



SINGER®

Singer Thailand Public Company Limited

SINGER®

Annual Report 2016

SINGER®



**รวมพลังพิทักษ์องค์กร
ต่อต้านการทุจริตคอร์รัปชัน**

Financial Highlights

Singer Thailand Public Company Limited & Its Subsidiaries
Highlights of the Consolidated Financial Statements (Million Baht)

(as at December 31)

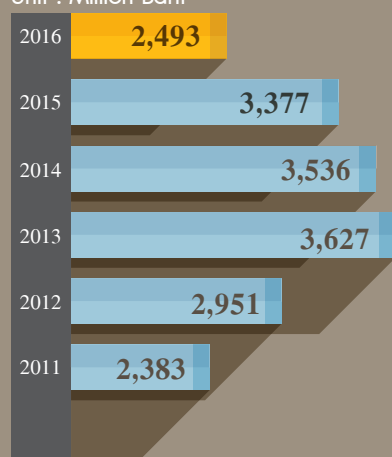
	2016	2015	2014
Total sales & Interest from installment sales	2,493.27	3,377.42	3,536.21
Total Revenues	2,545.63	3,394.56	3,548.93
Gross Margin	1,290.11	1,711.13	1,917.69
Cost of Sales	1,203.15	1,666.30	1,618.52
Selling and Administrative Expenses	1,175.30	1,508.15	1,579.66
Net Profit (Loss)	119.81	143.15	241.43
Total Assets	3,145.17	3,341.59	3,355.65
Total Liabilities	1,519.00	1,763.56	1,777.67
Total Shareholder's Equity	1,626.17	1,578.04	1,577.98

Financial Ratio

Net Profit (Loss) Ratio (%)	4.71	4.22	7.02
Return on Equity (%)	7.48	9.07	16.04
Return on Assets (%)	3.70	4.30	7.30
Dividend Pay Out Ratio (%)	67.61	99.96	50.33
Liabilities Per Equities Ratio	0.93	1.12	1.13
Earnings Per Share (Baht)	0.44	0.53	0.89
Dividend Per Share (Baht)	0.25	0.30	0.53
Book value Per Share (Baht)	6.02	5.84	5.84
Total Staff (Persons)	9,873	3,696	4,467

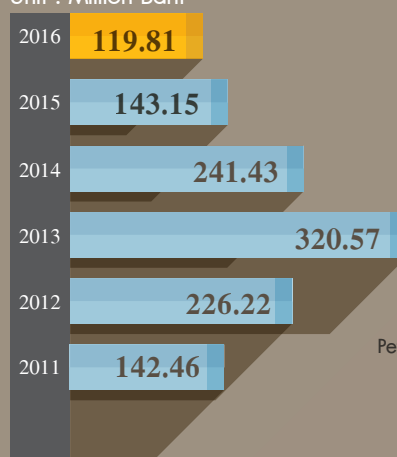
Sales & Interest from installment sales by Year 2011 - 2016

Unit : Million Baht

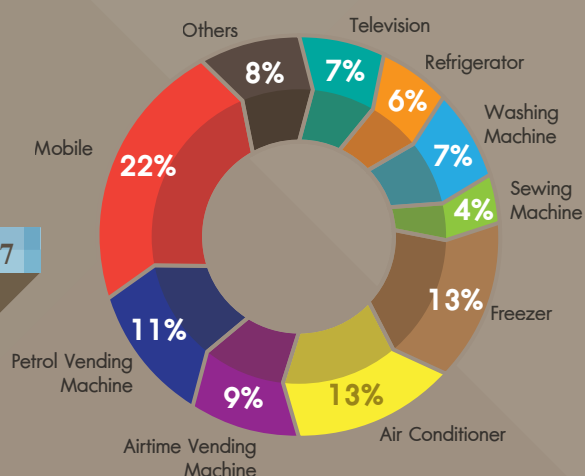


Net Profit / (Loss) by Year 2011 -2016

Unit : Million Baht



Sales by Product Line January - December 2016



Content

1	Financial Highlights
3	Vision Mission Values
4	Report to the Shareholders
6	Board of Directors
16	Management
20	Organization Chart
21	Company Profile and Information
22	SINGER THAILAND GROUP
23	Investment in Subsidiary Companies
24	Policies and Overview of the Business Operations of the Company
29	Business Operation of the Company
35	Risk Factors
41	Register of Shareholders
42	Policy of Dividend Payment
43	Management Structure
49	Report on Good Corporate Governance
57	Remuneration for the External Auditors
58	Complying to the SET's Code of Best Practices for Corporate Governance
68	Corporate Social Responsibility (CSR)
79	Internal Controls and Risks Management
82	Audit Committee's Report : FY 2016
84	Related Party Transactions
89	Financial Status and Operating Results (MD&A)
94	Board of Directors' Responsibilities for the Financial Statements
95	Independent Auditor's Report
100	Statments of Financial Position
160	Company Activity

Vision

To be the market leader of direct sales and consumer finance in the country.

Mission

To improve the quality of life of people by offering high quality products and service at affordable prices.

Values

In order to realize our goal of making Singer Thailand not only a highly profitable company but also one of the best managed Companies in Thailand, there are common values we must share and cherish:

People

We believe in our employees, who are key success factor in our business. Thus, all employees of Singer Thailand must be both happy to work for and feel proud of the Company with good opportunities for career advancement.

Customers

It is our goal and also not unusual for Singer Thailand to have life time customers purchase products from the Company over the years. The Company has built this loyal customer base by providing good quality products, ensuring timely collections and close follow-up of accounts. It is important that this continues in the future and that we maintain constant focus on our customers.

Shareholders

We provide a reasonable return to our shareholders while safeguarding their investment.

Partners

We develop our suppliers to be partners in progress and share our growth with them.

Competitors

We conduct our business by conforming to the ethics of our Country and share the social responsibility of the less fortunate.

Community

We conduct our business by conforming to the ethics of our Country and share the social responsibility of the less fortunate.

Communications

We believe that good and sustained internal communication is critical to all our business activities. However, this communication must be in 'two-way' in order to be effective - from Management to employees but also from employees to the Management.

Leadership

We believe in effective leadership. Being a good manager is not enough, all Executives, Managers and Supervisors should also aim at being great leaders. All great leaders have the following qualities: They listen, they communicate well, and they give credit to others for their successes and take full responsibility for poor results. Great leaders also inspire others and they always learn from their successes as well as their failures.

Report to The Shareholders

Dear Shareholders of Singer Thailand Public Company Limited

2016 was a year of great sadness for the Thai people with the passing away of His Majesty the late King Bhumibol Adulyadej, the much beloved monarch of all Thais. On behalf of the Board of Directors, the Management and all Staff, we humbly mourn in remembrance of His late Majesty's endless benevolence and compassion for the Thai people, as well as prostrate at His feet to say farewell as His late Majesty ascends up to the heavens and pledge to carry on His various Royal Initiatives for the future benefit of the country

Despite being a period of much sadness since last year, the Management Group and all Staff of the Company still need to continue discharging their respective duties and responsibilities with full commitment, honesty, and virtuous moral standards. As such, 2016 was also another year of great changes for the Company both with regards to its overall corporate structure and business operating model; whereby such changes are considered to be for the better and take into account the overall maximum benefits of the Company and its Shareholders.

As for the operating performance results for full year 2016, the Company achieved Total Consolidated Revenues of Baht 2,545.6 million, a decrease from Baht 3,394.6 million in 2015 or equal a decrease of 25.0% year-on-year (YoY); together with achieving a Total Net Profit of Baht 119.8 million compared to a Total Net Profit of Baht 143.2 million in the previous year or equal to a decrease of 16.3 % YoY. This then resulted in an Earnings per Share (EPS) of Baht 0.44 for 2016 compared to an EPS of Baht 0.53 for the previous year.

While overall Total Consolidated Revenues decreased YoY, at the same time gross profits increased due to the increased margins gained from sales of consigned products together with compensation received from mobile phones airtime services providers, as well as from fees received in executing hire purchase agreements and for late monthly payment fines that increased by 68%YoY or totaling Baht 108.3 million. As such, sales of the core products have decreased YoY for every Quarterly period, except for sales of Petrol vending machines, sewing machines, and Air Cooler that all achieved increased sales. This resulted from the ongoing domestic economic slowdown and slow economic recovery, the continued low agricultural commodities prices, and continuing increase in average household debts. This decrease also resulted from the changes made in the hire purchase services model so as to better to focus on the high quality hire purchase accounts and to prevent against acts of fraudulence; changes made in the credit approval system and procedures by the Credit Control Center; and also changes in the customer hire purchase collections procedures from being made by sales staff to customers making direct deposits to the Company's bank account via various convenient payment channels - such as, banks, post offices, counter service outlets, and even online mobile banking services applications on smart phones. This is a temporary changes in the customers payment procedures while further more permanent changes in the business operations are being implemented. Additionally, as at the end of 2016, the Company had 177 branch outlets together with more than 9,000 effective direct sales representatives, with plans to add up to 20,000 new direct sales representatives so as to support the continuing growth of the Group of Companies.

Given the current economic slowdown, recovery of overall domestic demands has been slow together with decreased consumer consumption, low purchasing power in the private sector, and average household debts still increasing - especially in



Mr. Adisak Sukumvitaya

Chairman of the Board

Mrs. Nonglak Laksanapokin

Chief Executive Officer

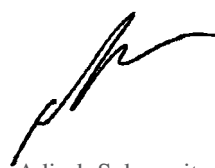
the provinces. As such, the Company undertook various measures to exercise strict control of hire-purchase accounts together with closely overseeing and following up on those hire-purchase accounts that have long overdue payments. This is in order to prevent any possible acts of fraudulence and to take follow up actions to resolve these late payment accounts in a timely manner, or to extend the repayment period so as to provide some financial relief for customers with regards to their burden in meeting monthly repayments. Furthermore, the Company has also taken actions to reduce its costs and various expenses so as to manage the overall cost of doing business in a more effective manner.

Additionally, the Company has research and studied various projects and business plans, in order to find ways to increase overall total revenues for the organization - such as: making further development of existing products to make them more modern and launching new attractive products to meet the needs of the consumers and customers, together with developing additional revenue streams relating to the mobile airtime sales business or car for cash business, etc.

In order to facilitate ongoing sustainable economic and social development of our Staff and customers as well as of local communities and the country and society as a whole, the Company continues to be confident and always by fully aware of its corporate social responsibility and associated contributions. As such, during the past year, the Company and all its Staff have collaborated together in undertaking various activities and projects so to support as well as help improve the livelihood and positive environment of local communities on a continuing basis, that are based on achieving sustainability. Further details of such activities and projects relating to the Company's Corporate Social Responsibility (CSR) are given in the Section on CSR in this Annual Report document.

Lastly, despite the overall economic and business situation continue to be challenging for the Company throughout 2016; and the Board of Directors and the Management Group have always continued to be strongly committed to enabling the Company to achieve its stated business objectives and goals. Additionally, all the Company's Staff have also continued to devote their physical and mental efforts in joining together to undertake their assigned work activities, in order to help drive and eventually realize the stated goals of the Company

The Company wishes to take this opportunity to thank all our customers and clients, the Management, and all our Staff together with the Company's Business Partners, all of whom have always given their positive support and kind assistance in many various ways. Most importantly, we also wish to thank all our Shareholders for their continuing positive confidence and trust in the Company, as always.



(Mr. Adisak Sukumvitaya)
Chairman of the Board



(Mrs. Nonglak Laksanapokin)
Chief Executive Officer

Board Of Directors

1.



Mr. Adisak Sukumvitaya

Chairman of the Board
Member of NRC

2.



Mrs. Nonglak Laksanapokin

Chief Executive Officer

3.



Mr. Lucksananoi Punkrasamee

Chairman of Audit Committee
Independent Director
Member of NRC

4.



Mr. Bibit Bijaisoradat

Chairman of NRC
Independent Director
Member of Audit Committee

Board Of Directors

5.



Mr. Preecha Prakobkit

Independent Director

Member of Audit Committee

6.



Mr. Vichai Kulsomphob

Director

7.



Mr. Piya Pongacha

Director

8.



Mr. Kittipong Kanokvilairat

Director

Board Of Directors



Mr. Adisak Sukumvitaya

Chairman of the Board

Member of Nomination and Remuneration Committee

Age : 61 Years

Nationality : Thai

Address : 79/125 Panya-Indra Road, Bangchan, Klong Samwa, Bangkok 10510

Company Shareholdings : None

Date of Appointment : August 13, 2015

Years of Directorship : 1 Year 8 months

Meeting Attendance Year 2016 : 6/6

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
3	1. Director, Chief Executive Officer Jaymart PCL. 2. Chairman of the Board JMT Network Services PCL. 3. Director JAS Asset PCL.	4	-

Educations :

1981	MBA (Economics) Kasetsart University
1979	B.E. (Economics) Kasetsart University

Certifications :

2013	Management Program (CMA.15) Capital Market Academy
2008	Director Accreditation Program (69/2008) Thai Institute Directors Association

Work Experiences in other Listed Companies :

Years	Listed Company	Position
1990 - Present	Jaymart PCL.	Director/ Chief Executive Officer
2004 - Present	Jaymart PCL.	Chairman of the Executive Committee
2012 - Present	JMT Network Service PCL.	Chairman of the Board
1994 - 2012	JMT Network Services PCL.	Director
2002 - 2015	JAS Asset PCL.	Chairman of the Board
2015 - Present	JAS Asset PCL.	Director
1981 - 1984	TISCO Securities PCL.	Research Officer

Other Working Experiences :

Years	Company	Position
2013 - Present	J Asset Management Ltd.	Chairman of the Board
2013 - Present	J Insurance Broker Ltd.	Chairman of the Board
1995 - Present	Singh Buri Cable T.V Co., Ltd.	Director
1995 - Present	JMART TAKSIN Co., Ltd.	Director
1985 - 1989	Philips Electronics (Thailand) Ltd.	Product Manager
2002-2005	TAS Asset Ltd.	Director

Relevant Important Positions :

Years	Company	Position
February 2016 - Present	SG Capital Co., Ltd.	Director

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Ms. Nonglak Laksanapokin

Chief Executive Officer

Age : 56 Years

Nationality : Thai

Address : 8/555 Laddaville 5, Bang Kruai-Sai Noi Rd, Bang Bua Thong, Nonthaburi 11110

Company Shareholdings : None

Date of Appointment : 28 April 2016

Years of Directorship : 1 Year

Meeting Attendance Year 2016 : 5/5

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
1	Director, Executive Committee and Chief Executive Officer JAS Asset Public Company Limited	-	-

Other Working Experiences :

Years	Company	Position
1992-1997	Technic Telecom Co. Ltd.	Vice President of Operating Department

Relevant Important Positions :

Years	Company	Position
2016	SG Capital Co., Ltd.	Director

Educations :

1984 - 1987	Master of Science Prince of Songkla University
1980 - 1984	Bachelor of Science Prince of Songkla University

Certifications :

2004	Director Accreditation Program Thai Institute of Directors
------	---

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2016 - Present	JAS Asset Public Company Limited	Director, Executive Committee
2012 - 2016	JAS Asset Public Company Limited	Director, Executive Committee and Chief Executive Officer
2000 - 2012	Jay Mart Public Company Limited	Executive Committee
1997 - 2000	M Link Asia Corporation PCL.	Vice President of Operating Department

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Mr. Lucksananoi Punkrasamee

Chairman of Audit Committee

Independent Director

Member of Nomination and Remuneration Committee

Age : 64 Years

Nationality : Thai

Address : 17 Soi Ramkhamhaeng 118 Yak 15, Sapansoong, Bangkok

Company Shareholdings : None

Date of Appointment : 8th November 2013

Years of Directorship : 3 Years 5 Months

Meeting Attendance Year 2016 : 6/6

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
2	1. Advisor to Vice President - Finance and Investment & CFO, The Siam Cement PLC. 2. Chairman of the Board of Directors, Origin Property Public Company Limited	1	None

Educations :

1973	Bachelor Degree in Accounting, Chulalongkorn University
1986	Master Degree (MBA), Chulalongkorn University
-	Certificate in Management Development Program, The Wharton School of the University of Pennsylvania
-	Certificate in Inno - Leadership program, INSEAD University (France)
2008	Certificate "Executive development Program" Graduate School of business, Columbia University

Certifications :

2009	Director Certification Program (DCP) Thai Institute of Directors (IOD)
------	---

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2012 - Present	The Siam Cement Public Company Limited	Advisor to Vice President - Finance and Investment & CFO
2014 - Present	Origin Property Public Company Limited	Chairman of the Board of Directors
2004 - 2005	The Siam Cement Public Company Limited	Corporate Accounting Director

Other Working Experiences :

Years	Company	Position
2005 - 2012	SCG Accounting Services Co., Ltd.	Managing Director
2015 - Present	NokScoot Airlines Co.,Ltd	Independent Director

Relevant Important Positions :

Years	Company	Position
2013 - Present	SG Capital Co.,Ltd.	Director

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Mr. Bibit Bijaisoradat

Chairman of Nomination and Remuneration Committee

Member of Audit Committee

Independent Director

Age : 56 Years

Nationality : Thai

Address : 1174 Rama IV Road, Klong Toey, Bangkok 10110

Company Shareholdings : None

Date of Appointment : 13 May 2009

Years of Directorship : 7 Years 11 Months

Meeting Attendance Year 2016 : 6/6

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
2	1. Independent Director, Audit Committee, Nominating & Remuneration, Thai Insurance PCL. 2. Director, Sammakorn PCL.	6	-

Other Working Experiences :

Years	Company	Position
2000 - Present	Mongkol Chaipattana Co. Ltd.	Managing Director
2000 - Present	H. M. Private Property Office	Assistant Manager
2000 - Present	H. M. Private Development Projects	Vice Director
2001 - Present	Suvarnachad Co., Ltd.	Director
2003 - Present	Ruam Thanu Thai Co., Ltd.	Director
2006 - Present	Pure Summakorn Development Co.Ltd.	Director

Relevant Important Positions :

Years	Company	Position
2012 - Present	SG Capital Co., Ltd	Director

Educations :

1983	Bachelor Degree, Political Science in International Relations, Chulalongkorn University
1985	MBA Business Administration, NIDA

Certifications :

	Director Certification Program (DCP)
	Audit Committee Program (ACP)
	Improving the Quality of Financial Reporting (QFR) Thai Institute of Directors (IOD)
	Succession & Effective Lead ship Development (CEO)

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2002 - Present	Thai Insurance PCL	Independent Director Audit Committee Nominating & Remuneration
2002 - Present	Sammakorn PCL	Director
2003 - 2015	RPCG PCL.	Director

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Mr. Preecha Prakobkit

Independent Director

Member of Audit Committee

Age : 68 Years

Nationality : Thai

Address : 335 Soi Ladprao 101, Khlong Chao Khun Sing, Wang Thong Lang, Bangkok 10310

Company Shareholdings : None

Date of Appointment : 8 August 2016

Years of Directorship : 8 Months

Meeting Attendance Year 2016 : 1/1

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
-	-	-	-

Educations :

1981	Bachelor Degree in Business Administration, Roosevelt University, USA
------	---

Certifications :

2006	Director Accreditation Program (DAP) The Thai Institute of Directors Association
2006	Audit Committee Program (ACP) The Thai Institute of Directors Association

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2012 - July 2012	JMT Network Services PCL.	Director, Member of Audit Committee
2005 - 2011	G Steel Public Company Limited	Member of Audit Committee

Other Working Experiences :

Years	Company	Position
2011 - 2014	Amway (Thailand) Ltd.	Advisor
1989 - 2011	Amway (Thailand) Ltd.	Managing Director

Relevant Important Positions :

