

**Singer Thailand Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2020  
and  
Independent Auditor's Report

## **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 <i>Financial Instruments</i> 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 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.</p> <p>Due to materiality of transactions and involving judgement, I consider this to be key audit matter.</p>	<p>My audit procedures included the followings:</p> <ul style="list-style-type: none"> <li>• Understanding the credit approval, collection and monitoring processes including the policies and procedures in consideration of allowance for expected credit losses.</li> <li>• Considering the Group's accounting policies to determine whether these have been set up in accordance with the requirements of TFRS 9 <i>Financial Instruments</i>.</li> <li>• 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.</li> <li>• Assessing and testing the reasonableness of staging applied by the group for different types of credit exposures including sampling testing with relevant documents.</li> <li>• 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.</li> <li>• 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.</li> <li>• Considering the adequacy of the Group's disclosures in accordance with the relevant Thai Financial Reporting Standards.</li> </ul>

Valuation of inventory	
Refer to Note 4 and 13	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2020, the Group has inventory amounting to Baht 675.20 million, approximately 7% of the Group's total assets.</p> <p>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.</p> <p>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.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Understanding the internal control related to inventory and reverted inventory management and attending the inventory observation and testing the physical of inventory.</li> <li>• 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.</li> <li>• 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.</li> <li>• Considering the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

### *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

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Statement of financial position**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December		31 December	
<b>Assets</b>	<i>Note</i>	2020	2019	2020	2019
		<i>(in Baht)</i>			
<b><i>Current assets</i></b>					
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	-	-
<b>Total current assets</b>		<b>4,544,785,138</b>	<b>3,264,211,683</b>	<b>7,432,086,981</b>	<b>4,590,480,385</b>
<b><i>Non-current assets</i></b>					
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
<b>Total non-current assets</b>		<b>4,702,615,321</b>	<b>2,627,342,745</b>	<b>2,074,218,712</b>	<b>1,942,188,360</b>
<b>Total assets</b>		<b>9,247,400,459</b>	<b>5,891,554,428</b>	<b>9,506,305,693</b>	<b>6,532,668,745</b>

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Statement of financial position**

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
<b>Current liabilities</b>					
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	-	-
<b>Total current liabilities</b>		<b>1,873,913,933</b>	<b>884,086,668</b>	<b>1,880,173,664</b>	<b>973,227,643</b>
<b>Non-current liabilities</b>					
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
<b>Total non-current liabilities</b>		<b>4,563,364,061</b>	<b>2,663,926,748</b>	<b>4,521,745,376</b>	<b>2,637,849,507</b>
<b>Total liabilities</b>		<b>6,437,277,994</b>	<b>3,548,013,416</b>	<b>6,401,919,040</b>	<b>3,611,077,150</b>
<b>Equity</b>					
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
<b>Total equity</b>		<b>2,810,122,465</b>	<b>2,343,541,012</b>	<b>3,104,386,653</b>	<b>2,921,591,595</b>
<b>Total liabilities and equity</b>		<b>9,247,400,459</b>	<b>5,891,554,428</b>	<b>9,506,305,693</b>	<b>6,532,668,745</b>

The accompanying notes are an integral part of these financial statements.



# Singer Thailand Public Company Limited and its Subsidiaries

## Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
<b>Income</b>					
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
<b>Total income</b>		<b>3,658,425,457</b>	<b>2,609,999,179</b>	<b>2,390,445,725</b>	<b>1,584,079,521</b>
<b>Expenses</b>	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
<b>Total expenses</b>		<b>2,855,445,269</b>	<b>2,291,385,342</b>	<b>2,335,552,301</b>	<b>1,559,564,194</b>
<b>Profit from operating activities</b>		<b>802,980,188</b>	<b>318,613,837</b>	<b>54,893,424</b>	<b>24,515,327</b>
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)	-
<b>Profit (loss) before income tax expense</b>		<b>438,815,317</b>	<b>155,403,933</b>	<b>(178,682,713)</b>	<b>(138,301,863)</b>
Tax income	30	(4,482,864)	(10,490,662)	(66,674,422)	(2,387,451)
<b>Profit (loss) for the year</b>		<b>443,298,181</b>	<b>165,894,595</b>	<b>(112,008,291)</b>	<b>(135,914,412)</b>
<b>Other comprehensive income</b>					
<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)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>1,753,567</b>	<b>-</b>	<b>1,753,567</b>
<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)
<b>Total items that will not be reclassified to profit or loss</b>		<b>-</b>	<b>10,600,362</b>	<b>-</b>	<b>10,600,362</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>12,353,929</b>	<b>-</b>	<b>12,353,929</b>
<b>Total comprehensive income (expense) for the year</b>		<b>443,298,181</b>	<b>178,248,524</b>	<b>(112,008,291)</b>	<b>(123,560,483)</b>
<b>Basic earnings (loss) per share</b>	31	<b>1.09</b>	<b>0.46</b>	<b>(0.28)</b>	<b>(0.38)</b>
<b>Diluted earnings (loss) per share</b>	31	<b>1.08</b>	<b>0.46</b>	<b>(0.27)</b>	<b>(0.38)</b>

