



SINGER
AT HOME WORLDWIDE

SINGER THAILAND PUBLIC COMPANY LIMITED

บริษัท ซิงเกอร์ประเทศไทย จำกัด (มหาชน)

H.T. SET/020/2019

8 August 2019

**To: Managing Director
The Stock Exchange of Thailand**

Re: Management Discussion & Analysis for 2nd quarter 2019 of Singer Thailand Public Company Limited (the Company) and its subsidiaries (the Group)

For the 2nd quarter of 2019, the Group had net profit of Baht 52 million increased by Baht 10 million or 23.8% when compared with the same quarter of the previous year that the Group had net profit of Baht 42 million. However, in April 2019, the Group increased its capital 131,505,235 shares; as a result, weighted average shares increased 101,157,873.08 shares when compared of which the 2nd quarter of 2018. Since the Group had higher profit, earnings per share for 2nd quarter of 2019 and 2018 were of Baht 0.14 and 0.16, respectively.

The Group would like to explain the performance of the 2nd quarter of 2019 when compared with same quarter of previous year as follow:

Statement of comprehensive income (Million Baht)	For the three-month periods ended 30 June		Increase (Decrease)	
	2019	2018	Amount	%
Revenues				
Revenue from sales of goods	411	511	(100)	(19.6)
Interest income from hire-purchase contract and loans	185	148	37	25.0
Revenue from rendering of services	20	34	(14)	(41.2)
Other income	65	67	(2)	(3.0)
Total revenues	681	760	(79)	(10.4)
Expenses				
Cost of sales of goods	203	299	(96)	(32.1)
Cost of rendering of services	20	15	5	33.3
Distribution costs	184	250	(66)	(26.4)
Administrative expenses	88	36	52	144.4
Bad and doubtful debts expenses	105	93	12	12.9
Finance costs	33	30	3	10.0
Total expenses	633	723	(90)	(12.4)
Profit before income tax expense	48	37	11	29.7
Tax income	(4)	(5)	1	20.0
Profit for the period	52	42	10	23.8
Other comprehensive income	-	-	-	n/a
Total comprehensive income for the period	52	42	10	23.8
Basic earnings per share (Baht)	0.14	0.16		

- Total revenue of the Group decreased by Baht 79 million or 10.4% when compared with the same quarter of previous year, this resulted decrease in revenue from sales of goods of Baht 100 million due to decrease in sales of TV approximately Baht 66 million, and Air Time Vending Machine of Baht 28 million.
- Although total revenue decreased when compared with the same quarter of previous year, but the Group increased in gross profit margin from 41.5% in 2nd quarter of 2018 to 50.6% in 2nd quarter of 2019 since the Group focused on sales of high margin products and costs controlling; therefore, decreased in revenue from sales of goods 19.6% while decreased in cost of goods sold 32.1%.
- For total expenses in 2nd quarter of 2019, even the Group would need to recognize employee benefit of Baht 14.7 million from changing in Labour Protection Act but by overall, the expenses still decreased of Baht 90 million or 12.4%. This mainly was from cost controlling over cost of goods sold and distribution costs.

Statements of financial position

Assets

Assets (Million Baht)	30 June 2019	31 December 2018	Increase (Decrease)	
			Amount	%
Current assets				
Cash and cash equivalents	435	289	146	50.5
Trade accounts receivable	5	13	(8)	(61.5)
Current portion of hire-purchase contract receivables	1,128	1,116	12	1.1
Current portion of loan receivables with vehicle collateral	211	207	4	1.9
Other receivables	174	253	(79)	(31.2)
Inventories	597	640	(43)	(6.7)
Accrued income	5	8	(3)	(37.5)
Assets foreclosed	2	3	(1)	(33.3)
Total non-current assets	2,557	2,529	28	1.1
Non-current assets				
Hire-purchase contract receivables	1,063	1,170	(107)	(9.1)
Loan receivables with vehicle collateral	774	802	(28)	(3.5)
Other long-term investment	2	2	-	-
Property, plant and equipment	433	430	3	0.7
Prepayment for outlet leases	6	7	(1)	(14.3)
Intangible assets	55	55	-	-
Deferred tax assets	82	84	(2)	(2.4)
Other non-current assets	14	14	-	-
Total non-current assets	2,429	2,564	(135)	(5.3)
Total assets	4,986	5,093	(107)	(2.1)

Total assets of the Group decreased by Baht 107 million or down 2.1% when compared with end of 2018, significant changes as follow:

- **Hire-purchase contract receivables and Loan receivables with vehicle collateral**

Portfolio of receivables decreased by Baht 119 million or 3.6% from the year ended 2018, this was from the Group adjusted funding structure during the 2nd quarter of 2019 by increase in capital in April 2019 and process to offer debentures to institution and/or high net worth investors; therefore, the portfolio growth slowed down.

- **Other receivables**

Other receivables decreased by Baht 79 million or 31.2% when compared with the year ended 2018, this was mainly from sales promotion which was not recurring item.

Liabilities and equity

Liabilities and equity (Million Baht)	30 June 2019	31 December 2018	Increase (Decrease)	
			Amount	%
Liabilities and equity				
Bank overdrafts and short-term borrowings from financial institutions	220	364	(144)	(39.6)
Trade accounts payable	143	348	(205)	(58.9)
Other payables	180	189	(9)	(4.8)
Current portion of debentures	300	800	(500)	(62.5)
Short term loans from other parties	304	287	17	5.9
Current income tax payable	-	28	(28)	(100.0)
Other current liabilities	-	5	(5)	(100.0)
Total current liabilities	1,147	2,021	(874)	(43.2)
Non-current liabilities				
Debentures	1,350	1,350	-	-
Provision for employee benefit	166	139	27	19.4
Employee security deposits	5	2	3	150.0
Provident funds	50	57	(7)	(12.3)
Total non-current liabilities	1,571	1,548	23	1.5
Total liabilities	2,718	3,569	(851)	(23.8)
Equity				
Issued and paid share capital	402	270	132	48.9
Premium on ordinary shares	735	225	510	226.7
Retained earnings:	902	809	93	11.5
Other components of equity	229	220	9	4.1
Total equity	2,268	1,524	744	48.8

- Total liabilities decreased by Baht 851 million or 23.8% when compared with year ended 2018; this was mainly from payment of matured debenture of Baht 500 million.
- Total equity increased since increase in capital and premium totaling of Baht 642 million on 22 April 2019.

Kindly be informed,
Yours truly,

Mr. Kittipong Kanokvilairat
(Chief Executive Officer)