Years	Company	Position
-	-	-

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Mr. Vichai Kulsomphob

Director

Age : 40 Years

Nationality : Thai

Address : 138/10 Nares Rd., Sipraya, Bangrak, Bangkok

Company Shareholdings : None

Date of Appointment : August 13, 2015

Years of Directorship : 8 months

Meeting Attendance Year 2016 : 5/6

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
2	1. Executive Director & First Executive Vice President Saha Pathana Inter-Holding Public Company Limited 2. Executive Director Thai Samsung Life Insurance Public Company Limited	28	-

Educations :

2010	Master of Advanced Business Practices, University of South Australia
2001	Master of Marketing (English Program) Thammasat University
2001	Master of International Business (Exchange Program), Norwegian School of Economics and Business Administration, Norway
1998	Bachelor of Business Administration, Chulalongkorn University

Certifications :

2015	Bhumipalung Phandin Program (BPP 4) for senior executive level program, Chulalongkorn University
2011	OIC Advanced Insurance Institute, Office of Insurance Commission
2013	Institute of Business and Industrial Development for top executive (IBID 1)
2006	Executive Leadership Program, Wharton Business School, University of Pennsylvania
2005	Director Certification Program (DCP 61/2005), Thai Institute of Directors Association
2006	Company Secretary Program (CSP 18/2006), Thai Institute of Directors Association

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2012-Present	Saha Pathana Inter-Holding Public Company Limited	Executive Director & First Executive Vice President
2013-Present	Thai Samsung Life Insurance Public Company Limited	Executive Director

Other Working Experiences :

Years	Company	Position
2013-Present	Thai Samsung Electronics Co., Ltd.	Director
2014-Present	BNC Real Estate Co., Ltd.	Managing Director
2013-Present	Boon Capital Holding Co., Ltd.	Managing Director
2014-Present	Saha Tokyu Corporation Co., Ltd.	Executive Director
2014-Present	Sahapat Properties Co., Ltd.	Director
2013-Present	Pan Land Co., Ltd.	Director
2013-Present	Park Capital Holding Co., Ltd.	Director
2013-Present	SSI Holding Co., Ltd.	Director
2013-Present	I.D.F. Co., Ltd.	Director
2013-Present	Thai Sun Food Co., Ltd.	Director
2014-Present	Carbon Magic (Thailand) Co., Ltd.	Director
2013-Present	Saha Sehwa Co., Ltd.	Director
2014-Present	Thai Arai Co., Ltd.	Director
2014-Jan 2015	Thai Kayama Co., Ltd.	Director

Relevant Important Positions :

Years	Company	Position
February 2016 - Present	SG Capital Co., Ltd.	Director

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Mr. Piya Pong-acha

Director

Age : 46 Years

Nationality : Thai

Address : 325/7 Jaymart Building, 4-6th Fl., Ramkhamhaeng Road, Sapansoong, Bangkok 10240, Thailand

Company Shareholdings : None

Date of Appointment : 12 May 2016

Years of Directorship : 11 Months

Meeting Attendance Year 2016 : 3/3

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
1	Director/Executive Director/CEO JMT Network Services PCL.	3	-

Educations :

1994	Bachelor Degree in Business Administration Kasem Bundit University
------	---

Certifications :

2011	Director Accreditation Program (DAP) The Thai Institute of Directors Association
------	---

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2012 - Present	JMT Network Services PCL.	Director/Executive Director/CEO
1998 - 2012	JMT Network Services PCL.	Marketing Director

Other Working Experiences :

Years	Company	Position
2013 - Present	J Asset Company Limited	Director
2013 - Present	J Insurance Broker Co., Ltd.	Director
2011 - Present	JMT Plus Company Limited.	Director

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board Of Directors



Mr. Kittipong Kanokvilairat

Director

Chief Marketing Officer

Age : 43 Years

Nationality : Thai

Address : 220/205 Saransiri Ramindra 2, Panya Indra Rd., Bangchan, Klongsamwa, Bangkok 10510

Company Shareholdings : None

Date of Appointment : 1 May 2016

Years of Directorship : 11 Months

Meeting Attendance Year 2016 : 1/1

Other present position in other Company :

Listed Company		None listed Company	Other company (competitive or similar company)
Total	Type of director	Total	Total
-	-	-	-

Educations :

1991 - 1994	Bachelor Degree, Assumption University
-------------	--

Certifications :

-

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2015	Crown Tech Advance Public Co., Ltd.	Chief Commercial Officer
2002 - 2011	Jaymart Public Co., Ltd.	Chief Marketing Officer

Other Working Experiences :

Years	Company	Position
2012 - 2014	Brightstar (Thailand) Ltd.	General Manager
1996 - 2002	Motorola (Thailand) Ltd.	Account Manager
1995 - 1996	NEC (Thailand) Co., Ltd.	Marketing Executive

Relevant Important Positions :

Years	Company	Position
2016	SG Capital Co.,Ltd.	Director

Relation among Family with other Directors and Executives : None

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Management

Management of Singer Thailand Public Company Limited

1.



Mrs. Nonglak Laksanapokin
Chief Executive Officer

2.



Mr. Kittipong Kanokvilairat
Chief Marketing Officer

3.



Ms. Chanthornjira Kongtongsmut
Chief Operating Officer

4.



Ms. Rapeepan Kantayaporn
Chief Information Officer

Management of SG Capital CO., LTD.

1.



Mr. Pirak Loungsompitak
Chief Credit Asset Officer

Management

Singer Thailand Public Company Limited

Ms. Chanthornjira Kongtongmut

Age : 50 Years

Position : Chief Operating Officer

Company Secretary IR & Public Communication

Company Shareholdings : 1,840 Shares 0.0007%

Educations :

- Bachelor of Business Economics
The Thai Chamber of Commerce University
- Special Courses Faculty of law
Chulalongkorn University
“Law and Regulations for the Secretary of Company”

Certifications : Help by the Thai Listed Companies Association as follow;

1. Corporate Secretary Development Program (class2)
2. Fundamental Practice for Corporate Secretary (class22)
3. Fundamental of Law for Corporate Secretaries

Work Experiences in other Companies :

Years	Listed Company	Position
2016 - Present	Singer Thailand Pcl.	Chief Operating Officer
2008 - Present	Singer Thailand Pcl.	Company Secretary & IR & Public - Communication Manager
2007 - 2008	Singer Thailand Pcl.	IR & Public Communication Manager
2004 - 2007	DE Capital Public Company Limited	Investor Relation Director and HR & Admin Manager
1993 - 2004	Singer Thailand Pcl.	Investor Relation Manager & Secretary of Audit Committee
1992 - 1993	Singer Thailand Pcl.	Investor Relation officer

Relation among Family with other Directors and Executives : N/A

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Miss Rapeepan Kantayaporn

Age : 56 Years

Position : Chief Information Officer

Company Shareholdings : None

Educations :

- Master Degree in Business Management, Rangsit University
- Mini Software Engineering, Kasetsart University
- Bachelor Degree in Science, Prince of Songkla University

Certifications :

-

Work Experiences in other Companies :

Years	Listed Company	Position
2016 - Present	Singer Thailand Pcl.	Chief Information Officer
2013 - Present	CPS Consulting Co., Ltd.	Project Director
2011 - 2013	V-Smart Co., LTD.	Project Director
2005 - 2010	Innova Software Co., Ltd.	Project Manager
2003 - 2004	e-Discover Co., Ltd.	Project Manager
1995 - 2003	Semiconductor Venture International (Public) Co., Ltd.	Senior Manager of IT division
1987 - 1994	B Grimm Engineering (Public) Co., Ltd.	Senior System Analyze
1986 - 1987	Loxley Ltd.	Senior Programmer
1983 - 1986	Niyompanich Co., Ltd., Chiangmai	Head of EDP

Relation among Family with other Directors and Executives : N/A

Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Management

Singer Thailand Public Company Limited

Mr. Narongdej Ketsongkram

Age : 44 Years

Position : Internal Audit Manager

Company Shareholdings : None

Educations :

Bachelor's Degree General Management (Accounting)
Rajabhat Uttaradit University

Certifications :

-

Work Experiences in other Companies :

Years	listed Company	Position
Present	Singer Thailand PCL.	Internal Audit Manager
2012 - Present	Singer Thailand PCL.	Chairman of the Audit Cooperative, Employees Singer Limited.
2012 - 2013	Singer Thailand PCL.	Internal Audit Assistant Manager
2010 - 2011	Singer Thailand PCL.	Section Head
2009	Singer Thailand PCL.	Unit Head of Internal Audit
1995 - 2008	Singer Thailand PCL.	Officer of Internal Audit
2538	Purimas Beach Hotel & Spa, Rayong, Thailand	Night Audit

Relation among Family with other Directors and Executives : N/A
Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

SG Capital CO., LTD.

Mr. Pirak Lounsompitak

Age : 49 Years

Position : Chief Credit Asset Officer

SG Capital CO., LTD.

Company Shareholdings : None

Educations :

1990 Bachelor in Business Administration major Money and Banking from Ramkhamhang University, Thailand.
1994 Master of Science in Adult and Continuing Education Specialty in Administration and Supervision from Coppin state collage USA.

Certifications :

-

Work Experiences in other Listed Companies :

Years	listed Company	Position
2003	Easy Buy Public Company Limited	Regional Manager

Other Working Experiences :

Years	Company	Position
2017 - Present	Singer Thailand PCL.	Chief Credit Asset Officer
2016	Yanmar capital Thailand Co.,Ltd	GM-Administration
2013	Ngerntidlor Co., Ltd.	SM-Marketing & BD
2008	Suzuki Leasing International Thailand Co., Ltd	M-Sale & Marketing
2005	Capital OK Co., Ltd.	Regional Manager - Risk Management Northeastern Region
1998	Brunswick Siam Co. Ltd.	Center Manager
1995	Siam City Bank Pecthบุรี Office (Head Office)	Account officer

Relation among Family with other Directors and Executives : N/A
Not having any, direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries.

Board of Directors and Management

Singer Thailand Public Company Limited

Board of Directors

Mr. Adisak Sukumvitaya	Chairman of the Board
Mrs. Nonglak Laksanapokin	Chief Executive Officer
Mr. Lucksananoi Punkrasamee	Independent Director
Mr. Bibit Bijaisoradat	Independent Director
Mr. Preecha Prakobkit	Independent Director
Mr. Vichai Kulsomphob	Director
Mr. Piya Pongacha	Director
Mr. Kittipong Kanokvilairat	Director

Audit Committee

Mr. Lucksananoi Punkrasamee	Chairman of Audit Committee
Mr. Bibit Bijaisoradat	Member of Audit Committee
Mr. Preecha Prakobkit	Member of Audit Committee

Nomination and Remuneration Committee

Mr. Bibit Bijaisoradat	Chairman of Nomination and Remuneration Committee
Mr. Adisak Sukumvitaya	Member of NRC
Mr. Lucksananoi Punkrasamee	Member of NRC

Executive Committee

Mr. Adisak Sukumvitaya	Chairman of Executive Committee
Mrs. Nonglak Laksanapokin	Vice Chairman of Executive Committee and Chief Executive Officer
Mr. Vichai Kulsomphob	Member
Mr. Piya Pongacha	Member
Miss. Supamas Kaikaew	Member
Mr. Kittipong Kanokvilairat	Member
Miss. Rapeepan Kantayaporn	Member
Miss. Chanthornjira Kongtongsmut	Secretary

Risk Management Committee

Mrs. Nonglak Laksanapokin	Chairman of Risk Management Committee
Mr. Kittipong Kanokvilairat	Member
Miss Rapeepan Kantayaporn	Member
Miss Chanthornjira Kongtongsmut	Member
Mr. Chalerm Charojana	Member

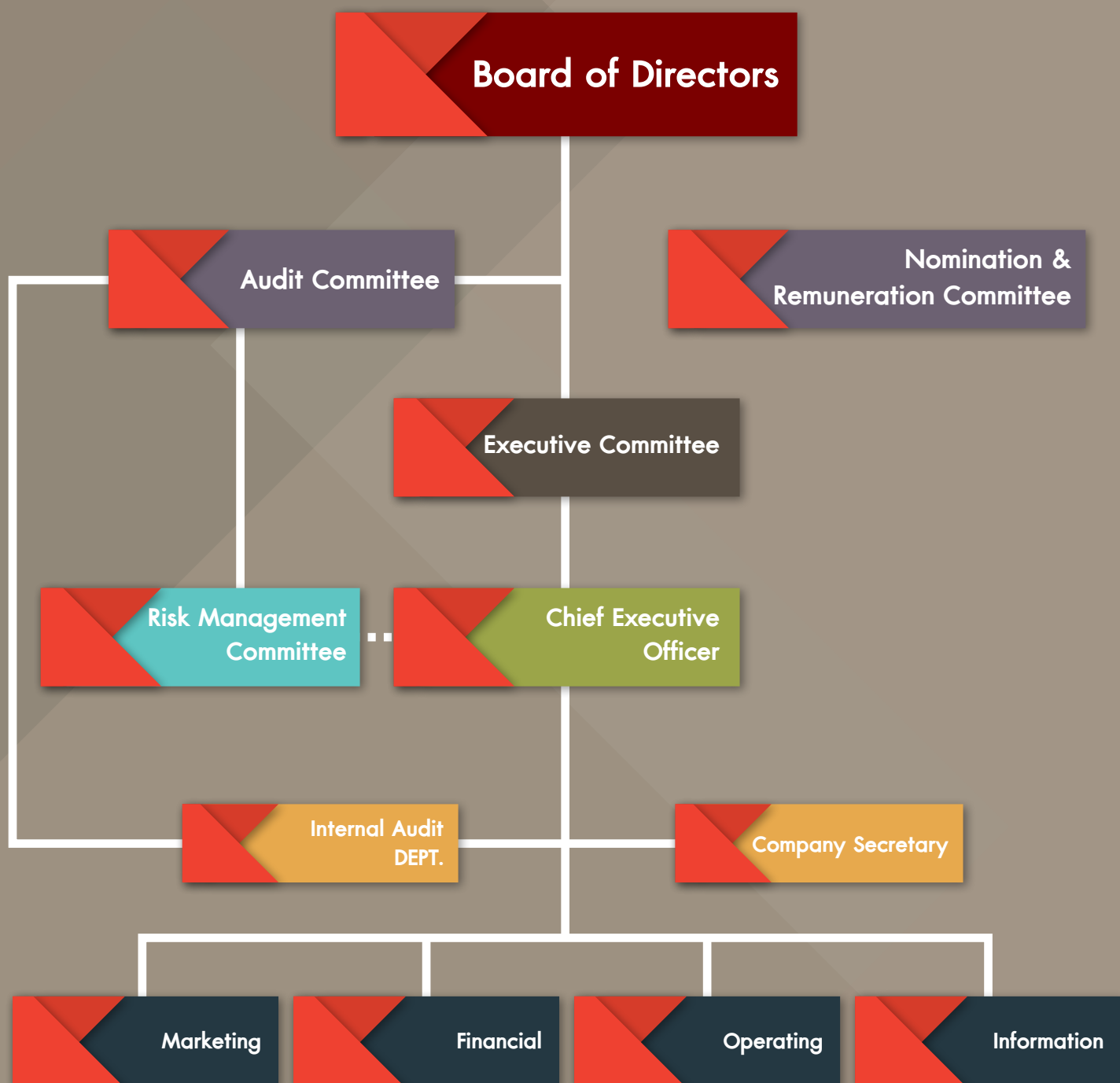
Management

Mrs. Nonglak Laksanapokin	Chief Executive Officer
Mr. Kittipong Kanokvilairat	Chief Marketing Officer
Ms. Chanthornjira Kongtongsmut	Chief Operating Officer
Ms. Rapeepan Kantayaporn	Chief Information Officer

SG Capital CO., LTD.

Mr. Pirak Loungsompitak	Chief Credit Asset Officer
-------------------------	----------------------------

Organization Chart



Company Profile and Information

Name

Singer Thailand Public Company Limited

Registration No: 0107537000050

Head Office

72 CAT Telecom Tower, 17th Floor., Charoen Krung Rd., Bangrak, Bangkok 10500

Telephone: 66-2-352-4777

Fax: 66-2-3524799

Call Center: 66-2-234-7171

Service Hotline: 668-1840-4555

Home Page: www.singerthai.co.th

Main Business:

- Distribution and Sales of home appliances. Sewing Machines, and commercial appliances and other products
- Hire Purchase - Installment Payments services
- After sales services, Maintenance or repairs of appliances

Financial Year / Accounting Period

January 1 to December 31

Legal Advisor

Chandler and Thong - Ek Law Offices Ltd.

20 Bubhajit Building, 7-9 Floor., North Sathorn Rd., Bangkok 10500, Thailand

External Auditor

KPMG Phoomchai Audit Ltd.

195 Empire Tower, 50-51 Floor., South Sathorn Rd., Bangkok 10120, Thailand

Registrar

Thailand Securities Depository Company Ltd.

62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Debentures Holder Representative

Registrar and Paying Agent

CIMB Thai Bank Public Company Limited

Registered Capital

Baht 270,000,000

(at 270,000,000 Ordinary Shares with a Par Value of Baht 1.00)

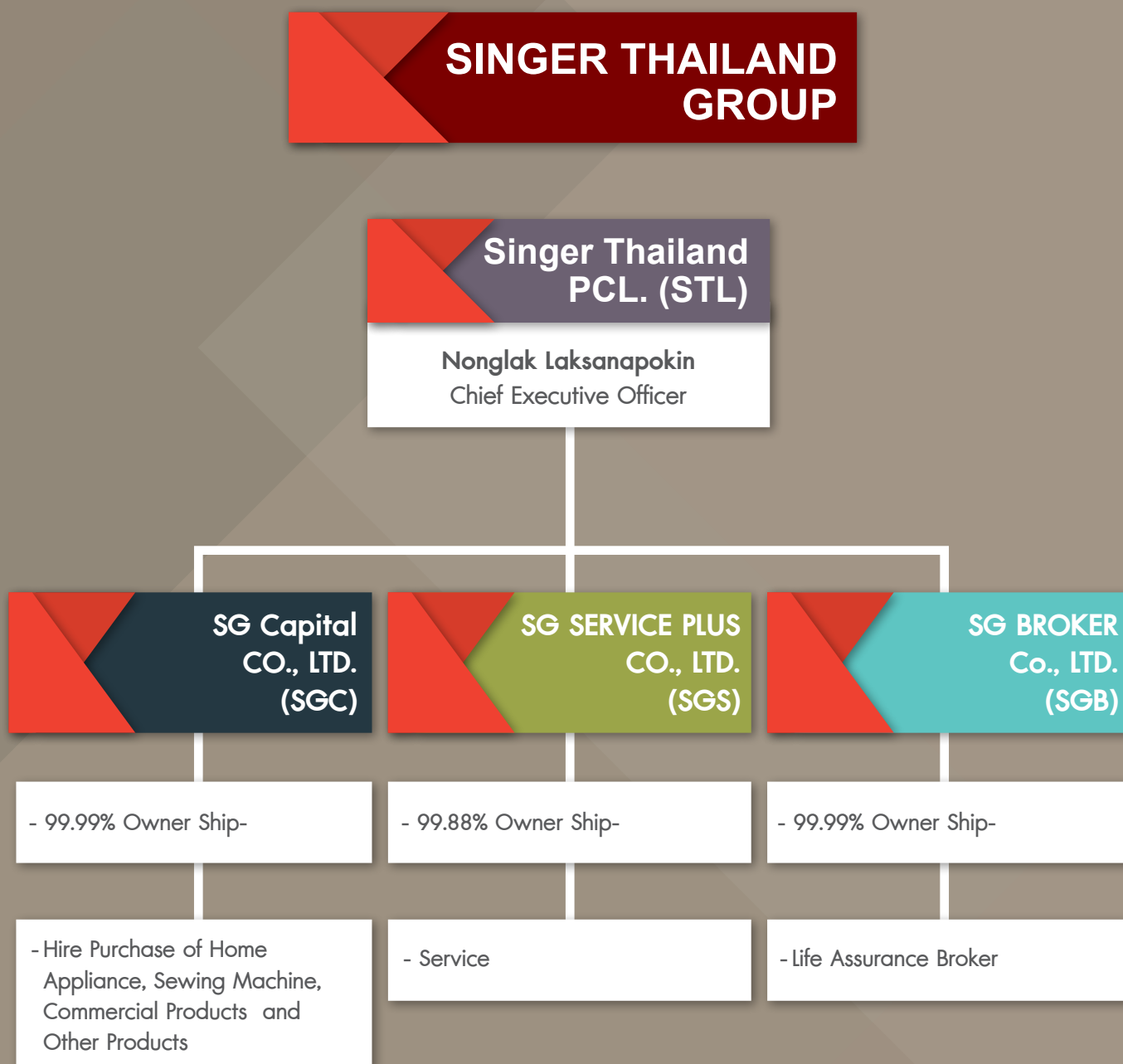
Paid-up Capital: Fully paid up at Baht 270,000,000

Date of Listing on the SET

June 28, 1984

Investors can access, for the purpose of reviewing and analysis, detailed information regarding the issue of new shares or securities by the Company in the Annual Statement of the Company (Form 56-1) posted on www.sec.or.th OR on the company's website at www.singerthai.co.th.