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its subsidiaries**

**Statement of changes in equity**

Consolidated financial statements									
			Retained earnings		Other components of equity				
	Note	Issued and paid-up share capital	Share premium on treasury share	Legal reserve	Unappropriated <i>(in Baht)</i>	Available- for-sale investments	Revaluation reserve	Total other components of equity	Total 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

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its subsidiaries**

**Statement of changes in equity**

Consolidated financial statements										
				Retained earnings		Other components of equity				
	Note	Issued and paid-up share capital	Share premium on treasury share	Advance received from share subscription	Legal reserve	Unappropriated (in Baht)	Available-for-sale investments	Revaluation reserve	Total other components of equity	Total 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	2,343,541,012
Impact of changes in accounting policies	3	-	-	-	-	(269,766,510)	(1,753,567)	-	(1,753,567)	(271,520,077)
Balance at 1 January 2020		401,505,235	735,023,364	-	27,000,000	680,653,082	-	227,839,254	227,839,254	2,072,020,935
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	-	-	-	-	-	-	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										
Profit		-	-	-	-	443,298,181	-	-	-	443,298,181
Total comprehensive income (expense) for the year		-	-	-	-	443,298,181	-	-	-	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	2,810,122,465

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its subsidiaries**

**Statement of changes in equity**

Note	Separate financial statements								
	Issued and paid-up share capital	Share premium on treasury share	Reserve arising from business combination under common control	Retained earnings		Other components of equity			Total equity
				Legal reserve	Unappropriated (in Baht)	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
Total comprehensive income (expense) for the year		-	-	-	-	(135,914,412)	1,753,567	10,600,362	(123,560,483)
Transfer to retained earnings	15	-	-	-	-	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	2,921,591,595

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its subsidiaries**

**Statement of changes in equity**

		Separate financial statements									
				Reserve arising	Advance received	Retained earnings		Other components of equity		Total equity	
	Note	Issued and paid-up share capital	Share premium on treasury share	from business combination under common control		Legal reserve	Unappropriated	Available-for-sale investments	Revaluation reserve		Total other components of equity
(in Baht)											
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											
Contributions by and distributions to owners of the parent											
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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	443,298,181	165,894,595	(112,008,291)	(135,914,412)
<i>Adjustments to reconcile profit (loss)</i>				
<i>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)
	<b>1,078,126,856</b>	<b>827,927,720</b>	<b>(37,064,658)</b>	<b>(61,616,742)</b>
<b><i>Changes in operating assets and liabilities</i></b>				
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)
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)
<b>Net cash (used in) from operating activities</b>	<b>(2,260,786,474)</b>	<b>58,619,527</b>	<b>(298,113,316)</b>	<b>(481,299,041)</b>

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its Subsidiaries**

**Statement of cash flows**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
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)
<b>Net cash (used in) from investing activities</b>		<b>(117,161,394)</b>	<b>(318,081,029)</b>	<b>(2,084,356,303)</b>	<b>106,473,209</b>
<b><i>Cash flows from financing activities</i></b>					
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)	-
<b>Net cash from financing activities</b>		<b>2,541,036,479</b>	<b>522,301,630</b>	<b>2,548,895,170</b>	<b>577,696,977</b>
<b>Net increase in cash and cash equivalents</b>		<b>163,088,611</b>	<b>262,840,128</b>	<b>166,425,551</b>	<b>202,871,145</b>
Cash and cash equivalents at 1 January		552,103,972	289,263,844	358,195,264	155,324,119
<b>Cash and cash equivalents at 31 December</b>	7	<b>715,192,583</b>	<b>552,103,972</b>	<b>524,620,815</b>	<b>358,195,264</b>

The accompanying notes are an integral part of these financial statements.

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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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 17<sup>th</sup> 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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

(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"> <li>• whether an arrangement contains a lease;</li> <li>• whether the Group is reasonably certain to exercise extension options;</li> <li>• whether the Group exercises termination options;</li> <li>• whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.</li> </ul>
Note 4 (q) and 26	Revenue recognition: <ul style="list-style-type: none"> <li>• whether performance obligations in a bundled sale of products and services are capable of being distinct;</li> <li>• whether revenue from sales of products and rendering of services is recognised over time or at a point in time;</li> <li>• commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;</li> </ul>
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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**3 Change in accounting policy**

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

<b>Impact on changes in accounting policy</b>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		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
<b>At 1 January 2020 - restated</b>		<b>680,653</b>	<b>227,839</b>	<b>556,107</b>	<b>227,839</b>

**(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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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The following table shows classification and measurement categories under TAS 105 and TFRS 9.

