

**SINGER®****H.T. SET/017/2022**

SINGER THAILAND PUBLIC COMPANY LIMITED

บริษัท ซิงเกอร์ประเทศไทย จำกัด (มหาชน)

10 August 2022

**To: Managing Director  
The Stock Exchange of Thailand****Re: Management Discussion & Analysis for the three-month period and six-month period ended 30 June 2022 of Singer Thailand Public Company Limited (the Company) and its subsidiaries (the Group)**

The Group would like to explain performances for the three-month period and six-month period ended 30 June 2022, comparing to the same period of previous year as follow:

Statement of comprehensive income (Million Baht)	For the three-month period ended 30 June		Increase (decrease)		For the six-month period ended 30 June		Increase (decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
<b>Revenues</b>								
Revenue from sales of goods	899	763	136	17.8	1,594	1,406	188	13.4
Interest income from hire-purchase contract and loans	497	365	132	36.2	959	699	260	37.2
Other income	30	24	6	25.0	84	50	34	68.0
<b>Total revenues</b>	<b>1,426</b>	<b>1,152</b>	<b>274</b>	<b>23.8</b>	<b>2,637</b>	<b>2,155</b>	<b>482</b>	<b>22.4</b>
<b>Expenses</b>								
Cost of sales of goods	500	397	103	25.9	866	731	135	18.5
Cost of rendering of services	6	6	-	-	15	11	4	36.4
Distribution costs and Administrative expenses	458	390	68	17.4	858	746	112	15.0
<b>Total expenses</b>	<b>964</b>	<b>793</b>	<b>171</b>	<b>21.6</b>	<b>1,739</b>	<b>1,488</b>	<b>251</b>	<b>16.9</b>
<b>Profit from operating activities</b>	<b>462</b>	<b>359</b>	<b>103</b>	<b>28.7</b>	<b>898</b>	<b>667</b>	<b>231</b>	<b>34.6</b>
Finance costs	125	100	25	25.0	248	183	65	35.5
Expected credit loss	(12)	29	(41)	(141.4)	43	75	(32)	(42.7)
Gains on measurement of current investments	5	(1)	(6)	600.0	(4)	(2)	(2)	100.0
<b>Profit before income tax expense</b>	<b>344</b>	<b>231</b>	<b>125</b>	<b>54.1</b>	<b>611</b>	<b>411</b>	<b>200</b>	<b>48.7</b>
Tax expense	79	48	31	64.6	130	88	42	47.7
<b>Profit for the period</b>	<b>265</b>	<b>183</b>	<b>82</b>	<b>44.8</b>	<b>481</b>	<b>323</b>	<b>158</b>	<b>48.9</b>

For the three-month period ended 30 June 2022, the Group had net profit of Baht 265 million which increased of Baht 82 million or 44.8% from net profit of Baht 183 million as the same period of previous year.

For the six-month period ended 30 June 2022, the Group had net profit of Baht 481 million which increased of Baht 158 million or 48.9% from net profit of Baht 323 million as the same period of previous year.

## **Total revenue**

For the three-month period and six-month period ended 30 June 2022, total revenue increased of Baht 274 million or 23.8% and Baht 482 million or 22.4%, respectively. This resulted were from the major increase in revenue from sales of goods and interest income from hire-purchase contract and loans and other income.

## **Revenue from sales of goods**

For the three-month period and six-month period ended 30 June 2022, revenue from sales of goods increased of Baht 136 million or 17.8% and Baht 188 million or 13.4%, respectively. Major sales were from top 5 products which were fuel vending machines, freezers, refrigerator, TV and washing machines.

The growth in sales, 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.

For the three-month period and six-month period ended 30 June 2022, Cost of sales of goods increased of Baht 103 million and Baht 135 million for the three-month quarter and the six-month, respectively. Then, gross margin had still maintained at 45% and 46% respectively.

## **Interest income from hire-purchase contract and loans**

For the three-month period and six-month period ended 30 June 2022, interest income from hire-purchase contract and loans of the Group increased of Baht 132 million or 36.2% and Baht 260 million or 37.2%, respectively, since an expansion of the loans portfolio.

## **Other income**

For the three-month period and six-month period ended 30 June 2022, other income of the Group increased of Baht 6 million or 25.0% and Baht 34 million or 68.0%, respectively, mainly due to increase from service income.

## **Distribution costs and Administrative expenses**

For the three-month period and six-month period ended 30 June 2022, distribution costs and administrative expenses of the Group increased of Baht 68 million or 17.4% and Baht 112 or 15%, respectively. Distribution costs increased which in line with growth of sales product. Administrative expenses also increased mainly due to increase in personnel expenses, rent branch office and professional fee.

## Finance costs

For the three-month period and six-month period ended 30 June 2022, finance costs increased by Baht 25 million or 25% and Baht 65 million or 35.5% respectively because the company had issued debentures in the last year.

## Expected credit loss

For the three-month period and six-month period ended 30 June 2022, expected credit loss of the Group decreased of Baht 41 million or 141.4% and Baht 32 million or 42.7%, respectively, due to have reversal provision transactions from disposal of Ex-employee's shortage receivables in during the period.

## Statements of financial position

Statement of financial position (Million Baht)	30 Jun 2022	31 Dec 2021	Inc (Dec)	
			Amount	%
<b>Assets</b>				
Current assets	15,724	17,076	(1,352)	(7.9)
Non-current assets	8,794	7,125	1,669	23.4
<b>Total assets</b>	<b>24,518</b>	<b>24,201</b>	<b>317</b>	<b>1.3</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Liabilities and equity	3,626	2,650	976	36.8
Non-current liabilities	5,911	6,712	(801)	(11.9)
<b>Total liabilities</b>	<b>9,537</b>	<b>9,362</b>	<b>175</b>	<b>1.9</b>
<b>Equity</b>	14,981	14,839	142	1.0
<b>Total liabilities and equity</b>	<b>24,518</b>	<b>24,201</b>	<b>317</b>	<b>1.3</b>

## Assets

Total assets of the Group increased of Baht 317 million or 1.3% when compared with the year ended 2021, significant changes as follows:

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

Hire purchase contract receivables and loan receivables increased of Baht 2,785 million or 26.1% when compared with the year ended 2021. An increase consists of hire-purchase of electronic and others and vehicles of Baht 1,216 million or 23.5% and loan receivables of Baht 1,569 million or 28.5%.

- **Inventories**

Inventories increased of Baht 220 million or 34.2% when compared with the year ended 2021, due to purchase more mobile phone products in during the period.

- **Current investment in short-term financial assets**

Current investment in short-term financial assets decreased of Baht 2,851 million or 27.5% when compared with the year ended 2021, due to support the expansion loan portfolio of hire purchase receivables and loan receivables.

### **Liabilities and equity**

- Total liabilities increased of Baht 175 million or 1.9% when compared with the year ended 2021. Those significant transactions increased from trade accounts payable of Baht 177 million due to more purchase of mobile phone products at the end of the period.
- Total equity of the Group increased of Baht 142 million or 1.0% when compared with the year ended 2021. Those significant changes increased from net profit for the six-month period of Baht 481 million, issue of ordinary shares of Baht 73 million, exercises of warrants of net of advance received from share subscription of Baht 38 million and decreases from annual dividend payment of Baht 449 million.

Kindly be informed,

Yours truly,

Mr. Kittipong Kanokvilairat  
(Chief Executive Officer)