SINGER THAILAND GROUP



Investments in Subsidiary Companies

Company Name and Address	Capital		Percentage of Investment	Business
SG Capital Co., Ltd. 72 CAT Telecom Tower, 17 th Floor, Charoen Krung Road, Bangrak, Bangkok 10500 Tel : 0-2352 -4777 Fax : 0-2352-4799	Registered Capital	Baht 1,450,000,000	99.99%	Hire Purchase of Home Appliance, Sewing Machine, Commercial Products and Other Products
	Ordinary Shares	1,450,000 Shares		
	Paid-up Capital	Baht 1,450,000,000		
SG Service Plus Co., Ltd. 8 Moo 4. Samkok-Sena Road, Bangnomkho, Sena, Pranakhon Si Ayutthaya Tel. 0-3520-1702-5	Registered Capital	Baht 5,000,000	99.88%	Service
	Ordinary Shares	5,000 Shares		
	Paid-up Capital	Baht 5,000,000		
SG Broker Co., Ltd. 72 CAT Telecom Tower, 17 th Floor, Charoen Krung Road, Bangrak, Bangkok 10500 Tel : 0-2352 -4777 Fax : 0-2352-4799	Registered Capital	Baht 4,000,000	99.99%	Life Assurance Broker
	Ordinary Shares	40,000 Shares		
	Paid-up Capital	Baht 4,000,000		

Policies and Overview of the Business Operations of the Company

Singer Thailand Public Company Limited (the ‘Company’) is the distributor of various products under the “Singer” brand, such as: sewing machines and various types of home electrical appliances. Additionally, the Company also distributes appliances and products for commercial use, such as: refrigerators, coolers, agricultural equipments and tools, Airtime vending machines, Petrol vending machines, and slush machines; as well as a distributor of various brands of mobile telephone products and accessories. All these products offerings are aimed at meeting, in a comprehensive manner, the various and different needs of its customers that consist of household consumers and small business operators, that are sold through Company-owned branch retail sales outlets as well as through numerous sales agents/representatives of the Company. More than 80% of total sales are made on a hire purchase installment basis; whereby the Company offers consumer/end user financing through SG Capital Co., Ltd., a Subsidiary Company in which the Company has a 99.99% equity shareholding.

Business Operating Strategies

The Company has adjusted its strategy and business model from previously being fully focused on the core household consumers/customers segment to being more focused on small business customers, through emphasizing sales of commercial products and appliances that are used for generating revenues for small business operators. This is in order to reduce the risks on being solely dependent on the household customers group.

The Company has also targeted on capturing more small retail shops operators (or ‘show huay’) as its customers; whereby these small retailers, totaling several hundreds of thousands throughout Thailand, are located in all the small towns and rural villages throughout the country with as much as 10 - 20 total in every small town or village. These small retailers are the new target customers for the Company with the aim of facilitating and help raise the overall level of their business activities as well as potential competitive capabilities.

Significant changes and developments to the Company

In 1892, Singer Sewing Company of the USA appointed Kim Hua Heng Co., Ltd as the local dealer/distributor for its sewing machines in Thailand. Later on in 1905, the Singer Sewing Company itself establish a branch operations in Thailand, under the name of Singer Sewing Machine Co., Ltd. , with the aim of distributing its sewing machines together with accessory products associated with sewing machines that were imported from overseas. The Company also started to introduce the concept of hire purchase installment sales of its products for the first time in 1925; whereby this service concept became the recognized business model for Singer both in Thailand and overseas in many Asian countries. From that time onwards and for more than 50 years thereafter the Company sold and distributed only its sewing machines. Then in 1957 the Company also began to other home electrical appliances, starting with refrigerators. Thereafter, on 24 November, 1969, “Singer Thailand Co., Ltd.” was established and registered under the laws of Thailand to take over the operations of the existing Singer Sewing Machine Co., Ltd., which ceased to operate its business activities, with an initial total registered capital of Baht 60.0 million that was then increased to the current total registered capital of Baht 270.0 Million; whereby the Singer Thailand Co., Ltd. was approved to be listed on the Stock Exchange of Thailand (SET) on 4 January, 1994 as a public listed company and changed its name to be” Singer Thailand Public Company Limited”.

From the original beginning of its business activities in Thailand and up to the present, the Company conducted and operated its businesses in an honest manner and with integrity together with being responsible towards society as a whole, as well as actively participated in the development of the Thailand’s economy; whereby, 24 May, 2004 was an auspicious day for the Company in that His Majesty the King graciously bestowed the “Royal Garuda Insignia” upon the Singer Thailand Public Company Limited, which is considered to be a great honor and sign of good fortune in the history of the Company as well as for all its Staff.

Important milestones for the Company during the past 5 years are as follows:

- In 2009, the Company focused on implementing a ‘pre-approval’ credit system, through the approval process of its Credit Center Officers, which resulted in a decrease in total sales of approximately more than 20% compared to the previous year. But the Company is committed to continue using this system in order to achieve overall improved quality for its hire purchase installment accounts
- In 2011, the Company started to significantly expand its business into the commercial customers segment, especially those small retail business operators located in key provinces. It resulted in a clearly apparent increase in total sales from this newly targeted customers segment, especially for sales of refrigerators/beverage coolers, freezers, and online mobile airtime vending machines.
- In 2011, the Company received the “SET Awards 2011” for listed companies” in the “Best Investor Relations Award” category from the SET.
- In 2012, the Company achieved a total sales revenue mix of 60% for household consumers/ customers and 40% for commercial/small business customers, especially with sales of refrigerators/beverage coolers being the leading products followed by washing machines and air conditioners. The Company is still committed to further developing and growing the commercial/small business operators segment.
- In 2012, the Company established, on 27 June 2102, the Singer Leasing (Thailand) Co., Ltd., with a registered and fully paid up capital of Baht 850 million that took over and operated the consumer finance business and hire purchase services; whereby all the existing portfolio of hire purchase customer accounts were transferred from Singer Thailand Pcl.
- In 2012, the Company changed and registered (on 7 September 2012) the name of the Singer Industry Co., Ltd. to be Singer Service Plus Co., Ltd., with a registered capital of Baht 5.0 million, with the core business of providing quality after sales services together with on-site repairs and maintenance services of all brands of electrical appliances and various other products at the consumer’s homes.
- In 2012, the Company again received, from the SET, the “SET Awards 2012” for listed companies in the “Best Investor Relations Award” category for the second consecutive year,
- In 2013, at the annual SET Awards event, the Company received, from the SET, the “Outstanding Investor Relations Award” yet again for the third consecutive year.
- On 19 December 2013, Singer Leasing (Thailand) Co., Ltd. increased its registered and paid up capital to Baht 1,450 million , with the Singer Thailand Pcl. having a 99.99% equity holding.
- In 2015, the majority Shareholder of the Company was Singer (Thailand) BV. (with an equity Shareholding of 40.0%), a legal entity registered in the Netherlands, during the year up to 4 June 2015. Then on 5 June, 2015 Singer (Thailand) BV. sold all its shares and Jaymart Pcl., a legal entity registered in Thailand, purchased 24.99% of the Company’s shares, which resulted in it now becoming the major Shareholder of the Company.
- On 18 December, 2015 Singer (Broker) Co., Ltd. effected a capital increase; whereby its current total registered and paid up capital is now Baht 4.0 million (with a total of 40,000 ordinary common shares at a par value of Baht 100.00 per share); whereby Singer Thailand Pcl. has a 99.99% equity shareholding.
- On 25 July, 2016 the Company changed and registered the name of 3 Subsidiary Companies are as follow;
 - Singer Leasing (Thailand) Co., Ltd. to be SG Capital Co., Ltd.

- Singer Service Plus Co.,Ltd. To be SG Service Plus Co., Ltd.
- Singer (Broker) Co., Ltd. To be SG Broker Co., Ltd.
- In 2016, The Company recieved the “Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the fifth.

Subsidiary Companies

● SG Capital Co., Ltd. (SGC)

Based on the longstanding and extensive business history of Singer; whereby one of its core experiences and business strengths of the Company is its expertise in the hire purchase activities. Therefore, the Management recognized this strength and competitive advantage; and on 27 June, 2012 the Company decided to establish Singer Leasing (Thailand) Co., Ltd., (SLL) in which Singer Thailand Pcl., is a majority shareholder. Currently, SLL has a registered and fully paid up capital of Baht 1,450 million, with its registered offices being located at the CAT Telecom Tower, Flr.17, 72 Charoenkrung road, Bangrak, Bangkok 10500. To date, SLL has received the transfer of all hire purchase installments accounts and has taken over the overall consumer financing hire purchase services from Singer Thailand Pcl., upon receiving formal approval from the EGM of Singer Thailand Pcl., on 26 November 2012. SLL is authorized to offer consumer financing hire purchase services for all electrical appliances and products sold under the SINGER brand name, as well as to expand its financing services business that include any other brands of electrical appliance and products sold to both customers of Singer Thailand together with outside customers, and to provide other credit and financing services that will facilitate its growth on a sustainable basis.

As such, to facilitate the Company in screening and selecting only quality credit customers and in implementing effective credit quality controls measures, Singer Leasing (Thailand) Co., Ltd. became a member of the National Credit Bureau Co., Ltd. data network on 23 January 2013, so that SLL is able to access and check the credit background of both all consumers and juristic persons. On 25 July, 2016 The Board of Directors of the Company resolved to change and register the name of Singer Leasing (Thailand) Co., Ltd. to be SG Capital Co., Ltd., whereby changed only the name of the juristic person.

Business model of SG Capital Co., Ltd.

Providing credit and financing services, on a hire purchase installment payment basis, through the sales network of Singer Thailand Pcl, for the purchase of home appliances by general consumers and of commercial appliances by small retail business operators.

New Project

SG Capital Co., Ltd. has a policy to expand its consumer finance services, through focusing on and targeting purchases of commercial appliances under the SINGER brand name by small retail business operators. The Company also aims to offer credit and financing services for the purchase of various appliances and products under other brand names, in order to meet the needs of both Singer’s own customer base and general customers wishing to purchase both Singer branded and non-Singer branded products for commercial use in their small businesses - such as, refrigerators/freezers, beverage coolers, coin-operated mobile phone airtime vending machines, and Petrol vending machines.

Additionally, the Company is also interested to expand its consumer hire purchase services for some selected and types of products that are not practical and possible to implement under a normal hire purchase agreement that allows for repossession in the event of a default in payments; whereby this specific activity is under study and detailed assessment as to its feasibility.

Since 2016 the Company has also studied the business of cash advance services, especially all type auto-for-cash loan provision, and plan to launch this new business in the first quarter of 2017 under the project named “Rod Tum Ngern” (Making Money by Auto), by offering the services through the Singer sales representatives, and sales network channel over 177 shop branches located throughout Thailand.

On focus to cost saving for total collecting cost and the reduction of the employee's fraud, the Company has implemented the collection called "Direct Payment System: DPS" from using sales force to collect the money at the customers' houses to have customers pay directly to the company via banks, counter service, post office, etc. Meanwhile, the Company has managed penalty and administrative charge for both old and new hire-purchase contracts, and ensure that the new accounts created from new sales revenue remains good quality accounts, if there is any suspicious incident happened, it will be detected promptly. Strict credit controls and monitoring of red delinquent accounts in each product category have been put in place and closely monitored.

Competitive Strategy

The objective of establishing of the SG Capital Co., Ltd. is to focus on the Group's core business in providing consumer credit and financing services as well as to enhance the Group's capability and competitiveness, through reducing the restrictions on Singer Thailand Pcl., as a public listed company, in being able to offer hire purchase financing services. The core business strategies of the SG Capital Co., Ltd. are as follows:

1. Supporting the credit and financing services for the purchase of SINGER branded appliances/products
2. At a later point, expand the provision of credit and financing services to include other brands of appliances/products.
3. Manage and maintain customers' installment loans accounts within the established quality standards, in order to achieve minimal account receivables losses.
4. Implement credit approval procedures that are both convenient and speedy. The Company has established a 'Credit Approval Center', responsible for checking, reviewing and assessing the credit worthiness of loan applicants prior to approving the hire purchase sale, through use of the National Credit Bureau Co., Ltd. data network as well as by using the field Account Checker to directly check the financial standing and background of the customer. Additionally, a filed debt collections team has been established to speedily solve any problems relating to loans delinquencies or defaults.
5. Manage the quality of its internal operations in regards to the knowledge and abilities of its Staff in carrying out their duties; and develop the potential skills and capabilities of its Staff at all levels, in order to improve both their effectiveness and efficiency as well as to facilitate the Company to save costs and achieve increased profits.

● SG Service Plus Co., Ltd. (SGS)

The Singer Service Plus Co., Ltd. (SSPL) was a registered and paid up capital of Baht 5.0 million its registered offices at 8 Moo 4 Samkok-Sena road, Bang Nom Kho, Sena, Pranakhon Si Ayudhaya, focuses on providing after-sales services - ranging from the installation, maintenance, and repairs of all types as well as all brands of appliances. SSPL, as the authorized sales distributor of Singer Thailand Pcl., also sells and distributes spare parts and related component parts. The core objective of SSPL is to be a leading after-sales services provider and acting like its customer's 'home repair technician'. On 25 July, 2016 The Board of Directors of the Company resolved to change and register the name of Singer Service Plus Co., Ltd. to be SG Service Plus Co., Ltd. (SGS), whereby changed only the name of the juristic person.

In 2016, SGS conducted its operations on a proactive basis with an emphasis on offering fast services through investing in new repairs service software that enabled tracking the actual progress and status of services in real time, together with a supporting bar-code based application with regards to sales of services and associate spare parts that facilitated monitoring of the services. SGS also expanded its services offerings to include major projects that included bidding for Government projects, and various hotels and resorts projects together with manufacturing plants projects, as well as sales of spares and component parts for all types and brands of electrical appliances or equipment

With regard to human resources developing, the Company has developed its service technicians to be skilled labor through holding Level 1 building electrician course and also Level a small apartment electrician course, so as to be in accordance with required legal requirements specified by the Ministry of Labor. Furthermore, continuous training for new products were undertaken, together with the continuing development of a new generation of service technicians to replace the older technicians through the Company implement a bilateral MOU agreement of cooperation for the education and training of people with various vocational schools in the South, Northeast and Northern regions of the country.

Through the established services Hotline (0-818-404-555) for its nationwide services coordination centre covering all areas and provinces in Thailand, a total of 201 qualified service technicians, who are located at more than 200 Singer Thailand's branch outlets of Singer, are available to support SGS' services offerings throughout the country in a full comprehensive manner.

● **SG Broker Co., Ltd.**

This company presently operates a products brokerage service life insurance products sales agents for an major insurance company - namely: Thai Life Insurance Pcl.; whereby only those Singer Thailand Pcl's sales agents/representatives who are trained and certified are able to sell these life insurance products to their customers.

SG Broker Co., Ltd. effected a capital increase on 18 December, 2015; and currently has a registered and paid up capital of Baht 4 million (with a total of 40,000 shares at a par value of Baht 100.00 per share), whereby Singer Thailand Pcl. has a 99.9% equity shareholding, and on 25 July, 2016 The Board of Directors of the Company resolved to change and register the name of Singer (Broker) Co., Ltd. to be SG Broker Co., Ltd. (SGB), whereby changed only the name of the juristic person.

Relationships between the Singer Thailand group and the majority Shareholding group

Singer Thailand Pcl., and the Companies within the Group has cooperate in conducting business with Jaymart Pcl., and its Group of Companies, that is now a direct major Shareholder of the Company. The Company has undertaken various business operations with Jaymart Pcl., as necessary and appropriate within the framework as specified by the Company's Board of Directors - such as: selling mobile telephone products and accessories that are purchased through Jaymart Pcl., at the best possible prices from manufacturers of the best quality and brands. This sales activities of mobile telephone products is aimed at enabling the Company to expand its customers base as well as to increase its overall sales revenues on a continuing basis, as well as enhance the creditability for the products offerings of the Company. Additionally, the Company has outsourced some debt collections activities to J.M.T Service Pcl., under an agreement to provide debt collections and follow-up services for specific categories/groups of debtors as agreed; whereby the Company is required to pay debt collections services fees as specified in the outsourcing services agreement that is valid for 1 year effective as of 29 September, 2015.

Business Operation of the Company

Singer Thailand Public Company Limited is the distributor of electrical products and appliances under the 'SINGER' brand, such as: sewing machines and various electrical home appliances. Additionally, the Company distributes various appliances for commercial use, such as: beverage coolers/refrigerators, agricultural equipments and tools, Airtime vending machines, Petrol vending machines and slush machines. These products and appliances are aimed at meeting the needs of household consumers and also small business/commercial operators.

Direct sales of these products and appliances, on a hire purchase installments basis, are made through the network of over 10,000 Singer sales representatives, who are dispersed over more than 177 branch outlets located throughout Thailand; whereby this means that the Company has a sales network covering all provinces in Thailand to distribute its sewing machines, household electrical appliances, and also various appliances for commercial use.

SINGER products and appliances can be divided into 2 major categories as follows:

Home electrical appliances

- Sewing machines and accessories (ie: sewing machines, sewing needles, general lubricating oil (in drip and spray applications) and scissors;
- Home appliances: refrigerators, washing machines, gas stoves, and air conditioners;
- Audio and Video products: Flat screen LED TVs, satellite dishes, digital set-top boxes, and home theatre systems.

Commercial Appliances

- Coolers: freezers, beverage coolers, wine cooler cabinets, ice cream freezers, bakery freezers and slush machines;
- Vending machines: Airtime vending machines, Petrol vending machines, Drinking water vending machines, tire air-filling machines, and vending machines for various other consumer products
- Agricultural equipments: water pumps, portable fertilizer spraying machines and rice milling machine.

In the last half of 2015, the Company underwent a major change in its shareholding structure, whereby a former majority Shareholder group, SINGER (Thailand) B.V., with a 40% equity shareholding sold all of its shares. Thereafter, Jaymart Pcl., a Thailand legal entity, became the new majority shareholder with a 24.99% equity shareholding. In 2016, the Company has sold mobile phone products through the Company's distribution channel, in form of direct sales through Singer shop and Singer sales network whereby the Company changed its products sales and distribution procedures as well as its collections processes, corresponding to and in support of the required the distribution of mobile phones and accessories products, that were different from the procedures used in selling home appliances which was previously the core business of the Company

Additionally, the Company also benefits from the debt collection services business of the associated JMT Network Services Pcl., in the managing and servicing the Company's late paying hire-purchase customers accounts.

This major change in the Company's shareholding and business structure is a key turning point for Singer's overall operations in Thailand; whereby it is a combining of the strengths of the new majority Shareholder group together with those of the Company, so as to effectively facilitate and support future business growth.