<b>Consolidated financial statements</b>				
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
<b><i>Financial assets</i></b>				
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
<b>Total financial assets</b>	<b><u>2,575,463</u></b>	<b><u>318,664</u></b>	<b><u>2,246,100</u></b>	<b><u>2,564,764</u></b>
<b><i>Financial liabilities</i></b>				
Trade and other payables	540,825	-	540,825	540,825
Other financial liabilities - debentures	2,850,000	-	2,850,000	2,850,000
<b>Total financial liabilities</b>	<b><u>3,390,825</u></b>	<b><u>-</u></b>	<b><u>3,390,825</u></b>	<b><u>3,390,825</u></b>

<b>Separate financial statements</b>				
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
<b><i>Financial assets</i></b>				
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
<b>Total financial assets</b>	<b><u>3,875,357</u></b>	<b><u>318,664</u></b>	<b><u>3,556,693</u></b>	<b><u>3,875,357</u></b>
<b><i>Financial liabilities</i></b>				
Trade and other payables	620,116	-	620,116	620,116
Other financial liabilities - debentures	2,850,000	-	2,850,000	2,850,000
<b>Total financial liabilities</b>	<b><u>3,470,116</u></b>	<b><u>-</u></b>	<b><u>3,470,116</u></b>	<b><u>3,470,116</u></b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Allowance for doubtful accounts at 31 December 2019</b>		
- 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
	<b>204,619</b>	<b>119,071</b>
<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	-	-
<b>Allowance for impairment loss at 1 January 2020</b>	<b>543,891</b>	<b>119,071</b>

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

**Singer Thailand Public Company Limited and its Subsidiaries**  
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**(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.

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Impact from the adoption of TFRS 16</i></b>		
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	65,229	59,388
Increase in lease liabilities	65,229	59,388
<b><i>Measurement of lease liability</i></b>		
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
<b>Lease liabilities recognised at 1 January 2020</b>	<b>65,229</b>	<b>59,388</b>
Weighted-average incremental borrowing rate (% per annum)	<b>6</b>	<b>6</b>

**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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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*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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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*(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.



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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.

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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.

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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

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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.

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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.

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*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.

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*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.

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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.



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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.

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*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.

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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.

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*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.

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*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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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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.

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*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.

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*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.



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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

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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:

<b>Name of entities</b>	<b>Country of incorporation</b>	<b>Nature of relationships</b>
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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Sale of goods	19	-	19	-
Other expense	1,000	4	1,000	4
Management fee	4,284	4,152	4,284	4,152
<b>Subsidiaries</b>				
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	-
<b>Other related parties</b>				
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

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<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Key management personnel</i></b>				
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
<b>Total</b>	<b>82,011</b>	<b>69,946</b>	<b>58,826</b>	<b>52,363</b>

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

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

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

***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.

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

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

**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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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*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.

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**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	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
<b>Total</b>	<b>715,193</b>	<b>552,104</b>	<b>524,621</b>	<b>358,195</b>

**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.

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

**9 Trade accounts receivable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	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
<b>Total</b>		<b>13,069</b>	<b>14,714</b>	<b>873,436</b>	<b>423,077</b>
Less allowance for impairment (2019: allowance for doubtful accounts)	33	(10,428)	(10,727)	(9,703)	(10,255)
<b>Net</b>		<b>2,641</b>	<b>3,987</b>	<b>863,733</b>	<b>412,822</b>
Impairment losses (reversal of) (2019: bad and doubtful debts expenses) for the year		<b>(299)</b>	<b>7,859</b>	<b>(552)</b>	<b>7,387</b>

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

**Singer Thailand Public Company Limited and its Subsidiaries**  
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**10 Hire-purchase contract receivables**

<b>Consolidated financial statements</b>							
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	Portion due over four year but within five years	Portion due over five years	Total
				(in thousand Baht)			
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)
<b>Net</b>	<b>1,787,943</b>	<b>980,243</b>	<b>364,860</b>	<b>165,554</b>	<b>44,318</b>	<b>3,163</b>	<b>3,346,081</b>



**Singer Thailand Public Company Limited and its Subsidiaries**  
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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)
<b>Net</b>	<b>1,188,230</b>	<b>1,072,186</b>	<b>2,260,416</b>

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

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.

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

	<b>Consolidated financial statements</b>					
	<b>Electronic appliances and others</b>		<b>Vehicles</b>		<b>Total</b>	
	Hire-purchase contract		Hire-purchase contract		Hire-purchase contract	
	receivables net of unearned interest income	Allowance for impairment	receivables net of unearned interest income	Allowance for impairment	receivables net of unearned interest income	Allowance for impairment
	<i>(in thousand Baht)</i>					
<b>Staging</b>						
Performing assets	2,078,352	59,260	376,854	2,470	2,455,206	61,730
Under-performing assets	801,513	46,408	68,661	1,771	870,174	48,179
Non-performing assets	275,405	149,010	8,452	4,237	283,857	153,247
<b>Total</b>	<b>3,155,270</b>	<b>254,678</b>	<b>453,967</b>	<b>8,478</b>	<b>3,609,237</b>	<b>263,156</b>

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

**Singer Thailand Public Company Limited and its Subsidiaries**  
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**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:

	<b>Consolidated financial statements</b>			
	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:

	<b>Consolidated financial statements</b>	
	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:

	<b>Consolidated financial statements</b>	
	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**

	<b>Consolidated financial statement</b>					
	Portion due within one year		Portion due after one year		Total	
	31 December 2020	2019	31 December 2020	2019	31 December 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)
<b>Net</b>	<b>634,671</b>	<b>299,767</b>	<b>2,336,894</b>	<b>967,659</b>	<b>2,971,565</b>	<b>1,267,426</b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
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<b>Consolidated financial statements</b>		
	31 December 2020	31 December 2019
	<i>(in thousand Baht)</i>	
Impairment losses (reversal of) (2019: <i>Bad and doubtful debts expenses</i> ) for the year	<u>12,469</u>	<u>(1,029)</u>

