables and loan receivables**

Hire purchase contract receivables and loan receivables increased of Baht 2,979 million or 46.5% when compared with the year ended 2020. An increase consist of hire-purchase of electronic and others and vehicles of Baht 1,210 million and loan receivables with vehicle collateral of Baht 1,769 million.

Liabilities and equity

Liabilities and equity (Million Baht)	30 Sep 2021	31 Dec 2020	Inc (Dec)	
			Amount	%
Liabilities and equity				
Short-term borrowings from financial institutions	-	151	(151)	(100.0)
Trade accounts payable	503	351	152	43.3
Other payables	360	361	(1)	(0.3)
Current portion of long-term borrowings from financial institutions	10	-	10	100.0
Current portion of debentures	1,500	950	550	57.9
Current portion of lease liabilities	45	31	14	45.2
Current income tax payable	27	38	(11)	(28.9)
Total current liabilities	2,445	1,882	563	29.9
Non-current liabilities				
Long-term borrowings from financial institutions	17	-	17	100.0
Debentures	6,437	4,262	2,175	51.0
Lease liabilities	65	48	17	35.4
Provision for employee benefit	138	201	(63)	(31.3)
Employee security deposits	7	9	(2)	(22.2)
Provident funds	42	43	(1)	(2.3)
Total non-current liabilities	6,706	4,563	2,143	47.0
Total liabilities	9,151	6,445	2,706	42.0
Equity				
Issued and paid share capital	498	412	86	20.9
Premium on ordinary shares	1,531	801	730	91.1
Advance received from share subscription	119	299	(180)	(60.2)
Retained earnings:	1,468	1,073	395	36.8
Other components of equity	222	225	(3)	(1.3)
Total equity	3,838	2,810	1,028	36.6
Total liabilities and equity	12,989	9,255	3,734	40.3

- Total liabilities increased of Baht 2,706 million or 42.0% when compared with the year ended 2020; those significant transactions were from issuance of debenture of Baht 2,000 million and repayment of debentures of Baht 950 million on March 2021, and issuance of debenture of Baht 1,700 million on August 2021.
- Total equity of the Group increased of Baht 1,028 million or 36.6% when compared with the year ended 2020. Those significant changes were adjustment to increase since net profit for the 9-month period of Baht 488 million, exercises of warrants net of advance received from share subscription of Baht 636 million and gains on remeasurment of defined benefit plans of Baht 53 million and decrease from dividend paid of Baht 74 million and Baht 75 million on 21 May 2021 and 9 September 2021, respectively.

Kindly be informed,

Yours truly,

Kittipong Kanokvilairat
(Chief Executive Officer)