Therefore, the distribution of the Company's products from the last half of 2015 onwards has changed dramatically from distributing and selling mainly 'Singer' branded products and appliances, in cash as well as on a hire purchase basis, to now being 2 core business groups - namely: household electrical appliances and commercial appliances, together with various other additional branded products brands - such as, Samsung, OPPO, Huawei, Vivo and smart/mobile phone and associated accessories.

The Company offers hire purchase credit installment sales through SG Capital Co., Ltd., a Subsidiary Company, in which Singer Thailand Pcl., has a 99.99% equity holding; whereby the direct sales activities are made through the Singer branch/outlets network, sales staff and sales representatives, and authorized dealers located throughout Thailand. The majority of products and appliances distributed and sold by Singer Thailand are outsourced for production, on an 'Original Equipment Manufacturer (OEM)' basis, mostly by quality local manufacturers.

Revenues Structure of the Company (including interest income)

The overall sources of revenues, as shown below, are separated geographical areas as well as by types of products and appliances

(in Baht 000s')						
Vale of total sales in Thailand/Exports (by products/appliances category)	2016	%	2015	%	2014	%
Sales Revenues in Thailand:						
Washing Machines	208,645	9	364,211	11	390,774	11
Refrigerators	181,422	8	303,036	10	307,664	9
Freezer/Coolers	367,044	16	647,604	20	757,756	22
Television sets	196,763	9	329,100	10	348,507	10
Sewing Machines	118,080	5	98,768	3	102,750	3
Air Conditioners	382,597	17	487,323	15	343,359	10
Air time vending machines (ATVM)	251,867	11	405,912	13	556,480	16
Petrol Vending Machine	322,667	14	368,866	12	483,233	14
Mobile Phones	51,610	2	52,318	-	-	-
Sub Total	2,080,695	91	3,057,138	94	3,290,523	95
Other products sold	197,458	9	178,202	6	171,074	5
Total Export Sales	-	-	-	-	-	-
Total Sales & Interest Income	2,278,153	100	3,235,340	100	3,461,597	100

Increase//Decrease YoY - Total Revenues

2016	2015	2014
-29.59%	-6.54%	-4.49%

Note: The Company operates only one core business unit as well as only in Thailand; as such not other financial information is disclosed by separate or foe other business units

Revenues Structure of Subsidiary Companies

(in Baht 000s)						
Business Activity/Category	Operating under	% Equity shareholding by STL	2016	%	2015	%
<u>Income for Sales</u>						
Singer Thailand Pcl.(STL)	STL	100.00	1,674,823	65.8	2,493,910	73.5
<u>Income -Interests hire purchase installments</u>						
- SG Capital Co., Ltd. (SGC)	SGC	99.99	603,330	23.7	741,430	21.8
- Singer Thailand Pcl. (STL)	STL	100.00		0.0		0.0
<u>Income from services</u>						
- Singer Thailand Pcl. (STL)	STL	99.88	192,501	7.6	121,029	3.6
- SG Service Plus Co., Ltd. (SGS)	SGS	99.88	22,379	0.9	20,838	0.6
<u>Income from life insurance policies brokerage</u>						
- SG Broker Co., Ltd. (SGB)	SGB	99.99	233	0.0	216	0.0

(in Baht 000s)

Business Activity/Category	Operating under	% Equity shareholding by STL	2016	%	2015	%
Other income						
- Singer Thailand Pcl. (STL)	STL	100.00	34,449	1.3	13,282	0.4
- SG Capital Co., Ltd. (SGC)	SGC	99.99	17,131	0.7	3,257	0.1
- SG Service Plus Co., Ltd. (SGS)	SGS	99.88	391	0.0	566	0.0
- SG Broker Co., Ltd. (SGB)	SGB	99.99	393	0.0	30	0.0
Total			2,545,629	100.0	3,394,558	100.0

Market situation and Competitive environment

(a) Marketing Policies and Activities

Competitive Strategy

The Company deploys a strategy of direct selling on a hire purchase installment basis together with cash sales. As such, all hire purchase installment sales are undertaken through continuous strict regulations so as to minimize any possible losses as much as possible. All products and appliances sold by the Company are of good quality, that are on par with or even better than comparable products sold by other manufacturers, with selling prices, on a cash purchase basis, being the same or similar as other brands. The Company's customers base is mostly made up of provincial/rural households and residents; whereby the Company has 2 main sales systems, as follows:

1. Singer direct retail sales to consumers through the network of Singer sales staff and representatives, and
2. Wholesales through its net work of authorized dealers/distributors, including those that cover selected overseas markets - especially in neighboring countries, such as : Laos, Cambodia, and Myanmar, together with 'group sales' that focus on selling sewing machines and associated accessories, freezers, beverage coolers, wine cooler cabinets, and other small home electrical appliances.

With regard to the core product groups (such as: home electrical appliances, especially refrigerators and TVs) that already have a high rate of ownership or market penetration together with a low growth potential, the Company has implemented a 'used-products trade-in' strategy that covers all brands of such products. This is in order to increase both the market base and total sales revenues; whereby this strategy is also applicable for all brands of home electrical appliances (such as, washing machines and coolers/freezers). The Company has also developed new products and appliances to meet the needs of its various customer groups, as well as continuously improves the overall quality of its products.

Additionally, the Company has continually launched new products, with the objective of targeting and increasing overall market coverage to include more small business operators (such as: community 'showhuay' shops or retail outlets, food service outlets, and coffee shops, as well as apartments, student residences), by offering various commercial products and appliances (such as, Airtime vending machines, Petrol vending machines, and slush machines) that will help increase both the competitive capability and potential revenues of these small business operators.

At present, a total of more than 50,000 of the Company's mobile airtime vending machines are in use in the market; and, thus, the Company has set up a dedicated associated server system to service the sales of mobile airtime through these Singer airtime vending machine; whereby the Company is an agent for mobile air time sales for all main 3 mobile telephone operators - AIS, DTAC and Truemove, which has added another source of income to increase the overall revenues for the Company

Distribution/Sales Channels Strategy

The Company sells its products and appliances through its network of 177 own branch outlets, located throughout the country, together with its network of Company more than 10,000 sales representatives. The Company undertakes the training of its sales force, so that they have a solid understanding of all products and associated features; whereby this nationwide sales force network is a vital driving force in expanding the Company's market and customers base. The Company primarily makes use of its 'direct sales' channel, that accounts for over 95% of total sales, whereby approximately 90% of its sales are made on a hire purchase installment payment basis through the SG Capital Co., Ltd., a Subsidiary in which the Company has a 99.9% equity holding.

With regard to controlling the overall quality of the customer's hire purchase installments accounts, SG Capital Co., Ltd., carries out a thorough credit check of these customers as well as their eventual accounts - both at the pre-selling and post-sales processes. The Credit Control Office verifies and approves all hire purchase customers before the sale is made; whereby the credit approval process includes making use of the Company's own internal customers' database as well as checking with the database of the National Credit Bureau. While post-sale checking involves the Account Checker monitoring and reviewing the accuracy of the customer's hire purchase account details, so as to ensure whether or not the account corresponds exactly to the approve credit limits and conditions; or making actual visits to the customers' home. Currently, there are more than 100 Account Checkers responsible for reviewing all hire purchase customer accounts, through working under the direct control as well as being checked by the Credit Control Department.

(b) Industry Trends and Competitive Environment

Based on an assessment of the overall economic situation for 2017, it is expected that global economic growth will increased more than in 2016 while some uncertainties still remain. As such, the IMF projects an overall global economic growth of 3.4%YoY in 2017 (compared to 3.2% in 2016) (Source: IMF, World Economic Outlook, Oct 2016), due to the recovery of major emerging economies like India, China, and the ASEAN-5 countries that will achieve an average GDP growth of 6.3%YoY

For year 2017, the outlook for Thailand's economy is more positive in terms of overall GDP growth, due to the sustained increase in economic stimulus policies on the part of the Government, which increase in public sector investments that will then drive resultant increases in private sector investments; while household income, in the agricultural sector, will still remain low due to sustained flat global commodity prices, and average household debts still remaining high.

Hire purchase business for electrical products and appliances

This hire purchase services business in Thailand is divided into 2 major groups, with each having different customers base and characteristics; ie:

The first group consists of these major players: Ayudhaya Capital Services Pcl . (Krungsri First Choice) and AEON Thana Sinsap (Thailand) Pcl., with each offering consumer financing for various other products apart from electrical appliances (such as: telecoms products, office equipments, home furniture, motor cycles, and automobiles), where provide the hire purchase loan and purposed loan services at all their dealer shops.

The second group focuses mainly on durable products with a long lifecycle together with household electrical appliances; whereby, currently, only Singer Thailand Pcl. uses a direct sales and marketing approach for hire purchase installment sales through its own network of branch outlets as well as sales representatives and debt collectors.

Given that household electrical appliances (such as: TVs and refrigerators) already have high rate of ownership or market penetration, and, thereby, a low potential market growth, the Company's Management view that market growth can be achieved through implementing a 'replacement market' and associated 'trade-in' marketing strategies by offering that all types and brands of used home appliances can be traded-in for new SINGER brand products or appliances, together with a possible 'cash back'

payment of up to Baht 1,000 - 5,000 per appliance, as well as being able to purchase the new appliance on an easily affordable hire-purchase installment plan together with benefiting from the Singer Thailand quality after-sales services through its nationwide network of branch outlets. This approach is aimed at the Company being able to achieve increased sales of all the products and appliances that are sold and distributed by the Company.

Sewing Machines

Many manufactured consumer products used in everyday life (such as: shirts, blouses, trousers, skirts, dresses, bags, shoes, bed sheets, pillow cases etc.) all need sewing machines in their production process. Therefore, various types of sewing machines are widely used - for large scale manufacturing as well as for medium and small scale production together with general sewing machines for home use.

The sewing machines market consists of 2 segments: industrial sewing machines used to manufacture everyday consumer products on an industrial scale, and also well-known brands of sewing machines that are used for sewing clothes in the home (such as: Singer, Janoma, Elvira, Brother, and Juki) together with various low-end brands and inexpensive machines imported from China to compete in this market. Sewing machines are very durable appliances, with a considerably long life cycle depending on the proper usage and upkeep. Currently, there is a growing demand for sewing machines - especially those using new technology and modern applications, making them into a 'computerized' sewing machine that are more efficient and productive, and also modern and compact. These modern appliances can be used at home to make uniquely designed or handcrafted sewn products, as well as are popular and appropriate in the age of "Do it Yourself" trends.

Important Changes in the Competitive Environment

At present, there are many large banking companies, in Thailand, offering consumer finance services, as well as credit card companies (such as: American Express Thai Co., Ltd. (AMEX), General Card Services Co., Ltd., Krungsri Ayutthaya Pcl.(KCC), Krungthai Card Pcl., (KTC),and Citi Consumer Products Co., Ltd. (CitiBank card). While there are also 'non-bank' companies that include AEON Thana Sinsap (Thailand) Pcl. (AEONTS card), Krungsri Auyttaya Capital Services Co.Ltd. (Krungsri First Choice card or KFC), and Easy Buy Pcl., (Easy Buy card), which all focus on offering hire purchase installment services and personal loans, together with Singer Thailand Pcl (SINGER) that is focused on providing only hire purchase installment services of products and appliance for more than 127 years.

These non-bank companies can be divided into 2 groups, each with respectively different business models and marketing focus, such as AEONTS, EASY BUY and Krungsri First Choice, that focus on hire purchase installment services and personal loans for customers with good credit history and a monthly income of not less than Baht 4,000. While Singer Thailand targets grass root provincial customers, living in provinces and rural areas and mostly working within the agricultural sector. These companies sell directly to the end-consumers, and also combine the pre-sales and after sales services costs into the overall price charged to their customers.

Competition among these companies are based on deploying different business models; whereby the first group (ie: AEONTS, KFC and EASY BUY) compete on offering speedy credit approval and the interest rate charged. While companies in the second group, that target customers in the provinces with an agricultural-based livelihood, compete on establishing and building long term relationships with their customers living in local provincial communities through offering good pre-sales and after sales services. Moreover, such direct sales strategies must also keep in mind the ongoing needs of their customers through continually offering new services and products that exactly meet their customers' ongoing requirements

Sourcing Products and Appliances

After 2002, the Company changed from ordering its sewing machines from Singer Industry (Thailand) Co., Ltd. to outsourcing the manufacture of imported complete sewing machines from overseas manufacturers and suppliers, since importing complete sewing machines was less expensive than the total cost of local assembly from imported sewing machine component

kits. These complete products, purchased from overseas manufacturers, account for approximately 3% of the total value of the product range and revenues of the Company.

As for other electrical home appliances, the Company outsources from quality local manufacturers on an Original Equipment Manufacturer (OEM) basis, namely from the following local home appliances manufacturers and suppliers of SINGER branded home appliances products:

1. Haier Electronic Pcl. : refrigerators, washing machines and air conditioners
2. Panasonic Appliance Cold Chain (Thailand) Co., Ltd. : freezers, beverage coolers and wine cooler cabinets
3. Thai Samsung Electronics Co., Ltd. : air conditioners and washing machines
4. Sharp Thai Co., Ltd. : refrigerators
5. Changhong Electronics Co., Ltd. : LCD/LED TVs
6. Lucky Flame Co., Ltd. : gas stoves
7. ADT On-Line Co., Ltd. : online mobile airtime vending machines and coin-operated petrol vending machines
8. S Safe Oil Co., Ltd. : coin-operated petrol vending machines
9. Lucky Star Universal Co., Ltd. : beverage cooler cabinets
10. Antrurium Tech-Design Co., Ltd : online mobile airtime vending machines
11. Media Center Co., Ltd. : online mobile airtime vending machines

Additionally, apart from offering SINGER branded electrical products and appliances, the Company also collaborates with Jaymart Pcl in distributing and selling several brands and models of smart phone/mobile phone and accessories, with Samsung (Galaxy S6 and S6 Edge) being the core brand, which enable the Company to expand its customers base to include new customer groups.

Environmental Impacts

The Company fully recognizes the importance for the need to conserve energy usage as well as to protect the environment; and, therefore, has actively campaigned and promoted the use of ‘energy-efficient’ electrical products and appliances as one of its many corporate social responsibility related activities.

As such, the Company has continually developed new energy-efficient electrical products and appliances. As such, all electrical products or appliances distributed and sold by the Company are quality certified and carry the “No 5 electricity energy-efficient” emblem. Furthermore, all SINGER refrigerators have been developed to use cooling refrigerants that do not harm the environment or destroy the world’s ozone layer - namely, “NON CFC” and “C-Pentane” that have ‘0-level certification’ in regards to destroying the ozone layer.

Since the Company does not have its own products or appliances manufacturing facilities, it makes use of Original Equipment Manufacturers (OEM) that have quality production processes, as well as specifically avoids any manufacturers with low quality products. This is achieved through continually having a products quality assurance unit that checks, screens and selects those products that possess only the established required quality standards, as well as the Company only selects those OEM companies that give importance to environmental impacts and other associated issues as mentioned above.

The Company is fully committed to conducting its businesses based on good quality operating standards for the maximum benefit and interest of society together with those of the consumers on continuing basis.

Pending work still to be delivered

- none -

Risk Factors

Overview of the Company's Risk Management Activities

In recognizing various potential perceived risks factors that could have adverse impacts on the Company's businesses, the Company has determined principles and operating guidelines in managing such risks factors, together with various processes to review and make improvements to existing operating procedures on a continuous basis aimed at further enhancing its operating standards so as to be well-prepared in being able to effectively manage any other risks that may occur in the future. As such, a summary overview of the established principles and operating procedures relating to risk management together with the various perceived risk factors that could adversely impact the Company's business operations are given below:

● Risk Management Principles

The Company manages the perceived risks in a multi-dimensional manner: namely, managing risks relating to the hire purchase customers accounts; managing risks relating to the target markets; managing risks relating to financial liquidity; managing business operations-related risks; managing risks relating to human resources; together with managing various other risk factors - such as risks of natural disasters like floods, earthquakes, or tsunamis.

As such, the Company has determined and adheres to these key principles of risk management:

- **Joint responsibility and participation in managing risks by the various involved operating Business Units and Support Departments.** The Operating Business Units, where the risks could originate and occur, are directly responsible for managing those risks on a continuous basis, in order that the level of risks are minimized to be within the established acceptable levels considered appropriate when compared to the targeted financial gains or associated benefits. At the same time, the internal Support Departments, involved and responsible for giving support to the Operating Business Units to enable them to achieve their established targets, will be jointly responsible in effectively managing the business operational risks.
- **Management and control of risks by an autonomous working group,** through the establishment of a corporate Risk Management Unit (or Committee), that is separate, and independent reporting directly to the Audit Committee as well as various Risk Owner Teams, that, work together and are jointly responsible for independently controlling and providing credible opinions on the relevant risk factors and for ensuring that the associated risks are managed at the appropriately acceptable levels.
- **Having risk management policies that are clearly defined.** The Risk Management Committee is responsible for determining such policies within the established framework defined by the Company's Board of Directors.
- **Having a comprehensive effective management of all the various categories of risks that have been identified as being relevant to the Company's businesses operations** by taking into consideration, through a thorough risks assessment process, of all the various perceived relevant risk factors for the various businesses operations as well as those applicable internal risks that may occur throughout the organization.
- **Evaluating the achieved results of the Operating Business Units' risk management activities and reassessing of the relevant risk factors.** Each Operating Business Unit established its respective Risk Owners, who are responsible for reassessing the applicable risk factors for that Operating Business Unit, as well as for adjusting the required ongoing associated activities, as appropriate, to achieve ongoing effectiveness in managing the perceived risks subsequent to the previous risk assessment process and consequently defined risk management activities.

● Risk Management Procedures

In order to achieve fully effective and efficient management of all risks throughout the organization, the Company has determined various risk management procedures and associated processes as follows:

- **Identifying any involved or relevant risk factors** This is the process in assessing and identifying the relevant risk factors - in terms of the category/type of risks and the cause of those risks, together with the associated issues of those risks (both internal and external); as well as in assessing or considering the various risk factors currently being faced by the Company together with other potential risk factors that may occur in the future.
- **Assessing all identified risks factors** in a systematic manner that will enable the use of various appropriate risk assessment tools and procedures in an effective manner; whereby these procedures are required to be audited, reviewed and approved within an appropriate timeframe.
- **Monitoring and controlling risks** in a systematic manner, that involves reviewing and overseeing the various risk management activities and processes are in accordance with the agreed risk management policies, associated operating procedures and the scope of risks. This is to ensure that these activities fully comply to the established risk management policies and appropriate acceptable levels of risks, as approved by the Company's Board of Directors; whereby these monitoring and controlling activities are undertaken on a regular and continuous basis.
- **Reporting risk** that involves the process of reporting and updating information relating to the various categories and types of risk factors, whereby such information must be appropriate and adequate, in order to enable as well as achieve the maximum degree of effectiveness in the management of risks.

As such, so as to avoid any financial losses as well as to support and enable the various Operating Business Units to conduct their ongoing operations uninterrupted and on a continuous basis, these risk management best practices have been designed to be able to incorporate any possible and required future revisions or updates that are based on any ongoing changes in the overall business environment changes - both within a normal operating situation or in a crisis situation.

Overview of the Potential Risks Factors Relating to the Business Operations for the Company/Groups of Companies is as follows:

Risk factors relating to the target markets and sales activities

Risks factors relating to the target markets and sales activities means risks to the overall revenues, whereby the core revenues of the Company/Group is derived from the following 3 sources:

1. Revenues from sales of products are derived from sales of home electrical appliances, sewing machines, refrigerators, coolers, freezers, Airtime Vending Machines, Petrol vending machines and now also mobile phones devices. The markets for all these products are intensely competitive and rely on continuous innovative technological product development according to their respective product life cycle. However, since the Company is only a distributor/seller and not a manufacturer of such products, there is no risk in regards to technology that could directly affect the Company's business operations strategies. Furthermore, the Company has searched for and sourced from the OEM manufacturers and distributors, who are knowledgeable and capable in their manufacturing and services but do not have a viable sales channel or who wish to expand their products coverage for the whole country. As such, the Company can enable them to do so through inviting them to become our business partners, whereby the Company can then be able to always launch and sell new products that have been developed and improved on a continuing basis.