At 31 December 2020, carrying values and allowance for impairment loss for loan receivables with vehicle collateral were as follows:

<b>Consolidated financial statements</b>		
	Loan receivables with vehicle collateral and accrued interest receivable	Allowance for impairment
	<i>(in thousand Baht)</i>	
<b><i>Staging</i></b>		
Performing assets	2,815,428	13,842
Under-performing assets	171,791	5,910
Non-performing assets	<u>7,751</u>	<u>3,653</u>
<b>Total</b>	<u><b>2,994,970</b></u>	<u><b>23,405</b></u>

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:

<b>Consolidated financial statements</b>				
	2020		2019	
	Before modification	After modification	Before modification	After modification
	<i>(in thousand Baht)</i>			
Modification of loan receivables with vehicle collateral for the year	<u>20,712</u>	<u>20,712</u>	<u>-</u>	<u>-</u>

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

<b>Consolidated financial statements</b>		
	2020	2019
	<i>(in thousand Baht)</i>	
Cash collection under modification for the year	<u>3,122</u>	<u>-</u>

**Singer Thailand Public Company Limited and its Subsidiaries**  
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**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:

	<b>Consolidated financial statements</b>	
	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**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
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
<b>Total</b>		<b>447,053</b>	<b>309,015</b>	<b>263,731</b>	<b>270,789</b>
Less allowance for impairment (2019: allowance for doubtful accounts - ex-employee and others)		(124,325)	(109,640)	(109,518)	(108,816)
<b>Net</b>		<b>322,728</b>	<b>199,375</b>	<b>154,213</b>	<b>161,973</b>
Impairment loss (2019: bad and doubtful debts expenses) for the year		<b>25,580</b>	<b>7,539</b>	<b>11,598</b>	<b>6,715</b>

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).

**Singer Thailand Public Company Limited and its Subsidiaries**  
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**13 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	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>
<i>Less</i> allowance for loss on decline in value	<u>(40,114)</u>	<u>(20,167)</u>	<u>(17,531)</u>	<u>(16,741)</u>
<b>Net</b>	<b><u>675,204</u></b>	<b><u>686,241</u></b>	<b><u>672,546</u></b>	<b><u>681,936</u></b>
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>
<b>Net</b>	<b><u>1,346,578</u></b>	<b><u>836,753</u></b>	<b><u>1,335,387</u></b>	<b><u>837,336</u></b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**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
<b>Total</b>							<b>1,458,996</b>	<b>1,458,996</b>

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**  
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**15 Property, plant and equipment**

	Consolidated financial statements							
	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment (in thousand Baht)	Tools and equipment	Vehicle	Construction in progress	Total
<i><b>Cost / revaluation</b></i>								
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)	12,708	(1,231)	-	-	-	-	-	11,477
Transfer	-	-	909	-	-	-	(909)	-
Disposals	-	-	-	(876)	-	(2,400)	-	(3,276)
<b>At 31 December 2019 and 1 January 2020</b>	<b>315,122</b>	<b>133,625</b>	<b>68,496</b>	<b>113,565</b>	<b>2,067</b>	<b>9,279</b>	<b>-</b>	<b>642,154</b>
Additions	-	-	14,036	13,073	-	-	1,783	28,892
Disposals	-	-	-	-	(3)	(2,445)	-	(2,448)
<b>At 31 December 2020</b>	<b>315,122</b>	<b>133,625</b>	<b>82,532</b>	<b>126,638</b>	<b>2,064</b>	<b>6,834</b>	<b>1,783</b>	<b>668,598</b>
<i><b>Depreciation and impairment loss</b></i>								
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)
<b>At 31 December 2019 and 1 January 2020</b>	<b>534</b>	<b>54,766</b>	<b>60,056</b>	<b>90,483</b>	<b>1,689</b>	<b>8,854</b>	<b>-</b>	<b>216,382</b>
Depreciation charge for the year	-	4,044	4,898	12,194	55	386	-	21,577
Disposals	-	-	-	-	(3)	(2,443)	-	(2,446)
<b>At 31 December 2020</b>	<b>534</b>	<b>58,810</b>	<b>64,954</b>	<b>102,677</b>	<b>1,741</b>	<b>6,797</b>	<b>-</b>	<b>235,513</b>
<i><b>Net book value</b></i>								
<b>At 31 December 2019</b>	<b>314,588</b>	<b>78,859</b>	<b>8,440</b>	<b>23,082</b>	<b>378</b>	<b>425</b>	<b>-</b>	<b>425,772</b>
<b>At 31 December 2020</b>	<b>314,588</b>	<b>74,815</b>	<b>17,578</b>	<b>23,961</b>	<b>323</b>	<b>36</b>	<b>1,783</b>	<b>433,085</b>



