



**SINGER**  
AT HOME WORLDWIDE

SINGER THAILAND PUBLIC COMPANY LIMITED

บริษัท ซิงเกอร์ประเทศไทย จำกัด (มหาชน)

**H.T. SET/001/2020**

**21 February 2020**

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

**Re: Management Discussion & Analysis for 4th quarter 2019 of Singer Thailand Public Company Limited (the Company) and its subsidiaries (the Group)**

For the 4<sup>th</sup> quarter of 2019, the Group had net profit of Baht 42 million which increased of Baht 23 million or 121.1% from net profit Baht 19 million of 4<sup>th</sup> quarter of previous year. The Group had basic earnings (loss) per share for 4<sup>th</sup> quarter of 2019 and 2018 of Baht 0.46 and Baht (0.30), respectively.

The Group would like to explain the performance of the 4<sup>th</sup> quarter of 2019 when compared with the same quarter of previous year as follow:

Statement of comprehensive income (Million Baht)	For the three-month periods ended 31 December		Increase (Decrease)	
	2019	2018	Amount	%
<b>Revenues</b>				
Revenue from sales of goods	418	431	(13)	(3.0)
Interest income from hire-purchase contract and loans	189	195	(6)	(3.1)
Revenue from rendering of services	19	16	3	18.8
Other income	95	71	24	33.8
<b>Total revenues</b>	<b>721</b>	<b>713</b>	<b>8</b>	<b>1.1</b>
<b>Expenses</b>				
Cost of sales of goods	249	271	(22)	(8.1)
Cost of rendering of services	15	31	(16)	(51.6)
Distribution costs and Administrative expenses	234	289	(55)	(19.0)
Bad and doubtful debts expenses	142	80	62	77.5
Finance costs	46	34	12	35.3
<b>Total expenses</b>	<b>686</b>	<b>705</b>	<b>(19)</b>	<b>(2.7)</b>
<b>Profit before income tax expense</b>	<b>35</b>	<b>8</b>	<b>27</b>	<b>337.5</b>
Tax income	7	11	(4)	(36.4)
<b>Profit for the period</b>	<b>42</b>	<b>19</b>	<b>23</b>	<b>121.1</b>

- Total revenue of the Group increased by Baht 8 million or 1.1% when compared with the same period of the previous year, this resulted from increase in other income and decrease in revenue from sales of goods of Baht 13 million which major decreases in sales of TV and mobile phones approximately of Baht 51 million, and Baht 43 million, respectively and increases in sales of fuel vending machines, freezers, and washing machines approximately of Baht 45 million, Baht 18 million and Baht 13 million, respectively.

- Although revenue from sales of goods decreased when compared with the same period of previous year, but the Group increased in gross profit margin from 37.1% in the fourth quarter of 2018 to 40.4% in the fourth quarter of 2019 since the Group focused on sales of high margin products and costs controlling; therefore, decreased in revenue from sales of goods 3.0% while decreased in cost of goods sold 8.1%.
- For distribution cost and administrative expenses which overall decreased from Baht 289 million of the same period of the previous year to Baht 234 million in the fourth quarter of 2019 or 19.0%. This mainly was from cost controlling over cost of goods sold and expenses.
- Bad and doubtful debt expenses increased of Baht 62 million which impacted from package sales of TV and mobile which was special promotion that Group launched in the same quarter of previous year.

## Statements of financial position

### Assets

Assets (Million Baht)	31 December 2019	31 December 2018	Increase (Decrease)	
			Amount	%
<b>Current assets</b>				
Cash and cash equivalents	552	289	263	91.0
Available for sale investment	319	-	319	100.0
Trade accounts receivable	4	13	(9)	(69.2)
Current portion of hire-purchase contract receivables	1,188	1,116	72	6.5
Current portion of loan receivables with vehicle collateral	300	207	93	44.9
Other receivables	214	253	(39)	(15.4)
Inventories	686	640	46	7.2
Accrued income	13	8	5	62.5
Assets foreclosed	3	3	-	-
<b>Total non-current assets</b>	<b>3,279</b>	<b>2,529</b>	<b>750</b>	<b>29.7</b>
<b>Non-current assets</b>				
Hire-purchase contract receivables	1,072	1,170	(98)	(8.4)
Loan receivables with vehicle collateral	968	802	166	20.7
Other long-term investment	2	2	-	-
Property, plant and equipment	426	430	(4)	(0.9)
Prepayment for outlet leases	6	7	(1)	(14.3)
Intangible assets	50	55	(5)	(9.1)
Deferred tax assets	90	84	6	7.1
Other non-current assets	14	14	-	-
<b>Total non-current assets</b>	<b>2,628</b>	<b>2,564</b>	<b>64</b>	<b>2.5</b>
<b>Total assets</b>	<b>5,907</b>	<b>5,093</b>	<b>814</b>	<b>16.0</b>

Total assets of the Group increased of Baht 814 million or 16.0% when compared with the year ended 2018, significant changes as follow:

- **Available for sale investment**

Available for sale investment increased of Baht 319 million or 100% when compared with the year ended 2018 since the Group invested cash from issuance of debenture in mutual funds. The Group had unrealized gain from change in valuation which presented in other components of equity of Baht 2.2 million.

## Liabilities and equity

Liabilities and equity (Million Baht)	31 December 2019	31 December 2018	Increase (Decrease)	
			Amount	%
<b>Liabilities and equity</b>				
Bank overdrafts and short-term borrowings from financial institutions	-	364	(364)	(100.0)
Trade accounts payable	270	348	(78)	(22.4)
Other payables	214	189	25	13.2
Current portion of debentures	400	800	(400)	(50.0)
Short term loans from other parties	-	287	(287)	(100.0)
Current income tax payable	-	28	(28)	(100.0)
Other current liabilities	-	5	(5)	(100.0)
<b>Total current liabilities</b>	<b>884</b>	<b>2,021</b>	<b>(1,137)</b>	<b>(56.3)</b>
<b>Non-current liabilities</b>				
Debentures	2,450	1,350	1,100	81.5
Provision for employee benefit	176	139	37	26.6
Employee security deposits	5	2	3	150.0
Provident funds	48	57	(9)	(15.8)
<b>Total non-current liabilities</b>	<b>2,679</b>	<b>1,548</b>	<b>1,131</b>	<b>73.1</b>
<b>Total liabilities</b>	<b>3,563</b>	<b>3,569</b>	<b>(6)</b>	<b>(0.2)</b>
<b>Equity</b>				
Issued and paid share capital	402	270	132	48.9
Premium on ordinary shares	735	225	510	226.7
Retained earnings:	977	809	168	20.8
Other components of equity	230	220	10	4.5
<b>Total equity</b>	<b>2,344</b>	<b>1,524</b>	<b>820</b>	<b>53.8</b>

- Total liabilities decreased by Baht 6 million or 0.2% when compared with the year ended 2018; those significant transactions were from payment of matured debenture of Baht 800 million using proceeds from issuance of ordinary shares, then the Group paid short-term loans of loan Baht 651 million and issuance of debenture Baht 1,500 million on 25 July 2019.
- Total equity increased since increase in capital and premium totaling of Baht 642 million on 22 April 2019.

Please be informed accordingly.

Sincerely yours,

(Mr. Kittipong Kaokvilairat)  
Chief Executive Officer