Moreover, the Company makes provisions for any products that are considered out-of-date or of impaired quality, so as to mitigate or reduce any possible associated risks that would impact the future financial results of the Company. The Company has also expanded its customer base to include mobile phone users who have a regular monthly salary, in order to reduce risks relating to the overall revenues stream as well as to the overall quality of the Company's customers base.

2. The interest income from the hire-purchase business is based on a fixed interest rate, as specified in the hire-purchase agreements that is in effect as at the date of executing the hire-purchase agreement. While the actual fund borrowings made by the Company has an interest rate (which is considered as an operating cost) that varies and is always changing according to the

current economic conditions or the social and political situation - both locally and globally; whereby this is considered as one of the key risk factors relating to the overall financial costs of the Company/Group of Companies. For this reason, the Company/Group has determined policies to effectively manage its borrowings from banks and other financial institutions or from issuing new debentures - for both the short term and long term - to have either fixed or variable interest rates, so as to be appropriate, in terms of value and timing, for the Company's hire-purchase business and associated customers.

3. With regard to the revenues derived from various services and the after-sale service activities - that have always been long-standing component of the overall Singer business operations as well as being a core 'strength' in facilitating consumers to decide buying Singer products - there are some associated risks. Such risks factors include risks in not being able to provide the required services in time or according to the customer's needs as a result of not having enough service technicians available, or from not having the required spare parts immediately on hand. These situations will result in the risk of our customers losing their confidence and they may then change their minds about buying Singer products and purchase other brands instead. For this reason, the Company decided to establish the SG Service Plus Co., Ltd., with direct responsibilities for undertaking the services and after sales services activities.

Risk factors relating to hire-purchase customers' accounts

The numerous hire-purchase customer accounts are considered as an important core and the heart of the Company's business operations, since more than 71% of the total sales are made on a hire-purchase basis. As such, the Company attaches great importance to minimizing the associated risks that may occur in regards to these hire - purchase accounts: namely, inability to collect the agreed payment installments, loans losses/write-offs, or any fraudulent activities relating to customer hire-purchase accounts. The Company has determined various measures to oversee these hire-purchase accounts in a strict manner - from the credit approval process relating to the consideration loan applicant's credit worthiness through using a Credit Scoring system close monitoring and regular assessments of the hire-purchase customers' accounts, and including taking any legal actions in the event of customers defaulting on loans repayments; all of activities are part of the credit control operating procedures and processes. In order to enable this hire-purchase operations to be more focused and managed more effectively, as well as to be undertaken in a more independent manner, in 2012 the Company decided to establish the SG Capital Co., Ltd. - based on the existing structure of the Credit Control and Development Department - which is a separate business unit from the previously combined products sales and collections operations and which facilitates in achieving a more convenient and speedier operations.

After checking the credit-worthiness of the loan applicant and before the sale is completed, all hire-purchase loans require a guarantor or a collateral to be submitted prior to receiving final approval from the Credit Control Officers. Although this has resulted in reduced total sales, the Company still continues to require such credit checking before a sale is completed, as well as has expanded the scope of the pre-sales credit checking procedures, in order to acquire new hire-purchase customer accounts that are of good credit quality. Additionally, improvements have been made to the hire-purchase customers' information database as well as to various credit sales controls processes. This is so that both the information database and processes are more accurate, comprehensive and effective, and to reduce the associated potential risks of losses from these hire-purchase accounts. Provisions for possible loan losses from these debtors are also been made, on a continuing basis, based on conservative projections; whereby a provision for doubtful debtors are made as soon as a hire-purchase sale is made in order to minimize the possible impact of any associated adverse risks to the Company's Financial Statements.

With regards to corporate governance, apart from being committed to conducting its businesses within the stated framework of 'Zero Tolerance' for any form of corruption since 2010 the Company has also extended its Employee Fidelity Insurance Policy every year, in order to reduce the potential losses from any internal acts of corruption or fraud; whereby in 2016 the Company will increase the total value of this Employee Fidelity Insurance coverage so as to be more appropriate to the increased and new Staff positions.

Risk factors relating to manufacturing activities

The majority of the products sold by the Company come from OEM (Original Equipment Manufacturer) business partners, primarily relying on their manufacturing experiences, expertise and knowhow; whereby the Company has established business relations with several OEM companies simultaneously rather than relying only one particular supplier. This is to ensure that there is no monopoly being gained by any one OEM company as well as to increase the overall bargaining power of the Company in sourcing its products and to achieve an appropriate overall costs of goods sold for its businesses.

Financial risk factors

The business operations of the Company requires the use of borrowed funds from banks, financial institutions and institutional investors, which then involves some uncertainties from both local and international money markets or capital markets. As such, the Company is often affected by changing situations in the overall financial liquidity environment and resultant changing rates of interest charged. The Company has a core policy to borrow funds from various banks, financial institutions and institutional investors without specifying any bank or financial institution in particular so as to diversify the associated risks in regard to both its sources and costs of borrowed funds.

There are foreign exchange risks in terms of foreign exchange fluctuations for the Company's business operations, as a result of importing sewing machine products from overseas manufacturers; but these imports account for not more than 3% of the Company's total sales and, thus, the overall risk in regards to the Company's overall costs of goods sold is considered to be minimal. Moreover, the Company is able to mitigate such risks by increasing the selling price for these products as well as by benefiting from the reduction in applicable import duties for imported sewing machines from China resulting from the Government's Free Trade Agreement (FTA) policy with China.

There are also risks in regards to being able to maintain its obligations relating to various debt covenants or defaulting on agreed loan repayments or meeting any required future investments. As such, in borrowing funds from banks, financial institutions and institutional investors, various key debt covenants have been specified and obliged to be met by the Company - namely: maintaining a Debt/Equity Ratio of not more than 3 : 1 and an Interest Bearing Ratio of not more than 2 :1; whereby from the latest Financial Statements for 2016 the Company has still maintained these two key ratios at a low level of 0.93 for the Debt/Equity Ratio and 0.47 times for the Interest Bearing Ratio respectively.

Risk factors relating to the Government's actions and regulations

The hire-purchase business is one of the most intensely competitive business sectors; and it has thus resulted in the Government believing that it is important that it is regulated, through establishing a the Office of the Consumer Protection Board (OCPB) to oversee its activities and ensure that hire-purchase companies do not take unfair advantage of consumers. At the same time, the Department of Business Development of the Ministry of Commerce announced, in 2001, that hire purchase sales of electrical appliances be a 'controlled business', through issuing various operating guidelines relating to interests rates payable as well as fees charged for any loans repayments defaults or penalties for late payments, because these are areas where hire-purchase firms might be able take unfair advantage of consumers/customers. Additional legal requirements are also imposed in regards being responsibility for product liabilities towards their customers. Therefore, the Company has determined operating guidelines for its hire-purchase business activities together with giving a warranty for products sold by the Company, which are in accordance with the legal and regulatory requirements. The Company also regularly checks the associated regulatory information, in order to be able to further develop and improve its operating guidelines to correspond with the latest applicable official requirements accordingly. As such, it can be seen that the Company has received various Certificates of Recognition and Awards from the OCPB - namely: on 21 January 2003, 21 September 2007 and again in 2008 - in regards to its product labeling, warranty and advertising materials, as well as for its hire-purchase agreements, that are considered to be equitable for its customers, and for protecting the overall rights of consumers.

With regard to Petrol vending machines, the Company also operates in full accordance with the involved Government authority and applicable legal regulations relating to weighting and measuring instruments. These are initially required to be

inspected and certified before starting to be used for selling gasoline so as to ensure that they meet the required standards of accuracy specified by the original equipment manufacturers, together with regular re-inspections and re-certifications every 2 years thereafter. Additionally, safety standards specified by the Energy Business Department regarding Petrol vending machines need to be complied to, in which regard the Company closely coordinates and cooperates with both the equipment manufacturers and involved Government agencies so as to ensure full and proper compliance with the specified regulations and standards of operations; whereby if there is a need to rectify any deficiencies, then immediate corrective actions are taken so as to prevent any possible risks of being in breach of any applicable regulations or operating standards.

Risk factors relating to natural disasters

Given past and recent occurrences of floods, earthquakes, and tsunamis, such natural disasters have become factors that companies need to take into account as significant risks, since they could result in potential adverse impacts to their business operations as well as possible damages to their facilities or operating assets. Companies cannot avoid such risks, but they can minimize or protect themselves from the consequential adverse impacts and damages caused, by being well-prepared through the joint efforts of all their Staff to protect the Company's operating assets. As such, the Company has assigned specific responsibilities to Managers of each respective retail branch outlet as if they were the owners or business entrepreneurs of these outlets who must protect and preserve those assets. Furthermore, these branch outlets are scattered in various locations throughout the country, which can be considered as a way to spread such associated potential risks - namely, if a natural disaster occurs in one area or region, the branch outlets in other locations can still operate uninterrupted as normal and can also look after for the affected areas. Additionally, the Company's business model relies on local canvassing by sales representatives throughout their assigned sales territory rather than just on sales being made from the physical branch outlets. Thus, any natural disasters (such as floods) occurring at the physical branch outlets will not interrupted sales activities for that area. This was evident and happened when the recent massive floods occurred in many provinces in the Central region as well as in the Greater Metropolitan Bangkok area; whereby both sales and loans repayments collections activities were still undertaken during the floods, and the outlets were quickly recovered to their normal operations in a very short time after the floods receded. Furthermore, in order mitigate the potential risks and resulting damages to its operating assets and facilities caused by any natural disasters, the Company has taken out an 'all risks' insurance policy from the Muang Thai Insurance Pcl.

Risk factors relating to the Company's human resources

Its human resources are one of its most valuable assets and a key success factor for the Company, as well as being the source of one of the important risks factors for its businesses - such as, retirement or resignation of key Staff members, which could then have an adverse impact and interrupt the ongoing smooth business operations. The Company, therefore, has attached much importance to all Staff members, through taking good care of their best interests and well-being as if they were members of one and the same the family together with supporting them to work in job positions best suited to the respective abilities. Additionally, the Company manages the associated risks in this regards by offering regular training and skills development to all Staff at all levels on a continuous basis, together with establishing a Staff Retirement Fund so that they will not be adversely affected in terms of having available sufficient financial resources upon reaching retirement.

Risk factors relating to repossessing products or goods

Any hire-purchase business involves having to repossess some of products or goods sold, which is considered to be an inherent and unavoidable risk factor for this business. While undertaking repossession of these products will result in achieving reduced total revenues and having a lot of unsold inventory on hand; on the other hand, this represents a mitigation of risks in interrupted loan repayments by the hire-purchase customers since the Company is able to resell repossessed goods on the second hand market so as to reduce the effect of loans repayments defaults together with potential losses on repossessed products as a result of the actual selling price of the repossessed products and the remaining 'book value' of the risk asset as well as any associated costs of repairing the repossessed item as necessary from time to time. Nevertheless, repossessing and reselling products is another effective sales and marketing strategy in the hire-purchase business.

Management of risks relating to the business operations

Risks factors relating to business operations means any risks resulting from any mistakes or deficiencies resulting from insufficient, inadequate or ineffective system of controls relating to the internal operating procedures or process, the Staff, or the information and communications technology systems used within the Company, as well as any the external situations; whereby all such risks will have adverse impacts and consequences, whether directly or indirectly, for the operating performance results and for the Company's hire-purchase accounts.

● Guidelines and procedures in managing operational risks

Such operational risks factors are inherent in all operating procedure and processes of every Operating/Supporting Business Unit or Department as well as in the information and communications technology systems used; whereby they may cause damages or losses for the Company, its customers/clients as well as its Shareholders and other Stakeholders. As such, the Company recognizes the importance of managing such operational risk factors; and has determined policies to effectively manage them together with developing a framework to manage these operational risks on a continuous basis. The primary aim is to have each and every Operating Business Unit being able to manage their respective operational risks in an appropriate manner, while taking into consideration the need for an effective risk management system together with effective operating procedures and the effectiveness of the overall operations. This is so that there is in place a uniform standard and systematic set of operational risks management throughout the organization, together with regular risks assessments process that are effective to prevent them from occurring before there result any adverse impacts for the organization. Additionally, top Management is able to foresee and have an overview of all the potential risk factors for the organization, so that the overall risk management activities can be both more effective and efficient, which will then enable the associated information to be used in making any key business decision making and facilitate the full compliance with all applicable legal and regulatory requirements.

Moreover, the Company has undertaken a thorough assessment of the various risk factors, as well as has reviewed the effectiveness and comprehensiveness of the risk coverage and control processes relating to the new business operations and any new operating procedures implemented with regard to the establishment of the SG Capital Co., Ltd. (to focus on operating the hire-purchase related business activities of the Group) and to the name change of Singer Industry (Thailand) Co. Ltd. to SG Service Plus Co., Ltd. (to focus on operating the onsite after-sales maintenance and repairs services activities for the Group's customers). This is to ensure that the overall risks relating to both these new businesses and associated operating procedures are appropriately covered and managed to be at acceptable levels before starting to provide their services to our customers.

As such, the Company also remains fully committed to further developing, on a continuous basis, its operating risk management systems and procedures as well as any associated modern technology and tools used in this regard.

Risk factor relating to 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.

Register of Shareholders as at March 9, 2017

No.	Name	No. of Shares	% of Total Shares
1	Jaymart Public Company Limited	67,499,900	24.990
2	Kasikornbank Public Company Limited	13,489,000	4.996
3	Thai Nvdr Company Limited	11,270,210	4.174
4	Tisco Mid/Small Cap Equity Fund	5,668,900	2.100
5	Saha Pathana Inter Holding Public Company Limited	5,637,200	2.088
6	Mr. Chao Kara	5,421,000	2.008
7	Bangkok Life Assurance Public Company Limited (2) By Bangkok Capital Asset Management	5,402,900	2.001
8	Muang Thai Life Assurance Public Company Limited	5,400,000	2.000
9	Mr. Anucha Aveelastsakul	4,018,500	1.488
10	Mr. Direk Takru	3,556,900	1.317
11	I.c.c. International Public Company Limited	3,500,000	1.296
12	Saha Pathanapibul Public Company Limited	3,500,000	1.296
13	Mr. Jittiporn Chantaratch	3,420,400	1.267
14	Mr. Kitti Ngammaharat	2,590,600	0.959
15	I.D.F Co., Ltd.	2,450,000	0.907
16	Bank Lombard Odier & Co Ltd	2,208,600	0.818
17	Mr. Sittichai Mathanachai	2,143,900	0.794
18	Mr. Chairat Kowitjindachai	1,977,900	0.733
19	Mr. Chakrit Suwannachote	1,850,000	0.685
20	Mr. Somchai Sathit-Anekchai	1,608,000	0.596
21	Ms. Kanthong Udommahantisuk	1,600,000	0.593
22	Mr. Sirisak Sonsophon	1,500,000	0.556
23	Mr. Santi Kowitjindachai	1,387,600	0.514
24	H.M. King Bhumibol Adulyadej	1,383,770	0.513
25	Mr. Worrakorn Boonlikitchewa	1,375,000	0.509
TOTAL		159,860,280	59.198

Policy of Dividend Payment

Singer Thailand pcl.'s policy relating to dividend payments is to pay not more than 60% of the annual consolidated Net Profit after tax and after allocating for required legal and other reserves in any year. However, such dividend payments will also depend upon the current economic and business environment, the actual amount of Net Profits, after tax as well as future investment plans.

The history of dividend payments of Singer Thailand PCL., for the past 3 years is as follows

	(BAHT)		
	Full Year 2016	Full Year 2015	Full Year 2014
Interim Dividend Payment	-	-	-
Final Dividend Payment *	0.25	0.30	0.53
Total Dividend Paid	0.25	0.30	0.53
Par Value/Share	1	1	1

* In accordance with the resolution of Board of Directors Meeting No. 216, held on 17 February 2017, to be proposed to the scheduled AGM No. 50 to be held on April 21, 2017.

- Note:**
1. The Company registered the change on the par value per ordinary share from Baht 10.00 per share to be Baht 1.00 per share on 10 May 2004
 2. Singer Thailand pcl. has paid dividend from 1984 onwards

The history of dividend payments of SG Capital Co., Ltd. for the past 3 years is as follows

	(BAHT)		
	Full Year 2016	Full Year 2015	Full Year 2014
Interim Dividend Payment	-	-	-
Final Dividend Payment *	25.00	30.00	40.00
Total Dividend Paid	25.00	30.00	40.00
Par Value per share	1,000.00	1,000.00	1,000.00

* In accordance with the resolution of Board of Directors Meeting No. 21, held on 17 February 2017, to be proposed to the scheduled AGM No.6 to be held on March 8, 2017.

● Policy for Dividend Payments of Subsidiary Companies

Since Singer Thailand pcl. holds more than 99% in the Subsidiary Companies, therefore dividend payments will depend upon the requirements of the majority Shareholder as considered appropriate and within the legal requirements.

Management Structure

The Company's Board of Directors

Management : The structure and composition of the Company's Board of Directors consist of the Board of Directors itself together with the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee, and the Management Group; whereby the qualifications of Independent Directors and of the Members of the Audit Committee are exactly in accordance with the qualifications specified by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) without any exceptions or other conditions whatsoever.

Meetings of the Board of Directors

The Company's Board of Directors has determined to schedule normal Board Meetings every Quarter together with any special Board Meetings as required during the year. The Company determines the Agenda for such meetings in a clear and concise manner, with the Company Secretary being responsible for and overseeing the dispatching of the Notifications of Board Meetings together with all relevant supporting documents to Board Directors in advance. Board Directors can freely express their opinions without being influenced by any particular person or group of persons.

In 2016, the Board of Directors held a total of 6 Board Meetings - consisting of 4 normal Board Meetings and 2 special Board Meetings; whereby for each meeting supporting documents for each agenda item being considered were sent out in advance to all Board Directors, so that they may have sufficient time be able to adequately review and study the various issues before each meeting. The Company also held 1 Annual General Shareholders Meeting (AGM), which was attended by the Board Directors. The attendance record of the respective Board Directors at these meetings during 2016 are summarized as below:

Attendance record of Board Directors during 2016

Board Director	Term of Office	Attendance Record (No. of times attended/No. of times held)			
		AGM No. 49	Board Meetings	Audit Committee meetings	Nomination & Remuneration Committee
1. Mr. Adisak Sukumvitaya*	Apr 2014 - Apr 2017 (a)	1/1	6/6	-	4/4
2. Mr. Lucksananoi Punkrasmeec**	Apr 2016 - Apr 2019	1/1	6/6	4/4	4/4
3. Mr. Bibit Bijaisoradat	Apr 2014 - Apr 2017 (a)	1/1	6/6	4/4	4/4
4. Mr. Preecha Prakobkit	Apr 2016 - Apr 2019	-/-	1/1	1/1	-
5. Mr. Vichai Kulsomphob	Apr 2016 - Apr 2019	1/1	5/6	-	-
6. Mrs. Nonglak Laksanapokin	Apr 2015 - Apr 2018	-/-	5/5	-	-
7. Mr. Piya Pong-acha	Apr 2015 - Apr 2018	-/-	3/3	-	-
8. Mr. Kittipong Kanokvilairat	Apr 2014 - Apr 2017 (a)	-/-	1/1	-	-

Note: * Board Director representing the majority Shareholder Group

** Board Director possessing the required knowledge and experiences to review the credibility of the Company's Financial Statements

(a) Board of Director retiring by rotation in April 2017 and to be nominated for reappointment as a Board Director for another term at the AGM/2017 to be held on 21 April, 2017

Management Group

Management Group of Singer Thailand Pcl.