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	<b>Separate financial statements</b>						
	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment (in thousand Baht)	Vehicle	Construction in progress	Total
<b><i>Cost / revaluation</i></b>							
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)
<b>At 31 December 2010 and 1 January 2020</b>	<b>315,122</b>	<b>133,625</b>	<b>58,286</b>	<b>97,037</b>	<b>9,279</b>	<b>-</b>	<b>613,349</b>
Additions	-	-	13,629	10,795	-	1,783	26,207
Disposals	-	-	-	-	(2,445)	-	(2,445)
<b>At 31 December 2020</b>	<b>315,122</b>	<b>133,625</b>	<b>71,915</b>	<b>107,832</b>	<b>6,834</b>	<b>1,783</b>	<b>637,111</b>
<b><i>Depreciation and impairment losses</i></b>							
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)
<b>At 31 December 2019 and 1 January 2020</b>	<b>534</b>	<b>54,766</b>	<b>52,599</b>	<b>78,500</b>	<b>8,856</b>	<b>-</b>	<b>195,255</b>
Depreciation charge for the year	-	4,044	4,015	9,019	386	-	17,464
Disposals	-	-	-	-	(2,443)	-	(2,443)
<b>At 31 December 2020</b>	<b>534</b>	<b>58,810</b>	<b>56,614</b>	<b>87,519</b>	<b>6,799</b>	<b>-</b>	<b>210,276</b>
<b><i>Net book value</i></b>							
<b>At 31 December 2019</b>	<b>314,588</b>	<b>78,859</b>	<b>5,687</b>	<b>18,538</b>	<b>423</b>	<b>-</b>	<b>418,094</b>
<b>At 31 December 2020</b>	<b>314,588</b>	<b>74,815</b>	<b>15,301</b>	<b>20,313</b>	<b>35</b>	<b>1,783</b>	<b>426,835</b>

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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:

	<b>Consolidated and Separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b>Balance at 1 January</b>	<b>227,893</b>	<b>220,467</b>
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>
<b>Balance at 31 December</b>	<b>224,604</b>	<b>227,839</b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
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**16 Right-of-use assets**

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

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

**17 Leases**

*As a lessee*

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>At 31 December 2020</b>		
<b>Right-of-use assets</b>		
Building	54,961	40,876
Equipment	5,007	4,027
Vehicle	14,084	11,035
<b>Total</b>	<b>74,052</b>	<b>55,938</b>

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.

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<i>Year ended 31 December 2020</i>	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>	<b>Separate financial statements</b>
Fixed payments	51,446	43,643
<b>Total</b>	<b>51,446</b>	<b>43,643</b>

*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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<i>For the year ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Amounts recognised in profit or loss</b>				
Depreciation of right-of-use assets:				
- Building	44,957	-	38,832	-
- Equipment	3,016	-	2,437	-
- Vehicle	5,417	-	4,018	-
Interest on lease liabilities	3,615	-	2,835	-
Expenses relating to short-term leases	2,291	-	1,889	-
Lease expense	-	55,737	-	51,512
Contingent rent expense	-	67,441	-	63,378

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

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**18 Intangible assets**

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

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

**19 Interest-bearing liabilities**

<b>Consolidated financial statements</b>						
	2020			2019		
	Secured	Unsecured	Total <i>(in thousand Baht)</i>	Secured	Unsecured	Total
<b>Current</b>						
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	-	-	-
<b>Non-current</b>						
Debentures	-	4,262,341	4,262,341	-	2,434,986	2,434,986
Lease liabilities	-	48,062	48,062	-	-	-
<b>Total</b>	<b>-</b>	<b>5,442,498</b>	<b>5,442,498</b>	<b>-</b>	<b>2,834,986</b>	<b>2,834,986</b>

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

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.



**Singer Thailand Public Company Limited and its Subsidiaries**  
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**20 Other payables**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		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
<b>Total</b>		<b>397,239</b>	<b>214,245</b>	<b>377,900</b>	<b>231,989</b>

**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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
<b><i>Present value of the defined benefit obligations</i></b>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	175,577	139,170	151,758	118,473
<b>Include in profit or loss:</b>				
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
	<b>30,235</b>	<b>44,136</b>	<b>25,886</b>	<b>39,633</b>
<b>Others:</b>				
Benefit paid	(4,278)	(7,729)	(2,043)	(6,348)
<b>At 31 December</b>	<b>201,534</b>	<b>175,577</b>	<b>175,601</b>	<b>151,758</b>

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.

**Singer Thailand Public Company Limited and its Subsidiaries**  
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<i>Actuarial assumptions</i>	<b>Consolidated and Separate financial statements</b>	
	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>	<b>Consolidated financial statements</b>			
	1% increase in assumption 2020	2019	1% decrease in assumption 2020	2019
		(in thousand Baht)		
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>	<b>Separate financial statements</b>			
	1% increase in assumption 2020	2019	1% decrease in assumption 2020	2019
		(in thousand Baht)		
Discount rate	(12,327)	(10,965)	14,147	12,584
Future salary growth	13,234	11,772	(11,738)	(10,481)

**22 Provident funds**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
		(in thousand Baht)		
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
<b>At 31 December</b>	<b>42,505</b>	<b>48,413</b>	<b>41,849</b>	<b>47,801</b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
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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>			
<b>Authorised shares</b>					
At 1 January					
- ordinary shares	1	702,000	702,000	270,000	270,000
Increase of new shares	1	-	-	432,000	432,000
<b>At 31 December</b>					
<b>- ordinary shares</b>	1	<b>702,000</b>	<b>702,000</b>	<b>702,000</b>	<b>702,000</b>
<b>Issued and paid-up shares</b>					
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	-	-
<b>At 31 December</b>					
<b>- ordinary shares</b>	1	<b>412,525</b>	<b>412,525</b>	<b>401,505</b>	<b>401,505</b>

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.

