



H.T./SET/023/2022

9 November 2022

**To: Managing Director
The Stock Exchange of Thailand****Re: Management Discussion & Analysis for the three-month period and nine-month period ended 30 September 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 nine-month period ended 30 September 2022, comparing to the same period of previous year as follow:

Statement of comprehensive income (Million Baht)	For the three-month period ended 30 September		Increase (decrease)		For the nine-month period ended 30 September		Increase (decrease)	
	2022	2021	Amount	%	2022	2021	Amount	%
Revenues								
Revenue from sales of goods	696	501	195	38.9	2,290	1,907	383	20.1
Interest income from hire-purchase contract and loans	610	375	235	62.7	1,569	1,076	493	45.8
Other income	30	37	(7)	(18.9)	114	88	26	29.5
Total revenues	1,336	913	423	46.3	3,973	3,071	902	29.4
Expenses								
Cost of sales of goods	381	250	131	52.4	1,246	981	265	27.0
Cost of rendering of services	6	5	1	20.0	21	16	5	31.3
Distribution costs and Administrative expenses	426	299	127	42.5	1,285	1,139	146	12.8
Total expenses	813	554	259	46.8	2,552	2,136	416	19.5
Profit from operating activities	523	359	164	45.7	1,421	935	486	52.0
Finance costs	108	116	(8)	(6.9)	356	298	58	19.5
Expected credit loss	112	40	72	180.0	155	24	131	545.8
Gains on measurement of current investments	-	(1)	(1)	100.0	(4)	(2)	(2)	100.0
Profit before income tax expense	303	204	101	49.5	914	615	299	48.6
Tax expense	42	39	3	7.7	172	127	45	35.4
Profit for the period	261	165	96	58.2	742	488	254	52.0

For the three-month period ended 30 September 2022, the Group had net profit of Baht 261 million which increased of Baht 96 million or 58.2% compared with the same period of last year.

For the nine-month period ended 30 September 2022, the Group had net profit of Baht 742 million which increased of Baht 254 million or 52.0% compared with the same period of last year.

Total revenue

For the three-month period and nine-month period ended 30 September 2022, total revenue increased of Baht 423 million or 46.3% and Baht 902 million or 29.4%, 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 nine-month period ended 30 September 2022, revenue from sales of goods increased of Baht 195 million or 38.9% and Baht 383 million or 20.1%, respectively. Major sales were from top 5 products which were fuel vending machines, mobile, freezers, 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 nine-month period ended 30 September 2022, Cost of sales of goods increased of Baht 131 million and Baht 265 million for the three-month quarter and the nine-month, respectively. Then, gross margin had still maintained at 46% and 49% respectively.

Interest income from hire-purchase contract and loans

For the three-month period and nine-month period ended 30 September 2022, interest income from hire-purchase contract and loans of the Group increased of Baht 235 million or 62.7% and Baht 493 million or 45.8%, respectively, since an expansion of the loans portfolio.

Other income

For the three-month period ended 30 September 2022, other income of the Group decreased of Baht 7 million or 18.9% and nine-month period ended 30 September 2022, other income of the Group increased of Baht 26 million or 29.5%, respectively, mainly due to increase from service income.

Distribution costs and Administrative expenses

For the three-month period and nine-month period ended 30 September 2022, distribution costs and administrative expenses of the Group increased of Baht 127 million or 42.5% and Baht 146 or 12.8%, 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 ended 30 September 2022, finance costs decreased by Baht 8 million or 6.9% due to debentures mature during the period and nine-month period ended 30 September 2022, finance costs increased by Baht 58 million or 19.5% respectively because the company had issued debentures in the last year.

Expected credit loss

For the three-month period and nine-month period ended 30 September 2022, expected credit loss of the Group increased of Baht 72 million or 180.0% and Baht 131 million or 545.8%, respectively, due to the expansion loan portfolio of hire purchase receivables and loan receivables.

Statements of financial position

Statement of financial position (Million Baht)	30 Sep 2022	31 Dec 2021	Inc (Dec)	
			Amount	%
Assets				
Current assets	13,118	17,076	(3,958)	(23.2)
Non-current assets	9,771	7,125	2,646	37.1
Total assets	22,889	24,201	(1,312)	(5.4)
Liabilities and equity				
Liabilities				
Liabilities and equity	2,936	2,650	286	10.8
Non-current liabilities	4,925	6,712	(1,787)	(26.6)
Total liabilities	7,861	9,362	(1,501)	(16.0)
Equity	15,028	14,839	189	1.3
Total liabilities and equity	22,889	24,201	(1,312)	(5.4)

Assets

Total assets of the Group changes decreased of Baht 1,312 million or 5.4% 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 3,988 million or 37.3% when compared with the year ended 2021. An increase consists of hire-purchase of electronic and others of Baht 1,516 million or 29.2% and loan receivables of Baht 2,472 million or 44.9%.

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

Current investment in short-term financial assets decreased of Baht 6,852 million or 66.2% when compared with the year ended 2021, due to support the expansion loan portfolio of hire purchase receivables and loan receivables and repayment debenture in during the year.

- **Inventories**

Inventories increased of Baht 349 million or 54.3% when compared with the year ended 2021, due to purchase more mobile phone products in during the period.

Liabilities and equity

- Total liabilities decreased of Baht 1,501 million or 16.0% when compared with the year ended 2021. Those significant transactions increased from debenture Baht 1,780 million due to maturity in the period.
- Total equity of the Group increased of Baht 189 million or 1.3% when compared with the year ended 2021. Those significant changes increased from net profit for the nine-month period of Baht 742 million, issue of ordinary shares of Baht 230 million and decreases from exercises of warrants of net of advance received from share subscription of Baht 108 million and annual dividend payment of Baht 695 million.

Kindly be informed,

Yours truly,

Mr. Kittipong Kanokvilairat
(Chief Executive Officer)