Mrs. Nonglak Laksanapokin	Chief Executive Officer
Mr. Kittipong Kanokvilairat	Chief Marketing Officer
Ms. Rapeepan Kantayaporn	Chief Information Officer
Ms. Chanthornjira Kongtongsmut	Chief Operating Officer

Management of SG Capital Co. Ltd.

Mr. Pirak Loungsompitak *	Chief Credit Asset Officer
---------------------------	----------------------------

Note: * appointed as of 15 February, 2017

Company Secretary

The Company's Board of Directors Board appointed Ms. Chanthornjira Kongtongsmut, who possesses the required relevant qualifications and experience, as the Company Secretary with the responsibility for overseeing and ensuring that Company acts in compliance with the applicable legal and regulatory requirements as well as in accordance with the principles of good corporate governance, so that the overall management of the Company can be even more effective and efficient. The company fully recognizes the importance of good corporate governance principles and practices. The Company Secretary has successfully attended the Corporate Secretary Development Program (Class2) and the Fundamental Practices for the Corporate Secretary (class 22), together with the Fundamentals of Law and Regulations for Listed Companies for Corporate Secretaries, held by the Thai Listed Companies Association with the support of the SET. Please refer to the qualifications and professional history of the Company Secretary as shown in the Detailed Information on the Management Group - in the Section regarding the Company Secretary.

Remuneration for the Company's Board Directors and the Management Group in 2016

Remuneration for Board Directors : The Nomination and Remuneration Committee, with the responsibility for considering and reviewing the remuneration for Board Directors, had determined, in a clear, concise and transparent manner, the proposed overall remuneration plan that is comparable to other companies in the same industry sector, together with the level of remuneration that is appropriate to experiences and assigned duties, role and additional scope of responsibilities as well as comparable to various other SET listed companies; whereby this proposal is based on the 'Annual Compensation Survey Report - 2014 ' published by the Thai Institute of Directors Association (IOD).

Remuneration & Compensation for the Management Group : The Nomination and Remuneration Committee is responsible for considering and reviewing the remuneration plan for the Management Group, through evaluating the respective job performance for individual Management members as well as comparing the evaluation results with the overall performance results of the Company together with the actual achieved performance results of each Department compared to pre-agreed targets. Additionally, a survey was undertaken of the remuneration and compensation given by comparable companies within the same business sector, so as to have sufficient information on hand.

Total amount of remuneration and compensation for 2015: The Company paid the following total amount of remuneration and compensation to Board Directors and the Management Group, as below:

1. Remuneration for Board Directors: In the form of money

Full name	Singer Thailand Pcl.		SG Capital Co. Ltd		Total (Baht)
	Position	Remuneration (Baht)	Position	Remuneration (Baht)	
Mr. Adisak Sukumvitaya	- Chairman of the Board - Member of the Nomination & Remuneration Committee	467,000 30,000	- Chairman of the Board	82,500	579,500
Mr. Lucksananoi Punkrasamee	- Chairman of the Audit Committee, - Independent Director, - Member of the Nomination & Remuneration Committee	176,000 292,000 30,000	- Director	51,500	549,500
Mr. Bibit Bijaisoradat	- Chairman of Nomination & Remuneration Committee - Member of the Audit Committee, - Independent Director	50,000 141,000 292,000	- Director	51,500	534,500
Mr. Preecha Prakobkit	- Member of the Audit Committee, - Independent Director	141,000 292,000	- Director	51,500	484,500
Mr. Vichai Kulsomphob	- Director	292,000	- Director	51,500	343,500
Mr. Piya Pong-acha	- Director	292,000	- Director	51,500	343,500
Ms. Supamas Khaikaew	- Member of the Executive Committee	240,000	-	-	-
	Total	2,735,000	Total	340,000	3,075,000

Note:

- Management who are also Board Directors do not receive any remuneration or compensation for being a Board member and Member of the Executive Committee
- Management who are also Directors do not receive any remuneration or compensation for being a Member of the Executive Committee

2. Remuneration for Board Directors: Other forms

- none-

3. Remuneration for the Management Group: In the form of money

Types	For 2016	
	No. of persons	Total - Baht
Salaries, bonus payments and incentives	6	20,748,350

4. Remuneration for the Management Group: Other forms

Types	For 2016	
	No. of persons	Total - Baht
Company's contribution to the Employee Provision Fund	6	779,301.-

Note: Disclosures of the remuneration and compensation for the Management Group are shown as a total amount for the total number of people for the defined and announced management positions that correspond to the Company's organization chart.

5. Share Ownership by Directors and Management

Name		Total Share			
		January 1, 2016	Trading During the Year		December 31, 2016
			BUY	SALE	
1.	Mr. Adisak Sukumvitaya	-	-	-	-
2.	Mrs. Nonglak Laksanapokin	-	-	-	-
3.	Mr. Lucksananoi Punkrasamee	-	-	-	-
4.	Mr. Preecha Prakobkit	-	-	-	-
5.	Mr. Bibit Bijaisoradat	-	-	-	-
6.	Mr. Vichai Kulsomphob	-	-	-	-
7.	Mr. Piya Pong-acha	-	-	-	-
8.	Mr. Kittipong Kanokvilairat	-	-	-	-
9.	Ms. Rapeepan Kantayaporn	-	-	-	-
10.	Ms. Chanthornjira Kongtongsmut	1,860	-	-	1,860
11.	Mr. Pirak Loungsompitak	-	-	-	-

As mentioned above they are required to submit a declaration regarding such changes in the ownership of shares of the Company to the office of Company Secretary, in order to enable the Company Secretary to coordinate internally and create a company shareholdings report for submitting to the Securities and Exchange Commission (“SEC”) as required. Furthermore, the Company requires that a disclosure be made, at every Board of Directors Meetings for any changes, of the amount of shares of the Company owned by each Board Director.

Personnel Headcount

1. The Company has a total personnel headcount of 10,793 persons, of whom 396 are employed by the Subsidiary Companies. For 2016, the Company paid total remuneration and compensation of Baht 642.45 million, of which Baht 87.28 million was paid by the Subsidiary Companies; whereby this included basic salaries, bonus payments, overtime payments, living allowances, as well as sales and collections targets-related incentives together with the Company’s contribution to the social security and employee provident funds contributions.

Total No. of Employees and Compensation (by company)

For 2016	Parent Company Singer Thailand Pcl.	Subsidiary Company SG Capital Co. Ltd.	Subsidiary Company SG Service Plus Co. Ltd
Field or Area personnel (persons)	10,155	75	151
Central HO staff (persons)	228	115	50
Executives & Management Members (persons)	14	5	-
Total No. of Employees (persons)	10,397	195	201
Total Remuneration & Compensation (Baht - million)	555.17	55.48	31.80

Human Resources Management Activities of the Company is separated into 2 key aspects, as follows:

1. Human Resource Management (HRM)

1. Job Designing & Job Description: Undertook a review and redesign of the various existing job descriptions for all operating Business Units/Departments
2. Personnel Planning: Undertook a review and assessment of the total number of people in the Company, in order to re-verify the exact total number of personnel that is shown in the HRMS database and employees registry so as to use this information for ongoing personnel planning activities.
3. Recruiting & Selecting qualified personnel: Making use of various sales staff recruitment channels - such as: through existing sales representatives/agents or the Branch Office Managers; whereby the Company also added other Staff recruitment channels - such as, the PR advertisements on the internet, local newspapers, various national and local job search/application related print media, and joint participation to screen and select targeted potential candidates, as well as setting up and participating in various job fairs and recruitment events. This also included employment of new permanent staff as well as updating the existing Hiring & Employee History database. The Company has determined various criteria for the selection of new personnel from applicants for the various open job positions in accordance with the respective requirements for each position, together with for the required screening and background checks as well as for the actual hiring activities to be in accordance with the established Company regulations as well as the required by the labor authorities and the Thai Labor Protection Act (BE 2541 or 1968).
4. Performance Appraisals: The Company has created Staff job performance appraisal procedures and forms that are in accordance with the accepted principles of Performance Management (PM), so that joint participation in the appraisal process can be undertaken by both the Staff and their Superior together with continuous ongoing monitoring actions to enable further suggestions for improvements to be made in the discharge of their duties that correspond to the respective established performance targets for each person.
5. Compensation Management System: The Company's compensation structure includes many forms of remuneration — such as: basic salaries, bonus payments, overtime payments, and special allowances for selected positions, together with sales commission and incentives, various welfare benefits and special assistance allowance; whereby various differing Staff positions will receive different total compensation, depending upon their respective roles and responsibilities in each operating Business Unit/Department. Regular reviews of the welfare benefits and incentive programs for sales Staff are undertaken; whereby actual performance results relating to achieved sales and collections are used to determine the various programs that are appropriate for each respective Sales Staff group.
6. With regard to Staff resignations and employment terminations, the Company adheres to the working regulations that correspond to the established labor laws and are in accordance with the principles of fairness, and equitability, as well as to good morals and business ethics.
7. Welfare & Other Benefits: The Company has a policy to give formal recognition to honor those employees with a long service history with the Company of 5 years or more, through giving a certificate of appreciation together with special gifts or rewards, so as to thank them for and further motivate them in devoting their knowledge, efforts, capabilities and time in discharging their responsibilities for the overall benefit of Company. The Company also provides financial assistance for medical and hospitalization expenses to the immediate family of a Staff member, together with donations in the event of the death of the Staff's father or mother. Other basic Staff welfare benefits are also given - such as: social security contributions; Staff life insurance and accident insurance coverage; Staff uniforms; and transportation to and from work in the event a Staff member lives far from the Company's work place (warehouse facilities and

distribution centers); as well as special Staff price for the Company's products together with installment purchase plans. The Company has also established a Singer Staff compensation fund and a Staff cooperative savings fund that serve as a channel for the Staff to save their earnings or as a source of Staff member loans, at special low interest rates, to help provide relief from any short term financial problems as necessary or needed.

2. Human Resource Development (HRD)

Consists of 3 separated components, namely:

1. Training
 2. Education
 3. Development
- **Training** 2 approaches have been established for the Company's training program, ie: 1) Internal Training and 2) Public Training. However, the Company places more emphasis to 'on the job training' for its Staff, because its field, at all levels and especially the sales Staff, are key to the achievement of the Company's total sales and revenues. Further, the Company undertakes continuous internal training activities and seminars that focus on anti-corruption practices, through educating Staff members, at all levels, to be fully aware of the penalties for any acts of corruption in the discharge of their duties, together other seminars aimed at promoting good business ethics and morals. While support Staff also attend external training courses, that focus on the development of new skills, know how, and capabilities, in order that they will be able to make use of or adapt such new knowledge in undertaking their so as to achieve improved efficiency and effectiveness.
 - **Education** The Company supports continuous self-improvement and self- learning activities for various key Staff positions - such as: for regional/area managers, branch outlets managers, operating Business Units/Department Managers, as well as accountants and accounts reviewers. Further, so as to encourage that Staff at all levels to more effectively save their earnings, guidelines and procedures in creating and making simple income/expense records are made available by the Company. Additionally, self-training tools in the form of VCDs are also made available - such as: guidelines on standards in managing and looking after branch outlets as well as branch office management, together with other self learning materials or guidelines on selling skills, on communications and presentation skills, and on the products features offered by the Company.
 - **Development** A Mini Training Center has been established to undertake training on branch outlets management and improved IT systems-related working procedures for branch outlets management. Such courses are aimed at being operating guidelines for the branch outlets management group, as well as to prepare those designated to become branch outlets managers, selected from branch outlet Staff who have achieved good job performances and possess appropriate qualifications, so that they are well-prepared to undertake the responsibilities as a branch outlet manager in the future. In order to create sufficient numbers of training staff, various training activities for personnel responsible for Staff training are also undertaken through the 'train the trainers program' together with making available adequate quantities of training tools. This is to create sufficient internal training facilitators required to support the ongoing business expansion plans and increased numbers of required Staff in accordance with the corporate business plans. An improvement of the Training Department organization structure has also been undertaken, so that it better corresponds to the actual required internal training activities as well as to the comply with the Labor Skills Development Act. Additionally, outside training institutions and experts have been contacted to help determine and develop new improved training programs for the Company, that are be more effective as well as efficient.

Report on Good Corporate Governance

Policies on Good Corporate Governance

Singer Thailand Pcl. recognizes the importance of good corporate governance as an effective mechanism in linking the relationships between the interests and benefits of all Stakeholders groups on a sustainable basis, as well as one of the key factors in enabling the Company to achieve the established business objectives and to achieve growth on a sustainable basis for the longer term.

The Board of Directors has established the principles and policies on good corporate governance of the Company as a guideline for Board Directors, Management and all Staff in conducting the businesses of the Company. As such, all Company Board Directors, Management and Staff have also all been made aware of the established required business ethics together with the policies on good corporate governance, so as to demonstrate their joint intent to strictly adhere to these principles and policies. Additionally, the Company has informed and communicated these key policies and principles to everyone within the organization via various channels of communications, such as: the staff orientation program, internal company newsletters, monthly staff-Management meetings and internal PR notices, as well as via the Company's website and through various Company activities. This is to reinforce the awareness of and facilitate full and active cooperation by everyone within the organization on a continuing basis.

During 2014, at the Board of Directors Meeting No.203, on 14 November 2014, a resolution was approved relating to the anti-corruption stance and policies of the Company, policy relating to receiving confidential information and complaints, and also the "Revised - 2014 Policies and Principles on Good Corporate Governance" that has been updated to be more appropriate to the possible changes in the overall business situation and environment or in the applicable legal and regulatory requirements; whereby this revised document has been communicated to everyone within the organization through being posted on the Company's website.

Moreover, the Company has a policy to review and update such policies on a regular basis, so that they are always current, timely and appropriate to the ever-changing applicable laws and regulations.

Board Committees

Structure of the Company's Board of Directors

The structure and composition of the Company's Board consist of: the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, the Risk Management Committee and the Management Group; whereby the scope of duties and responsibilities of these various Committees are as follows :

Scope of Duties and Responsibilities of the Board of Directors

- The Board of Directors of the Company is required to carry out its duties and responsibilities fully in accordance with all the applicable laws and regulations, together with the objectives and the Articles of Association of the Company, as well as the established Company policies and the resolutions of the Shareholders Meetings in an honest manner and with all due care, so as to protect and ensure that full benefits are achieved for the Company and all Stakeholder groups
- The Board of Directors must always act with full accountability to the Shareholders of the Company in undertaking activities that will protect the benefits of the Shareholders, with full and transparent disclosures of information to its investors.
- The overall conduct of the Company's businesses is overseen and guided by the Board of Directors, so as to ensure that the Management Group acts in full compliance with the established policies of the Company; whereby, as specified in the Company's Ministry of Commerce Affidavit, any 2 of the following 3 Board Directors - Mr. Adisak Sukumvitaya,

Mrs. Nonglak Laksanapokin, and Mr. Kittipong Kanokvilairat - signing together and affixing the Company seal, are authorized, in the name of the Company, to legally commit and bind the Company with regards to undertaking any legal actions and fighting any legal proceedings or disputes, together with executing any agreements and financial instruments. However, the Board of Directors retains the right to review and consider making any further changes to the names of the authorized Board Directors as appropriate, in order to achieve maximum management together with operational effectiveness and efficiency of the Company; as well as to assign management and operational authority to the next level of the Management Group further down the line as appropriate.

Board Committees

- The Chairman of the Board of Directors does not hold the Chairman's position in and is not appointed as a Member of any of the various Board Committees, so as to allow these Board Committees to act in a fully independent manner.
 - The majority of the Members of the Board Committees are Independent Directors; as such, this is to achieve full transparency and genuine independence in the discharge of their responsibilities by the various Board Committees.
 - In order that these Board Committees are full effective in the discharge of their duties and responsibilities as assigned by the Board of Directors as well as in being able to realize and achieve their established objectives and goals, the various Board Committees should have at least 4 meetings during the year, so as to consider and be able to decide on appropriate actions with regard to any relevant matters or issues that are within their scope of responsibility.
 - The Board of Directors has established various Board Committees to assist it in the good governance oversight, as follows :
- The Audit Committee

In accordance with the resolution of the Company's Board of Directors, the Audit Committee was established, consisting 3 Independent Directors, with Mr. Lucksananoi Punkrasamee as the Chairman of the Audit Committee and the Committee Member, who possess the knowledge, experiences and expertise in regards to finance and accounting, as required by the Stock Exchange of Thailand (SET) and other regulatory authorities. This is in order to be able to effectively review the accuracy and creditability of the Company's Financial Statements, as well as to support the development of financial and accounting reporting systems to conform with universally accepted accounting principles and standards, together with assessing the effectiveness and adequacy of the internal controls system as well as the internal audit and risk management procedures, so that they are more concise, comprehensive, appropriate, up to date and fully effective.

The Audit Committee is to discharge its responsibilities and provides any comments with full independence, with the Internal Audit Department being under the responsibility of and reports directly to the Audit Committee. The Audit Committee also consults and works closely with the external Auditors; whereby it meets with the external Auditors, without any members of the Management Group being present, at least once a year in order to obtain their opinions on various matters. Additionally, the Audit Committee can consult with independent external legal advisors, with the Company being responsible for paying all associated expenses. The Audit Committee holds regular meetings with a total of 4 meetings being held during 2016, and reports to the Board of Directors in accordance with the assigned scope of duties and authority, as stated in the Charter for the Audit Committee, as follows:

Scope of duties and authority of the Audit Committee

In the Board of Directors Meeting No. 172, with the Audit Committee attending, a resolution was approved relating to the following overall scope of duties and authority of the Audit Committee:

1. Review that the Company has all the required financial reports, as well as that they are fully accurate and adequate
2. Review and ensure that the Company has a system of internal controls, that are appropriate effective and adequate, as well as with assessing the independence of the Internal Audit Department together with being responsible for approving

the appointment and transfer or dismissal and performance appraisal of the Head of the Internal Audit Department - or any other unit responsible for internal audit activities.

3. Review and assess that the Company fully complies with all applicable securities and exchange laws, together with the relevant applicable regulatory requirements of the SET and other laws relating to the business operations of the Company.
4. Consider, select and nominate those deemed fully qualified and independent for appointment as the external Auditors of the Company, together with proposing their compensation as appropriate. The Audit Committee must also meet with the external Auditors, without any members of Management Group being present, at least once a year.
5. Consider and review any proposed related party transactions or any other transactions that may involve possible conflicts of interests. As such, this is to ensure these transactions fully comply with all the relevant applicable laws and regulations of the SET, as well as are reasonable and in the best interests of or for the maximum benefit to the Company.
6. Prepare the Report of the Audit Committee relating to its oversight responsibilities for inclusion in the Company's Annual Report, whereby it is signed by the Chairman of Committee and contains all the key points of information as specified and required by the SET.
7. Undertake any other activities as assigned by the Board of Directors, with the concurrence of the Audit Committee

- The Nomination and Remuneration Committee

The Chairman of the Nominations and Remuneration Committee should be fully independent, whereby this Committee comprises of 2 Independent Directors and 1 non-Executive Director. During 2016, the Nomination and Remuneration Committee held 4 meetings and reported to the Board of Directors.

The Nomination and Remuneration Committee has the duty and responsibility of selecting qualified persons for being nominated as Board Directors and also as Senior Executives/Management Members of the Company, as well as of determining appropriate procedures for Shareholders to be able to participate in the nomination and appointment process of new Board Directors through proposing qualified candidates to the Board of Directors for consideration and eventual nominations/appointment by the Shareholders Meeting. The Nomination and Remuneration Committee is also responsible for the consideration of guideline in determining, in an independent and equitable manner, the required and appropriate annual remuneration plans for the Board of Directors, the Board Committees, and the Senior Executive/Management Members.