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

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

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.

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**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.

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<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>									
	<b>Trade sales</b>		<b>Hire-purchase and loans</b>		<b>Service and others</b>		<b>Eliminations</b>		<b>Total</b>	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
Revenue from sales of goods and interest income										
- External revenue	202,916	181,179	3,222,833	2,097,356	1,406	3,882	-	-	3,427,155	2,282,417
- Inter-segment revenue	1,845,998	1,092,104	149,102	138,111	205	1,468	(1,995,305)	(1,231,683)	-	-
Other income										
- External revenue	64,236	103,203	146,572	206,969	20,462	17,410	-	-	231,270	327,582
- Inter-segment revenue	277,296	207,593	169,841	57,927	86,595	49,097	(533,732)	(314,617)	-	-
<b>Total segment revenue</b>	<b><u>2,390,446</u></b>	<b><u>1,584,079</u></b>	<b><u>3,688,348</u></b>	<b><u>2,500,363</u></b>	<b><u>108,668</u></b>	<b><u>71,857</u></b>	<b><u>(2,529,037)</u></b>	<b><u>(1,546,300)</u></b>	<b><u>3,658,425</u></b>	<b><u>2,609,999</u></b>
Finance costs	223,696	162,817	194,633	138,480	124	15	(193,921)	(138,102)	224,532	163,210
<b>Segment profit (loss) before income tax</b>	<b><u>(178,683)</u></b>	<b><u>(138,302)</u></b>	<b><u>366,185</u></b>	<b><u>93,973</u></b>	<b><u>(2,316)</u></b>	<b><u>3,953</u></b>	<b><u>253,629</u></b>	<b><u>195,780</u></b>	<b><u>438,815</u></b>	<b><u>155,404</u></b>
<b>Segment assets</b>	<b><u>9,506,306</u></b>	<b><u>6,532,669</u></b>	<b><u>7,030,717</u></b>	<b><u>3,996,709</u></b>	<b><u>102,027</u></b>	<b><u>60,270</u></b>	<b><u>(7,391,650)</u></b>	<b><u>(4,698,094)</u></b>	<b><u>9,247,400</u></b>	<b><u>5,891,554</u></b>
<b>Segment liabilities</b>	<b><u>6,401,919</u></b>	<b><u>3,611,077</u></b>	<b><u>6,340,821</u></b>	<b><u>3,338,892</u></b>	<b><u>75,794</u></b>	<b><u>32,114</u></b>	<b><u>(6,381,256)</u></b>	<b><u>(3,434,069)</u></b>	<b><u>6,437,278</u></b>	<b><u>3,548,013</u></b>

***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.

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**27 Employee benefit expenses**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<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
<b>Total</b>		<b>992,084</b>	<b>710,102</b>	<b>730,352</b>	<b>484,668</b>

*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**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<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
<b>Total cost of sales of goods, distribution costs and administrative expenses</b>		<b>2,855,445</b>	<b>1,882,261</b>	<b>2,335,552</b>	<b>1,545,462</b>



**Singer Thailand Public Company Limited and its Subsidiaries**  
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**29 Finance costs**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	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
<b>Total</b>	<b>224,532</b>	<b>163,210</b>	<b>223,696</b>	<b>162,817</b>

**30 Income tax expense**

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

	<b>Consolidated financial statements</b>					
	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>					
<i>Income tax</i>						
<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
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,442</b>	<b>(3,088)</b>	<b>12,354</b>

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

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**Reconciliation of effective tax rate**

	Consolidated financial statements				Separate financial statements			
	2020	2019	2020	2019	2020	2019	2020	2019
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		438,815		155,404		(178,683)		(138,302)
Income tax using the Thai corporation tax rate	20	87,763	20	31,081	20	(35,737)	20	(27,660)
Elimination in consolidated financial statement		(50,729)		(39,156)		-		-
Expense difference between accounting and tax		(19,905)		(30,636)		(375)		779
Expenses not deductible for tax purposes		12,910		5,001		3,794		1,595
Double deduction expense for tax purposes		(6,882)		(4,289)		(6,666)		(4,116)
Over provided in prior years		-		(1,251)		-		(1,675)
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		-		28,690
<b>Total</b>	<b>(1.02)</b>	<b>(4,483)</b>	<b>(6.75)</b>	<b>(10,491)</b>	<b>(37.31)</b>	<b>(66,674)</b>	<b>(1.73)</b>	<b>(2,387)</b>

	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
<b>Deferred tax</b>	2020	2019	2020	2019	2020	2019	2020	2019
<b>At 31 December</b>	(in thousand Baht)				(in thousand Baht)			
Total	290,122	151,757	(61,300)	(61,738)	128,654	61,980	(61,300)	(61,738)
Set off of tax	(61,300)	(61,738)	61,300	61,738	(61,300)	(61,738)	613,00	61,738
<b>Net deferred tax assets</b>	<b>228,822</b>	<b>90,019</b>	<b>-</b>	<b>-</b>	<b>67,354</b>	<b>242</b>	<b>-</b>	<b>-</b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
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Movements in deferred tax assets and liabilities during the year were as follows:

