

**H.T. SET/002/2023**

13 February 2023

**To: Managing Director
The Stock Exchange of Thailand****Re: Management Discussion & Analysis for the year ended 31 December 2022 of
Singer Thailand Public Company Limited (the Company) and its subsidiaries (the
Group Company)**

The Group Company would like to explain performance for the year ended 31 December 2022, comparing to the same of previous year as follow:

Statement of comprehensive income (Million Baht)	Year ended 31 December		Increase (decrease)	
	2022	2021	Amount	%
Revenues				
Revenue from sales of goods	2,711	2,766	(55)	(2.0)
Interest income from hire-purchase contract and loans	2,316	1,499	817	54.5
Revenue from rendering of services	86	72	14	19.4
Other income	92	60	32	53.3
Total revenues	5,205	4,397	808	18.4
Expenses				
Cost of sales of goods	1,507	1,472	35	2.4
Cost of rendering of services	26	20	6	30.0
Distribution costs	1,071	951	120	12.6
Administrative expenses	596	470	126	26.8
Distribution costs and Administrative expenses	1,667	1,421	246	17.3
Total expenses	3,200	2,913	287	9.9
Profit from operating activities	2,005	1,484	521	35.1
Finance costs	461	425	36	8.5
Expected credit loss	356	160	196	122.5
Gains on measurement of current investments	(4)	(4)	-	-
Profit before income tax expense	1,192	903	289	32.0
Tax expense	251	202	49	24.3
Profit for the year	941	701	240	34.2
Non-controlling interests	6	-	6	100.0
Equity holders of the Company	935	701	234	33.4

For the year ended 31 December 2022, the Group Company had net profit Baht 941 million before non-controlling interest. The net profit a part of equity holders of Group Company was of Baht 935 million which increased by Baht 234 million or 33.4% compared with previous year.

Total revenue

For 2022, total revenue increased by Baht 808 million or 18.4% mainly due to increase in interest income from hire-purchase and loans contract of Baht 817 million or 54.5% and other income of Baht 46 million.

Revenue from sales of goods

For 2022, revenue from sales of goods slightly decreased of Baht 55 million or 2% from sales reduction in some electrical appliances products. For 2022, cost of sales of goods increased of Baht 35 million. Gross product margin slightly decreased by 2.3% from previous year which gross product margin was reduction from 46.7% in year 2021 to 44.4% in year 2022.

Interest income from hire-purchase contract and loans

For 2022, interest income from hire-purchase contract and loans of the Group Company increased of Baht 817 million or 54.5%, since an expansion of the loans portfolio.

Revenue from rendering of services

For 2022, revenue from rendering of services increase of Baht 14 million or 19.4% due to increase in commission revenue from the sale of insurance of a subsidiary.

Other income

For 2022, other income of the Group Company increased of Baht 32 million or 53.3%, respectively, mainly due to increase from others fee income.

Distribution costs and Administrative expenses

For 2022, distribution costs and administrative expenses of the Group Company increased by Baht 246 million or 17.3%. Distribution costs increased which in line with growth of commission expenses advertising expenses sales promotion. Administrative expenses also increased mainly due to increase in personnel expenses, rent branch office and professional fee. However, the % of distribution costs and administrative expenses to total revenue was reduction from 32.3% in year 2021 to 32.0% in year 2022.

Finance costs

For 2022, finance costs increased by Baht 36 million or 8.5% because the company had issued debentures in the last year.

Expected credit loss

For 2022, expected credit loss of the Group Company increased of Baht 196 million or 122.5%, due to increase in non-performing loans of hire purchase and loans.

Statements of financial position

Statement of financial position (Million Baht)	31 Dec 2022	31 Dec 2021	Inc (Dec)	
			Amount	%
Assets				
Current assets	15,479	17,076	(1,597)	(9.4)
Non-current assets	10,415	7,132	3,283	46.0
Total assets	25,894	24,208	1,686	7.0
Liabilities and equity				
Liabilities				
Liabilities and equity	2,631	2,650	(19)	(0.7)
Non-current liabilities	4,955	6,719	(1,764)	(26.3)
Total liabilities	7,586	9,369	(1,783)	(19.0)
Equity	17,641	14,839	2,802	18.9
Total liabilities and equity	25,894	24,208	1,686	7.0

Assets

Total assets of the Group changes increased of Baht 1,686 million or 7.0% when compared with the year ended 2021, significant changes as follows:

- **Cash and cash equivalents**

Cash and cash equivalents increased by Baht 3,413 million or 278.1% from a subsidiary has increased share capital 820 million shares and IPO in beginning of December 2022 and received cash in over Baht 3,239 million. The utilization of cash were for expansion portfolio of loans portfolio by Baht 5,979 million (C4C) and investment in bond and FX notes of Baht 2,803 million, investment in common share Buriram Sugar Public Company Limited of 215 million and repurchase stock Baht 59 million. In during the year, we repaid debenture of Baht 1,500 million

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

Current investment in short-term financial assets decreased of Baht 7,563 million or 73.1% when compared with the year ended 2021, due to support the expansion of loans portfolio and repayment debenture in during the year.

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

Hire purchase contract receivables and loan receivables increased of Baht 3,704 million or 34.6%, compared with the year ended 2021. An increase consists of hire-purchase of electronic and others of Baht 171 million or 3.3% and loan receivables of Baht 3,533 million or 64.2%.

- **Inventories**

Inventories increased of Baht 1,112 million or 172.9%, compared with the year ended 2021, due to support sales in the year 2023 and sales reduction starting from quarter 3 of year 2022. In addition, the Company purchased confiscated goods from a subsidiary amounting to Baht 876 million.

- **Non-Current investment in long-term financial assets**

During December 2022, the company invested in common share of Buriram Sugar Public Company Limited in the amounting to Baht 215 million in order to be strategic partner together. This is created an ecosystem in the Group Company. The company has also provided loans to farmers and sell electrical appliances products and provided other services to these farmers and employees of Buriram' s sugar mill.

- **Property plant and equipment**

Property plant and equipment increased by Baht 375 million or 78.9% that the Group Company invested in the IT system and related equipment. In addition, the Company purchased confiscated goods from a subsidiary and classified to this account by Baht 293 million.

Liabilities and equity

- Total liabilities decreased of Baht 1,783 million or 19.0%, compared with the year ended 2021. Those significant transactions decreased from trade payable of Baht 384 million because we delay on new purchase orders of goods from suppliers as the Company has more inventories in the warehouse. The debenture decreased of Baht 1,780 million due to have repayment in during the year.

- Total equity of the Group Company increased of Baht 3,469 million or 23.4%, compared with the year ended 2021. Those significant changes increased mainly due to premium on change in the ownership interests in subsidiaries increase of Baht 2,458 million from a subsidiary initial public offering in beginning of December 2022. The company repurchased shares according to the company's share repurchase program as reported to the Stock Exchange of Thailand earlier. As of December 31, 2022, the Company had repurchased shares in the amounting to Baht 59 million, The Group Company had a net profit increased from the previous year.

Kindly be informed,

Yours truly,

Mr. Kittipong Kanokvilairat
(Chief Executive Officer)