The Nomination and Remuneration Committee has the following defined scope of duty and authority:

Scope of Duties and Authority of the Nomination and Remuneration Committee

In accordance with the resolution of the Board of Directors Meeting, that was also attended by the Nomination and Remuneration Committee, the scope of duties and authority of the Nomination and Remuneration Committee was specified as follows:

1. Consider and recommend to the Board policies and criteria for the structure, composition, qualifications and selection of members of the board of directors, board committees and senior management of the Company and its subsidiaries, including appropriate succession plans.
2. Subject to the policies adopted by the Board and to shareholder approval where required, select and recommend to the Board suitably qualified candidates for nomination and selection for the appointment of (a) directors, (b) members and chairpersons of board committees, and (c) Managing Directors and executives directly reporting to the Managing Directors, of the Company and of its subsidiaries.
3. Consider and recommend to the Board, subject to shareholder approval where required, policies, structures and plans on remuneration, benefits and incentives for directors, board committee members, and senior executives of the Company

and its subsidiaries with a view to ensuring that the Company's overall compensation policies are consistent with the Company's culture, objectives, strategy and control environment.

4. Recommend to the Board policies, criteria and methods for the periodic evaluation of the performance of the members of the boards of directors, board committees and senior executives of the Company and its subsidiaries, and implement the same and report the results to the Board;
5. Undertake any other tasks entrusted and assigned by the Board related to the foregoing.

- Risk Management Committee

At the Board of Directors Meeting No. 203, on November 14, 2014, a resolution was approved to establish the Risk Management Committee (RMC) responsible for determining policies and criteria for managing risks in accordance with international principles and practices together with regulations as specified by the SET, as well as for determining applicable risks assessment and risk management measures and also effective 'warning systems' that will enable effective management of risks in an appropriate manner. The RMC was also charged with overseeing and monitoring, on a regular basis, that all operational Divisions/Departments manage their respective risks in accordance with established laws, regulations, and specified procedures and processes together with submitting reports on risk management activities. Additionally, the RMC will review, on a regular basis, the established key risk management measures to assess their ongoing effectiveness, and will submit a report of the assessment results together with proposing, at least twice a year, any improvements to these policies to the Audit Committee, as well as to receive any suggestions from the Audit Committee for further improvement and implementation.

Scope of duties and authority of the Risk Management Committee

According to the resolution of the Board of Directors meeting No. 203, which was attended by the Risk Management Committee, the scope of duties and authority of the RMC was determined, as follows:

1. To determine relevant policies and associated criteria relating to the overall management of risks for the Group, that are in accordance with international principles and practices as well as with the regulations as specified by the SET; and then to propose such policies for approval by the Audit Committee.
2. To define appropriate and applicable risk management-related preventive measures and procedures for the Group.
3. To determine and deploy applicable risks assessment procedures, and to ensure that effective applicable 'warning systems' are in place.
4. To oversee and monitor, on a regular basis, that all operational Divisions/Departments effectively manage their respective risks in accordance with established procedures and specified processes.
5. To oversee and ensure that the Group's operations fully comply with all relevant and applicable laws and regulations.
6. To prepare and submit reports to the Audit Committee, on a regular basis, in regards to any required improvements and corrective actions, in accordance with the established policies and strategies of the Group relating to identified risk factors and their potential occurrence, as well as any applicable risk management from such risks procedures or guidelines and also expected impacts.
7. To undertake any other activities as assigned by the Audit Committee.

- The Executive Committee

In accordance with the resolution of the Board of Directors Meeting No.209, on 21 December 2015, with the Audit Committee attending, the Executive Committee was established and held the meeting once a month, with the duties and responsibilities to oversee the Company's business operations to be in accordance with the agreed strategic directions, together with the operating systems and procedures of the Company and Subsidiary Companies, as well as undertaken in a uniform manner.

Scope of authority, duties and responsibilities of the Executive Committee:

1. Follow up the management and control the business of the Company in compliance with the objectives, rules, regulations, articles of association, orders, resolutions of the Board meetings and the shareholders meetings, and to formulate the guidelines or commitments for the Administration and Management and management through the Board's policy.
2. Review the business plan and the annual budget of the Company, and submit the same to the Board.
3. Consider the strategy for overall growth and investment of the Company.
4. Consider and approve the contract, expenditure and investment in stocks or any other securities, including any loans, which each transaction in the amount is significant to the Company's Financial Statements.
5. Cooperate and assist other subcommittees in the performance of their duties.
6. Consider and approve the employment, determine the wage, remuneration, welfare, bonus, to Executive Management of the Company.
7. If it is necessary, engage consultants or experts in the fields beneficial to business operation of the Company, at the Company's expense.
8. Perform other duties as entrusted by the Board.

Role and Responsibilities of the Board of Directors and the Executive/Management Group

The Company's Board of Directors has clearly defined and separated the respective role and responsibilities of the Board of Directors and those of the Executive/Management Group; whereby the Chairman of the Board is an Independent Director and the position is not held by the same person who is the CEO, with clearly separated roles, responsibilities and scope of authority. This is in order to achieve an effective balance of power between the management and governance/oversight functions.

Selection and Nomination of Directors and senior Executives/Management Group Members.

Independent Directors

The Board of Directors will be responsible for initially reviewing the nomination of Independent Directors from proposed nominees possessing the required and appropriate qualifications as specified by the SEC and SET; and then the Board will propose to the Nomination and Remuneration Committee to consider the appropriate remuneration for proposing to the Board of Directors for final consideration and concurrence.

The 3 Independent Directors of the Company, that is equal to 50% of the total number of Board Directors, do not possess any qualifications that conflict with those required and specified by the SEC and SET in any way whatsoever. Also during the last financial period, these Independent Directors do not have any 'related' business activities or provided any professional services with the Company.

Qualifications for Independent Directors

The Company has used the definition of an 'Independent Director' exactly as specified by the SEC and SET in regards to owning shares of the Company at not more than 1% of the total number of shares with the right to vote, and in not being involved in any way with the management of the Company or Subsidiary Companies, in being fully independent of the management activities undertaken by majority Shareholder of the Company, and in not having any business relationships with the Company that may, in any way, diminish the full interest and benefits of the Company and/or its Shareholders.

The Company has determined the required qualifications for Independent Directors to be as follows:

1. A person owning not more than 1% of the total voting shares of the Company, including those shares owned by any related persons/parties, as well as those shares issued by any Subsidiary or JV Company of and any related companies of the Company. However, in the case of Directors who are members of the Audit Committee, such shareholding is limited to only 0.5%.

2. A person who is not involved in any day-to-day management of the Company or who is not a Staff /Employee or a consultant receiving a permanent salary; as well as a person who is not a person with a controlling power over the Company, the parent Company, a Subsidiary Company, a JV Company, a Subsidiary Company of a parallel status, or over any juristic entity with possible legal conflicts; whereby such a status was valid within a 2 year period prior to being appointed as an Independent Director of the Company.

3. A person who is not related by blood or through a legal registration process - and thereby having a status of being a parent, spouse, siblings, or children and including spouses of the children - of a Management Member and a majority Shareholder, of a person with a controlling interest, of a person about to be nominated as a member of Management, or of someone with a power over the Company and/or its Subsidiary Companies.

4. A person who does not have any business relationships with the Company and/or with a juristic entity or a person considered as not being fully independent according to the qualifications of being an Independent Director and a Member of the Audit Committee as specified by the rules and regulations of the SEC. This includes any business relationships in providing professional services, or any other types of trade/business relationships that are considered to be 'related party transactions' as defined by the SET. However, exceptions can be made for special or necessary situations as appropriate; whereby such business relationships do not occur repeatedly or on an ongoing basis, that require prior Board approval with a unanimous vote.

5. A person/Director that has not been appointed to act on behalf of a Director of the Company, of a majority shareholder or of a Shareholder connected to and associated with the majority shareholder of the Company - except in the event of being assigned by the Board of Directors to make decisions, on a collective basis only, regarding the operations of the Company, the parent Company, its Subsidiary Company, JV Company, a Subsidiary Company of a parallel status as well as a juristic entity with a possible conflict of interests.

6. A person/Director that has not been empowered by the Board of Directors of the Company to make decisions on the operations of the Company, the parent Company, its Subsidiary Company, JV Company, a Subsidiary Company of a parallel status, as well as a juristic entity with a possible conflict of interests.

7. A person who is not Director of the parent Company, its Subsidiary Company and JV Company, as well as a Subsidiary Company of a parallel status, that are public listed companies only.

8. A person being able to undertake the required duties, as well as having and expressing opinions, together with being able to report on the results of any such responsibilities as assigned by the Board of Directors, with full independence and free from any influence from the Executives/Management Group or the majority Shareholder of the Company or any related parties, and including any involved person/parties or relatives of such person/parties

Selection and Nomination of Board Directors and Senior Executives

The Company has established the Nomination and Remuneration Committee, responsible for selecting persons to be nominated as the Chairman of the Board, Board Directors and Members of the various Board Committees, together with the CEO and Senior Executives/Management Members of the Company together with the Company Secretary, as well as for determining remuneration plans appropriate to the assigned responsibilities. In the event of a vacancy on the Board for whatever reasons, the Nomination and Remuneration Committee will undertake to recruit and nominate the appropriate person to be considered and approved as a replacement Director by the Board of Directors - with the exception of the appointment of a new Director and a Director to replace one due to retire by rotation; whereby in such an event, the Nomination and Remuneration Committee will recruit and nominate qualified persons for consideration and concurrence by the Board of Directors, so as to then propose such nominees for final consideration and approval by the Shareholders Meeting.

As such, the Company will propose nominees to be considered and elected, on an individual basis, as new Board Directors by a vote of the Shareholders. This is to allow the Shareholders the opportunity to exercise their entitled Shareholders rights in

genuinely participating and selecting the required new Board Director. Additionally, the Board of Directors also appoints the various Board Committees to help reduce its workload and share the responsibilities in overseeing, monitoring and considering various important matters, namely: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee, and the Risk Management Committee. As such, the actual process of selection and appointment of the Members of the various Board Committee is required to be undertaken and approved by the Nomination and Remuneration Committee, which then submits the nominees for final approval by the Board of Directors.

The nomination of qualified persons to the Board of Directors must successfully undergo a consideration of their relevant and appropriate qualification as follows:

1. Possessing the required qualifications and not possessing any prohibited qualification as specified by the applicable laws relating to Public Companies, as well as not having any characteristics that will indicate or lead to a lack of confidence and trust, on the part of Shareholders, in the nominee being able to oversee the management of the Company in accordance with the specified qualifications of the SET.
 2. Possessing the knowledge, skills, experiences, and other qualifications as deemed appropriate by the Board of Directors.
 3. Being able to fully devote the required time and efforts in discharging the duties of a Board Director — especially with regards to being able to make important decisions - for the benefit of the Company.
- At present, the Board of Directors of the Company is composed of 8 (eight) Directors, with Director from the majority Shareholder group (ie: Jaymart Pcl., who has a 24.99% shareholding) - namely, Mr. Adisak Sukumvitaya.
 - Further, while the Company has allowed minority Shareholders the opportunity to propose, in advance, those qualified to be considered for appointment as a Board Director during the period between 9 September 2016 to 31 December 2016, however no nominations for consideration to be appointed a Director have been received from any Shareholders.

Oversight of the Operations of Subsidiary Companies or JV Companies

- Currently, Singer Thailand pcl. has 3 Subsidiary Companies, in which the Company has an 99.99% equity shareholding, namely: SG Capital Co., Ltd., SG Service Plus Co., Ltd., and SG Broker Co., Ltd.; and has no JV Companies. Additionally, in order to comply to the governance and oversight procedures that are aimed at achieving effective control of and responsibility for the management of these Subsidiary Companies, as well as to protect the financial investments and interest of the Company, the Board of Directors has assigned representatives to be Directors of these 3 companies, in accordance with the rules and regulations of the Company and as approved by the resolution of the Company's Board of Directors.
- Every Quarter, the operating performance results of these 3 Subsidiary Companies, that have been audited by the external Auditors and reviewed by the Audit Committee, are submitted to the Board of Directors for consideration and approval.

With regards to other important transactions, such as: related party transactions or the acquisition and disposal (if any) of assets, these are subject to the established oversight and control procedures, through the systematic procedure of consideration and review by the Board of the Subsidiary Company for proposing to the Company's Audit Committee for review and eventual proposal for approval by the Company's Board of Directors; whereby details of such transactions are then disclosed via the SET's information communications network system.

- The representative of the Company, who is the Director of the Subsidiary Company, also participates in the determination of important operating policies of the Subsidiary Company; such as, planned investments in any new projects.

Controls in the Use of Inside Information

The Board of Directors has determined various measures to prevent insider trading, through illegal or misuse of confidential information by any involved parties; namely: the Board of Directors, Senior Executives/Management members and any Staff involved and having access to such information, including spouses and children not yet of legal age of these involved persons, as follows:

- Senior Executives/Management members are required to report any changes in their ownership of shares of the Company to the SEC and SET, as specified by Clause 59 of the Securities and Stock Exchange Act (1992).
- Senior Executives and any involved business units having access to any internal confidential information, are prohibited from disclosing such information to those outside the Company or those inside the Company not authorized to have access to such information, and from purchasing any shares of the Company within a 1 month period prior to the official release, to the general public, of the Company's Financial Statement.

Further, the Company, via the Investor Relations Unit, has also determined a 'silent period' relating to the use of any sensitive and significant information in relation to the trading of any Company shares, whereby this policy has been communicated, via email, to all Directors, Senior executives/Management members and any parties involved, so that all parties will be aware of and adhere strictly to this policy with regards to the use of 'inside information' in making any transactions to buy/sell any Company shares.

As such, during the past year, all Company Directors and Senior Executives/Management Members have strictly complied with this requirement; and, apparently, these parties have not made any transactions in buying/selling of the any shares of the Company during this prohibited period.

- The Company has established various measures to prevent illegal misuse of any inside confidential information for personal gain, through restricting access to such information internally and also by preventing possible access to such information by those outside the Company. The Company has also implemented various authorized access levels to such information for different staff levels that are appropriate to their assigned duty and responsibilities.

Additionally, the Company requires every employee to acknowledge and confirm, in a Memorandum of Confidentiality and Non-Disclosure Agreement, their understanding of the abovementioned requirements, together with confirming their agreement not to disclose any internal confidential information, not to violate the Computer Laws, and not to infringe or violate any intellectual property rights of others; whereby all employees will sign this Memorandum of Confidentiality and Non-Disclosure Agreement at the same time as their Contract of Employment.

Further, the Company has established guidelines, within the Company's Code of Good Business Conduct and Ethics, for the prevention of any situations involving possible conflicts of interests; whereby such guidelines are communicated to all employees, so that they can strictly adhere to these established guidelines. The Executive/Management Group is responsible for monitoring and ensuring that all employees always observe and strictly comply with all relevant applicable laws, rules and regulations together with the established policies and the Company's Code of Good Business Conduct and Ethics.

Remuneration for the Auditor

1. Audit Fees

For the Company and Subsidiary Companies, the audit fee paid

- to the authorized auditor for work in the past financial year, totaling Baht ____ -- ____
- to the Audit Firm, as well as persons or business involved with the authorized auditor and Audit Firm for the past financial year, totaling Baht 2,670,000.-; together with fees required to be paid in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht ____ -- ____

2. Non-Audit Fees

For the Company and Subsidiary Companies, the non - audit fees relating to other services:

- to the authorized auditor totaling, for the past financial year, Baht ____ -- ____; together with fees required to be paid in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht ____ -- ____
- to the Audit Firm, as well as persons or business involved with the authorized auditor and audit firm, totaling for the past financial year, Baht ____ -- ____; together with fees required to be paid in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht ____ -- ____
- to other companies associated and involved with the Audit Firm, KPMG Phoomchai Audit Ltd. for the past financial year, totaling Baht ____ -- ____; together with required fees payable in the future for agreed services, that has yet to be fulfilled, for the past financial year totaling Baht ____ -- ____

Compliance to the SET's Code of Best Practices for Corporate Governance

1. Rights of Shareholders

The Board of Directors places great importance to looking after and protect the rights of every Shareholder as follows:

1. Disclose any important information to all Shareholders on an equal basis as necessary and required, with regard to the Company's operations in a clear and concise as well as accurate and timely manner, so that such information is sufficiently adequate to make decisions during the Shareholders Meeting.

2. Every Shareholder receives all supporting information and documents relating to the Shareholders Meeting that is complete and adequate, including the opinions of the Board of Directors regarding the various agenda items to be considered, in advance and not less than 14 days before the Shareholders Meeting - which is more than required. The Company also posts on the Company's website an invitation for all Shareholders to propose, in advance, any agenda items for consideration at the Annual General Shareholders Meeting (AGM) based on the associated applicable procedures; and also communicates information relating to the agenda items to be considered at the AGM on the website prior to the scheduled AGM. This is to allow Shareholders the opportunity to review and study such information in detail.

3. In the event that any Shareholder is not able to attend the AGM in person, the Company allows Shareholders to give a power of attorney to an Independent Director or to any other person, to attend and vote on their behalf through using the power of attorney form (together with the supplied duty stamp) that the Company sent out with the Notification of the AGM, that is in a format (as specified by the Ministry of Commerce) that enables Shareholders to clearly designate how they wish to vote. Shareholders can also download this power of attorney form from the Company's website. Further, the Company also allows Shareholders to join the AGM after it has officially started, in order to exercise their rights to vote on any agenda items being considered where voting has not yet taken place at that time, as well as to be counted as part of the attending quorum from the moment they join the Meeting - unless the AGM considered otherwise.

4. Prior to the day of the Shareholders Meeting, the Company allows Shareholders, singly or as a group with not less than 4% of the total voting shares of the Company, the right to propose, in advance, any agenda item and/or a person with all the required qualifications suitable for being nominated as a Director of the Company for consideration at the AGM 2017; whereby the Company allows Shareholders to submit, in advance, any agenda items together with any nominated candidates suitable to be elected as a Board Director for consideration at the AGM between 9 September 2016 to 31 December 2016.

5. In 2016, the Company held its Annual General Shareholders Meeting (AGM) No.49 on 28 April 2016, that was attended by all Board Directors; whereby the Company considered it appropriate to hold the AGM at the Conference Room, Flr 30, CAT Telecom Tower, Charoenkrung Road, Bangrak, Bangkok, which is the same as for 2015 since the facilities are convenient and adequate to accommodate the number of Shareholders who expressed their wish to attend the meeting, since it is easily accessible by public transport and offers enough available parking places for all attending Shareholders. Furthermore, this facilitates and enables all Shareholders to attend the Meeting all together and to ask questions or express various opinions and comments in one and the same meeting room, resulting in the Meeting being conducted in an efficient manner. Additionally, it was an opportunity to show case many products sold by the Company to attending Shareholders, as well as allows any interested Shareholders to buy these products at special prices.

6. On the day of the AGM, one hour before the starting time, the Company arranged to have sufficient numbers of staff, together with an IT system available on site to greet attendees, to facilitate and assist in the registration process of attending Shareholders, as well as to inspect the relevant documents. To achieve an efficient and speedy registration process as well as to assist Shareholders attending the Meeting, a bar code reader is used to read the pre-printed Shareholder identification No. bar code on each Shareholder's registration/attendance form or power of attorney form. Further, in exercising their votes for each agenda item considered, the Shareholders' voting slips for dissenting votes or abstentions only are collected from Shareholders. These

voting slips are then counted and then deducted from the total number of entitled votes present at the Meeting at that time, so as to obtain the final vote count; whereby a special computer program for Shareholders Meetings is used to facilitate the accuracy and speediness of this vote counting process, with the final being announced almost immediately after the consideration of each agenda item. Shareholders can also view and inspect this vote counting process at the end of the Meeting.

7. At the AGM, one-third (1/3) of the total number of Directors are required to retire by rotation; whereby during the consideration to appoint new Directors, Shareholders are informed of this requirement together with the fact that the total number of nominated persons approved to be appointed as new Directors at any one time cannot exceed the total number of Board Directors allowed and specified in the Articles of Association of the Company. As stated above, the Company allowed Shareholders, during 9 September 2016 to 31 December 2016, to propose, in advance, any qualified person(s) to be considered for nomination and appointment as new Directors of the Company. The Company also allowed voting for the approval of new Directors to be done on an individual nominee basis.