<i>Deferred tax</i>	<b>At 1 January</b>	<b>Consolidated financial statements</b> (Charged) / credited to:		<b>At 31 December</b>
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>2020</b>				
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>219,509</b>	<b>70,613</b>	<b>-</b>	<b>290,122</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(61,300)	-	-	(61,300)
Available-for-sale securities	-	-	-	-
<b>Total</b>	<b>(61,300)</b>	<b>-</b>	<b>-</b>	<b>(61,300)</b>
<b>Net</b>	<b>158,209</b>	<b>70,613</b>	<b>-</b>	<b>228,822</b>
<b>2019</b>				
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>142,623</b>	<b>9,240</b>	<b>(106)</b>	<b>151,757</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(58,756)	-	(2,544)	(61,300)
Available-for-sale securities	-	-	(438)	(438)
<b>Total</b>	<b>(58,756)</b>	<b>-</b>	<b>(2,982)</b>	<b>(61,738)</b>
<b>Net</b>	<b>83,867</b>	<b>9,240</b>	<b>(3,088)</b>	<b>90,019</b>

**Singer Thailand Public Company Limited and its Subsidiaries**  
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		Separate 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>				
<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
<b>Total</b>	<b>61,980</b>	<b>66,674</b>	<b>-</b>	<b>128,654</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(61,300)	-	-	(61,300)
Available-for-sale securities	-	-	-	-
<b>Total</b>	<b>(61,300)</b>	<b>-</b>	<b>-</b>	<b>(61,300)</b>
<b>Net</b>	<b>680</b>	<b>66,674</b>	<b>-</b>	<b>67,354</b>
<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
<b>Total</b>	<b>61,374</b>	<b>712</b>	<b>(106)</b>	<b>61,980</b>
<i>Deferred tax liabilities</i>				
Property, plant and equipment	(58,756)	-	(2,544)	(61,300)
Available-for-sale securities	-	-	(438)	(438)
<b>Total</b>	<b>(58,756)</b>	<b>-</b>	<b>(2,982)</b>	<b>(61,738)</b>
<b>Net</b>	<b>2,618</b>	<b>712</b>	<b>(3,088)</b>	<b>242</b>

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<i>Unrecognised deferred tax assets</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>Financial statements</b>	<b>Financial statements</b>	<b>Financial statements</b>	<b>Financial statements</b>
	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
<b>Total</b>	<b>39,015</b>	<b>87,206</b>	<b>-</b>	<b>28,690</b>

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**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	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>				
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic and diluted)</b>	<b>443,298</b>	<b>165,895</b>	<b>(112,008)</b>	<b>(135,914)</b>
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	-
<b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b>	<b>407,116</b>	<b>361,153</b>	<b>407,116</b>	<b>361,153</b>
Effect of exercise of share options	4,355	295	4,355	295
<b>Weighted average number of ordinary shares outstanding (diluted) at 31 December</b>	<b>411,471</b>	<b>361,448</b>	<b>411,471</b>	<b>361,448</b>
<b>Earnings per (loss) share (basic) (in Baht)</b>	<b>1.09</b>	<b>0.46</b>	<b>(0.28)</b>	<b>(0.38)</b>
<b>Earnings per (loss) share (diluted) (in Baht)</b>	<b>1.08</b>	<b>0.46</b>	<b>(0.27)</b>	<b>(0.38)</b>

**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)
<i>2020</i>				
Annual dividend	9 April 2020	8 May 2020	0.10	40,151
Interim dividend	10 August 2020	9 September 2020	0.10	40,797
<b>Dividend paid</b>				<b>80,948</b>

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

Consolidated and Separated financial statements				
	Book value	Fair value		
		Level 1	Level 2	Total
		(in thousand Baht)		
<b>At 31 December 2019</b>				
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.

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**(b) Movement of marketable debt securities**

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

**(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.



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**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.

	<b>Consolidated financial statements</b>				
	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
<b>At 31 December 2020</b>					
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
<b>Total</b>	<b>13,069</b>	<b>102,550</b>	<b>344,503</b>		<b>134,753</b>
Less allowance for expected credit loss	(10,428)	(92,295)	(32,030)		
<b>Net</b>	<b>2,641</b>	<b>10,255</b>	<b>312,473</b>		

	<b>Separate financial statements</b>				
	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
<b>At 31 December 2020</b>					
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
<b>Total</b>	<b>873,436</b>	<b>102,550</b>	<b>161,181</b>		<b>119,221</b>
Less allowance for expected credit loss	(9,703)	(92,295)	(17,223)		
<b>Net</b>	<b>863,733</b>	<b>10,255</b>	<b>143,958</b>		

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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:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<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
	14,714	423,077
<i>Less</i> allowance for doubtful accounts	(10,727)	(10,255)
<b>Net</b>	<b>3,987</b>	<b>412,822</b>

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

<i><b>Movement of allowance for expected credit loss of trade accounts receivables, ex-employee's shortage receivables and other receivables</b></i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
At 1 January 2020	<i>Note</i> 3(a.2) 120,367	119,071
Addition	28,335	14,098
Reversal	(4,142)	(4,142)
Write-off	(9,806)	(9,806)
<b>At 31 December 2020</b>	<b>134,754</b>	<b>119,221</b>

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

<i>At 31 December 2020</i>	12-months ECL	<b>Consolidated financial statements</b>		Total
		Lifetime ECL - not credit- impaired (in thousand Baht)	Lifetime ECL - credit- impaired	
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
	<b>5,270,634</b>	<b>1,041,965</b>	<b>291,608</b>	<b>6,604,207</b>
Less allowance for expected credit loss	(75,572)	(54,089)	(156,900)	(286,561)
<b>Net</b>	<b>5,195,062</b>	<b>987,876</b>	<b>134,708</b>	<b>6,317,646</b>

<i>Movement of allowance for expected credit loss</i>	12-months ECL	<b>Consolidated financial statements</b>		Total
		Lifetime ECL - not credit- impaired (in thousand Baht)	Lifetime ECL- credit- impaired	
<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)
<b>At 31 December 2020</b>	<b>61,730</b>	<b>48,179</b>	<b>153,247</b>	<b>263,156</b>

<i>Movement of allowance for expected credit loss</i>	12-months ECL	<b>Consolidated financial statements</b>		Total
		Lifetime ECL - not credit- impaired (in thousand Baht)	Lifetime ECL- credit- impaired	
<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)
<b>At 31 December 2020</b>	<b>13,842</b>	<b>5,910</b>	<b>3,653</b>	<b>23,405</b>

<i>Impairment loss of financial assets (reversal of)</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
<i>For the year ended 31 December 2020</i>	<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
<b>Total</b>	<b>140,799</b>		<b>11,046</b>

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.

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

<b>Consolidated financial statements</b>						
	<b>Electronic appliances and others</b>				<b>Vehicles</b>	
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account <sup>(1)</sup>	Allowance for doubtful accounts	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account <sup>(4)</sup>	Allowance for doubtful accounts
	<i>(in thousand Baht)</i>					
Within credit terms <sup>(2)</sup>	1,318,115	326,187	3,262	195,335	504	5
Overdue:						
Less than 3 months <sup>(2)</sup>	444,576	196,236	9,812	52,280	1,253	25
3 - 6 months <sup>(2)</sup>	146,834	95,714	23,929	-	-	-
6 - 9 months <sup>(2)</sup>	184,370	125,486	43,920	-	-	-
9 - 12 months <sup>(2)</sup>	2,053	2,047	1,535	-	-	-
Over 12 months <sup>(2)</sup>	432	425	425	59	59	59
Additional allowance for doubtful debt <sup>(3)</sup>			666			-
<b>Total</b>	<b>2,096,380</b>	<b>746,095</b>	<b>83,549</b>	<b>247,674</b>	<b>1,816</b>	<b>89</b>

(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)

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

	<b>Consolidated financial statements</b>		
	Loan receivables with vehicle collateral and accrued interest receivable	Net receivables for set up allowance for doubtful account <sup>(4)</sup> <i>(in thousand Baht)</i>	Allowance for doubtful accounts
<b>31 December 2019</b>			
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
<b>Total</b>	<b>1,268,040</b>	<b>16,054</b>	<b>614</b>

<sup>(4)</sup> 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).

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*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.

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**(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 2						
	Carrying	1 year	More than 1	years but	More	
	amount	or less	year but less	less than 5	than 5	
<i>At 31 December 2020</i>			than 2 years	years	years	Total
<i>(in thousand Baht)</i>						
<b>Non-derivative financial liabilities</b>						
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
	<u>5,749,397</u>	<u>1,438,994</u>	<u>1,515,425</u>	<u>2,794,010</u>	<u>968</u>	<u>5,749,397</u>
Separate financial statements						
Contractual cash flows						
More than 2						
	Carrying	1 year	More than 1	years but	More	
	amount	or less	year but less	less than 5	than 5	
<i>At 31 December 2020</i>			than 2 years	years	years	Total
<i>(in thousand Baht)</i>						
<b>Non-derivative financial liabilities</b>						
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
	<u>5,800,562</u>	<u>1,502,275</u>	<u>1,508,205</u>	<u>2,789,114</u>	<u>968</u>	<u>5,800,562</u>

**(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.

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(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**

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

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

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.

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

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.



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*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.

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**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:

<b>2019</b>			
<b>Consolidated</b>			
<b>financial statements</b>			
	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)
		-	

<b>2019</b>			
<b>Separate financial statements</b>			
	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)
		-	

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	<b>2019</b>		
	<b>Consolidated financial statements</b>		
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<b>Statement of comprehensive income</b>			
<b>For the year ended 31 December 2019</b>			
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
		<u>-</u>	
<b>2019</b>			
<b>Separate financial statements</b>			
	Before reclassification	Reclassification (in thousand Baht)	After reclassification
<b>Statement of comprehensive income</b>			
<b>For the year ended 31 December 2019</b>			
Cost of sale of goods	837,745	(409)	837,336
Administrative expenses	210,722	409	211,131
		<u>-</u>	

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