8. During the AGM, appropriate and sufficient time is allocated to allow Shareholders the opportunity to freely express their opinions or make comments and suggestions relating to each agenda item being considered before the voting process takes place, so that Shareholders can be adequately and fully informed of the relevant issues being discussed. As such, the Members of the Executive Committee are present to answer any questions, under the direction of the Board of Directors of the Company, together with involved persons, to note down the questions or opinions as well as provide answers under the responsibility of the Board of Directors.

9. An agenda item is included relating to the consideration and approval of the proposed remuneration for Board Directors, whereby the Nomination and Remuneration Committee has reviewed and determined, in a concise and fully transparent manner, the proposed remuneration - in terms of the total amount together with the type of remuneration to be given to each Board Director, details of which are explained to the Shareholders. Further, details regarding the remuneration given to Directors and the Senior Executive/ Management group are also disclosed in the Company's Annual Report for 2016.

10. In the AGM for 2016, the Company considered all the proposed agenda items to be considered in the same order as they appear in the Letter of Notification for the AGM, that was sent in advance to all Shareholders without any changes, and the AGM was not requested to consider any other agenda items in addition to those already indicated in the Letter of Notification for the AGM.

11. After every Annual Ordinary or Extraordinary Shareholders Meetings, the Company Secretary together with the Company's independent legal advisors (Chandler & Thong-Ek Law Offices Ltd.), who also attend these Meetings, are responsible for recording the Minutes of the Meeting, as well as for distributing these Minutes to the SET within this specified deadline and also for posting the Minutes on the Company's website within 14 days after the date of the Meeting. These Minutes are also always proposed, as the first agenda item, to the next Shareholders Meeting for consideration and adoption. As such, at the AGM the Company is always open to allow Shareholders to express their opinions and comments or to propose any amendments to the Minutes of the previous Shareholders Meeting for the sake of maximum clarity and full accuracy. All approved and adopted Minutes of the Shareholders Meetings are kept, in hard copy format, within the corporate documentation system of the Company under the care of the Office of Company Secretary, as well as in an electronic soft file format together with all the relevant supporting documents for the agenda items considered at the Shareholders Meetings, so as to facilitate any subsequent search and reference as required.

2. Equal Treatment of Shareholders

The Company undertakes various activities to ensure that each and every Shareholder or Shareholder group - regardless whether it is a majority Shareholder, a minority Shareholder, or an institutional investor - receives information about the Company that is accurate, adequate, timely and on an equal basis as follows:

Assignment of an Independent Director to look after minority Shareholders

Minority Shareholders can submit their suggestions, opinions or complaints to the assigned Independent Director via e-mail to chank@singerthai.co.th, which is the direct email of the Company Secretary, reporting to the Independent Director, who will

review and consider these inputs in an appropriate manner as required, namely: if it is a complaint, the Independent Director will assess all the facts involved, and will rectify the matter as appropriate; or if it is a suggestion that the Independent Director feels is a matter of significant importance that could affect Stakeholders as a whole or the overall business of the Company, then the Independent Director will propose the matter to the Board of Directors for consideration to be included as an agenda item for the next Shareholders Meeting.

As such, the Company has established the principle that minority Shareholders can also propose, in advance, via an Independent Director, any agenda items and/or qualified persons to be considered for nomination as a Board Director for inclusion at the next Shareholders Meeting. This is so that minority Shareholders can genuinely participate in and contribute to the governance of the Company as well as in the selection of those appropriately qualified persons, together with being able to be effective in carrying out the duties as a Shareholder for the maximum benefit of all Shareholders and Stakeholder groups. Those Shareholders - singly or as a group - having a total of not less than 4% of the total voting shares of the Company are entitled to submit, in advance, proposed agenda items or to nominate qualified persons to a possible Board Director for consideration by the AGM not less than 3 months before year end closing period.

Also for the AGM for 2016, the Company has used these criteria and conditions, and has posted them on the Company's website, together with the Notification for the scheduled AGM and the period for submitting any proposed agenda items etc. However, no suggestions or proposals have been received from any Shareholders during the period in question.

Prevention of Conflicts of Interests Situations

The Board of Directors has established various policies and operating guidelines as follows:

- The Company has a clearly defined and transparent Shareholding structure with no cross shareholdings by the majority Shareholder group; and has, thus, resulted in there being no possibility of any conflicts of interests in favor of one party or the other. The shareholding structure of the Company and Subsidiary Companies has been clearly disclosed in detail, together with the required full disclosure of shareholdings in the Company by members of the Board of Directors.
- There is a clear separation of duties between the Board of Directors, the Executive/Management Group, and Shareholders; thus, there is a lack of any overlap of duties or any interference of authority among these groups. In the event that a Board of Director or Member of Management has a vested interest in any matter being considered, that party cannot participate in the meeting during the consideration of the matter in question, as well as cannot vote. This is to allow the Board of Directors and Management to come to an equitable decision that is of genuine benefit for the Shareholders.
- Policies relating to good governance and to the use of inside information has been determined and documented as part of the scope of operational authority, and have been included in the employees rules and regulations in writing, with all employees having been clearly informed of associated penalties for any violations or any unauthorized disclosures of or any unlawful use of such inside information for personal gains.

Controlling the Use of Inside Information

The Board of Directors of the Company has established various measures to control and prevent the misuse of inside information (or 'insider trading'), by those involved persons - namely, the Board Directors, Members of Board Committees, Members of Executives/Management Group and Staff in those business units dealing with such information, including their spouses, and children not yet of legal age. Details of such measures can be seen in the section of 'Control of the Use of Inside Information'

3. Role of Stakeholder Groups

The Company has in place a policy to operate its business through fulfilling its responsibility and accountability towards all Stakeholder Groups for the joint benefit of all on a sustainable basis; whereby the Board of Directors has determined an effective control and management system to ensure that the Company recognizes the rights of all Stakeholders - as specified by both the

relevant applicable laws or regulations as well as by those regulations that are documented within the Company's principles of good corporate governance and Code of Good Business Conduct and Ethics. These operating systems also ensure that the Company acts with full responsibility in looking after the rights of all Stakeholders on an equal basis, as well as taking care of society and the environment in a clear and strict manner. Due to the changing business operations, there are many overlapping Stakeholders groups and higher expectations from these various groups with regard to the Company acting in an equitable manner, and to being able to actively participate actively in contributing suggestions, in making decisions and in undertaking activities relating to key issues - especially those that may have an impact on them.

Thus, the overall treatment of Stakeholders is a matter of increasing importance; and as such the Company has defined 12 key Stakeholders groups together with the various guidelines in treating the respective groups, which can be summarized as follows:

1) Shareholders Apart from the basic Shareholders rights and those specified by the relevant applicable laws and the Articles of Association of the Company, such as: the right to check the number of shares owned, the right to have share certificates, the right to attend Shareholders Meetings and exercise their entitled votes, the right to freely express opinions at the Shareholders Meeting, and the right to receive equitable returns on investments, the Company has also given Shareholders the right to propose any suggestions, via the assigned Independent Director, regarding the operations of the Company in their capacity as co-owners of the Company, whereby every suggestion is to be proposed to the Board of Directors for consideration.

2) Staff The Company attaches great importance to its Staff, who are considered to be valuable resources of the Company; and it is committed to making every staff member feel proud of and confident in the Company. During the past year, the Company has undertaken various projects and activities to promote a good working environment, in order to support the creation of new ideas and actions as well as to enhance the capabilities of the Staff, so that they will be able to perform their duties more effectively. Additionally, the Company has given importance to maintaining the good health of its Staff, through arranging that Staff at every level always undergo a health check-up every year. In regards to work place safety, fire prevention and fire extinguishing systems are placed throughout the Company's facilities to ensure a safe working environment; and fire drills are also undertaken, both at the HO and the warehouse facilities, at least once a year. Furthermore, the Company promotes and supports a 'zero accident' policy, through placing PR posters throughout the Company's facilities, so that no accidents will occur within the Company; whereby during the last year there were no work-related accidents.

The Company continues to make improvements to the appearance of the office/facilities environment, so that is more appropriate to work in. The Company also promotes and supports its Staff to be learn more about the environment and associated issues, through arranging Staff training programs in order to create greater awareness and for the Staff to make use of the knowledge gained in their everyday life. The Company has also undertaken various activities and associated projects relating to preserving and protecting the environment, together with various other activities for the Staff to join and participate in preserving as well as protecting both the natural resources and the environment.

3) Customers The Company is committed in giving customers of its products and services maximum benefits in terms of both quality and price, together with maintaining and sustaining the established good relations with its customers through choosing only quality products that have received the quality industrial standard or TISI certification. The Company has also established a central customer service center or Call Center (Tel: 0-2234-7171), that is an operating unit responsible for giving assistance and advice to customers on the use of its products or how to solve any product problems, as well as for receiving any customer complaints in order to achieve maximum customer satisfaction; together with Singer service 'hotline' (Tel: 0 - 818 - 404 - 555) to give direct quick responses to customers relating to after-sales services and repairs of electrical appliances.

4) Business Partners The company is committed to operating its business within the framework of open and fair competition as well as honest trade practices together with strictly meeting all agreed terms and conditions, based on the established principles and standards of good business ethics, that have been documented and included in the Company's Policies and Guidelines on Good Corporate Governance.

5) Suppliers and Other Parties Related to its Businesses The Company has in place policies to take good care of its business suppliers and other involved parties, in regards to the environment, work safety, and payments to be received; together

with fully supporting the development of their capabilities as well as business-related and non-business knowledge, in order to enable them to work with increased efficiency and productivity.

6) Joint Investors The Company respects the rights of joint investors and treats them in an equitable manner, as well as fully cooperates with them at all times, so that the joint business operations can achieve full success in accordance with the agreed objectives of the joint venture project.

7) Creditors The Company fully meets all its agreed obligations and commitments as well as all terms and conditions of loans agreements according to expected behaviors towards its creditors, namely: trade creditors and lenders; whereby these principles and guidelines have been documented in the Company's current Policies and Guidelines on Good Corporate Governance. The Company currently treats all creditors on equal basis, and does not give any guarantees to any one creditor in particular - except in regards to guaranteeing the loans of Singer Leasing (Thailand) Co. Ltd., a Subsidiary Company in which Singer Thailand Pcl. has a 99.99% equity holding.

8) Society and Communities The Company operates its business in an equitable and moral manner towards all Stakeholders, and adheres to the principles of social responsibility, so as to help develop society as a whole as well as local communities. This is achieved through focusing on supporting the development of the livelihoods of its members, enhancing the happiness of those communities, and giving full support to various community activities - especially those activities related to improving the potential of young people and housewives in creating new livelihoods, skills and improved education. Additionally, the Company also encourages and enables its employees to participate and contribute towards these corporate social responsibility related activities to help society and local communities, through the established 'Singer CSR Club'.

9) Government organizations and agencies The Company places great importance on Government organizations and agencies in their capacity as a Stakeholder group, through establishing guidelines that are to be strictly observed by its Staff, so they can act in a correct and appropriate manner. The Company also always cooperates with all Government agencies and supports their various related activities.

10) The Press and Media The Government places great importance on disclosing information and news to the press and media, so that the Company can always communicate with the general public in an accurate, speedy and timely manner.

11) Competitors The Company treats all competitors within the accepted framework of free and fair trade competition, through operating its business in an equitable manner as well as in accordance with the relevant laws and establish Company's Code of Good Business Conducts. During the past year, the Company has not had any disputes relating to its business competitors.

12) The Environment The Company operates its business by always taking into consideration its responsibility towards society and the environment. The Company fully recognizes the need to conserve energy and protect the environment, through promoting the use of those appliances and products that are energy-efficient. Further, the Company continually develops appliances and products that have the 'No. 5 energy efficient' certification. Furthermore, Singer refrigerators use only Non-CFC refrigerants (or C-Pentane), that do not harm the environment or the ozone layer and which has a 'O-level' ozone layer damage certification.

Moreover, the Company constantly instills into its Staff and promotes their knowledge and participation in taking care of and protecting the environment, together with the need to restore and enhance vital natural resources, through jointly undertaking various associated projects or activities, initiated and sponsored by the Company, details of which are given in the separate section on "Corporate Social Responsibility"

Policy Guidelines Relating to Intellectual Property

The Company operates its business activities as well as encourages its Staff to act in full accordance with all relevant applicable laws and regulations with regards to intellectual property rights (regardless of whether it is trademarks, service marks, copyrights, patents, or confidential trade secrets) and other legal proprietary rights - such as: use of copyright computer software programs, whereby all software programs used must be inspected and installed only by the IT Department. As such, copies of the Computer Crimes Act (2007) are posted on each employee desktop computer within the Company so as to serve as reminders

of the prohibited associated actions. Additionally, the Company requires that all employees acknowledge and sign an agreement not to disclose any confidential Company information as well as not to violate any computer laws or intellectual property rights of others; whereby new employees must sign this agreement together with their Contracts of Employment.

Policy Guideline Relating to Respecting All Laws and Principles of Human Rights

The Company supports and respects the principles of human rights protection, and ensures that the Company's businesses is in no way involved with any activities that violate any basic human rights - such as: not supporting forced labor or use of child labor; treating all Stakeholders in an equitable manner; and respecting the basic human dignity without any prejudice or discrimination with regards to place of birth, race, gender, age, religious beliefs, nationality and family name, physical abilities/disabilities, skin color, or social status.

Position on Anti Corruption and Corrupt Practices

At the Company's Board of Directors meeting No. 203, on 14 November, 2014, a resolution was made to approve the Company's policy and position on anti-corruption together with the policy on Whistle - BLOWER Policy Information and Complaints, as well as to incorporate these policies in Management Handbook, the Company's 'Code on Good Business Conduct and Ethics' and the Policy Guideline for a 'Zero Tolerance'. Further, the Company has joined and received formal certification from the "Private Sector Collective Action Coalition Against Corruption Initiative (CAC)" as organized by the Thai IOD. The Company has assessed the risks relating to fraudulent and corrupt actions, and has determined policies on business ethics relating to anti-corruption practices. The Company has also communicated these policy guidelines throughout the organization together with procedures for whistle blowers/informants to submit details of any suspicious involvement by anyone in any alleged fraudulent or corrupt actions; whereby an internal Committee on Preventing and Suppressing fraudulent or corrupt activities has been established. The associated Anti-Corruption Policies and Guidelines Handbook has been documented to fully inform all employees, who are required to sign their acknowledgement of and agreement to fully comply with such policies and practices.

Policy Guideline Relating to Anti-Corruption and Corrupt Practices

The Company has established channels of communications for any Stakeholder to submit information or complaints relating to possible or alleged fraudulent situations. Guidelines have also been established relating to the giving/acceptance of gifts, assets, bribes or other benefits, entertaining or any inappropriate expenses beyond reasonable or authorized amounts, that are not in accordance with the Company's regulations. Also clear guidelines for the procurement process and for making donations, both of which activities are required to be undertaken in a transparent and equitable manner as well as in full accordance with all the relevant applicable laws and regulations, and established Company procedures.

As such, the Company has communicated these established rules and regulations relating to the activities of the Company to all Members of the Executive/Management group, so that they can also be informed to every employee - especially sales representatives and Field Staff - for their written acknowledgement and confirmation of their agreement to strictly observe these established practices in a correct manner.

Receiving Information and Complaints from Informants (or Whistle-Blowers)

The Company has assigned a Member of the Management to be responsible for directly receiving any information and complaints, together with a Joint Investigation Committee to assess and investigate the accuracy of any complaints in an equitable manner. Policies have also been established in regards to effective internal controls, together with a reporting process with full transparency and accountability, so that everyone can be confident that such investigations will be undertaken in an equitable manner. Additionally, various measures have been established to protect whistle-blowers/informants of any suspicious or alleged fraudulent acts - especially those informants or complainants, who are members of the Company's Staff, customers or persons assigned by the Company to investigate such possible incidents. This is so that such informants and other involved persons will be fully protected in accordance with applicable laws. Further, these measures have been included in the both the Company's Policies on Good Corporate Governance and the Company's Whistle-Blower Policy

In the event that any of the various Stakeholder groups have any suspicions or is aware of any possible or alleged irregular or illegal acts of misconducts, that are considered not to be in accordance with applicable laws, regulations or established Code

of Good Business Conducts and Ethics of the Company, then they can submit such information or complaints, together with full supporting details or evidence, to the Company's Joint Investigation Committee to investigate and establish the truth in a fair manner. This Joint Investigation Committee will then investigate and assess the truth, as well as summarize its findings that will be then be submitted to the Company's Management for consideration and further action.

Such information and complaints should be sent to these contact details:

Join Committee for Investigation of the Company (to establish the true facts in a fair manner)

Singer Thailand Pcl. Post Office Box 17, Bangrak Post Office Bangrak, Bangkok 10500

e-mail: amnesty@singerthai.co.th

As such, during the previous year, the Company has received no disputes, issues, or information of any significance, from any Stakeholder groups

4. Information Disclosures and Transparency

The Company has determined that the disclosure of any information and any communications be a core policy of the Company, whereby an Investor Relations and Corporate Communications Unit was established to represent the Company and to be central communications link between the Executive/Management Group in regards to disseminating and disclosing information. The Company also places importance on the disclosure of information, since it is an operational aspect with potential impact on the decisions made by investors and Stakeholders; thus it needs to be well-controlled through specific measures relating to disclosing both financial and non-financial information, in full compliance with the relevant applicable laws and regulations. Such disclosures should be made in comprehensive detail that are credible, timely and an adequate manner - both in Thai and English - through the SET Community Portal as well as the Company's website, as well as in full compliance with the relevant applicable laws and regulations as specified by the SEC and SET or other involved Government agencies. Further, these applicable rules and regulations need to be constantly monitored for any current amendments, so as to ensure that the Company is always in compliance such applicable regulations, and to guarantee to Shareholders that the Company operates its business in a fully transparent and straight forward manner, namely:

1. Disclose financial and non-financial information in an accurate, comprehensive, and timely manner.
2. Prepare the Report of the Board of Directors' Responsibilities for the Financial Statements for inclusion, together with the Auditor's Report on the Company's Annual Report in the Company's Annual Report.
3. Determine policies relating to the required reporting by Directors and Members of Management regarding their vested interests, as well as those of any related parties connected with the interests of the Company and Subsidiary Companies, based on the following guidelines and procedures:
 - Report upon initially assuming the duties of a Board Director or a Member of the Management Group
 - Report whenever there is any change in the information or status relating to their vested interests
 - Report at the end of every year
 - Report upon the expiry of the term of office as a Board Director, and upon being reappointed for another consecutive term; but Board Directors need not submit a report if there are no changes in the status relating to any vested interests
 - Board Directors and Members of Management are required to submit such reports (on the status of their vested interests) to the Company Secretary, who will then submit a copy to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days from receiving such reports; whereby the agenda item relating to such reports on vested interests must be included for consideration by the Board of Directors Meeting every Quarter.
4. Disclose the procedures for selecting and propose nominations of new Board Directors.

5. Disclose the duties and activities of the various Board Committees, together with number of times each Committee met together with the attendance record of each Member of each Board Committee during the year.
6. Disclose the structure and nature of the business operations, as well as the shareholdings in each Subsidiary and JV Company.
7. Disclose information relating to the remuneration for each Board Director, in their capacity as a Board Director and a Member of the various Board Committees.
8. Disclose the policy relating to the remuneration for Directors and Members of Management, with details regarding the various types of remuneration and benefits, together with the remuneration for Board Directors as Members of the various Board Committees.
9. Disclose policies relating to protecting or taking care of the environment and society, together with the outputs and achievements resulting from the actions undertaken in compliance with these policies.
10. Report on the policies and practices relating to good corporate governance, together with the outputs and achievements resulting from the actions undertaken in compliance with these policies.
11. Disclose investments in any important projects together with the results of such investments; whereby such disclosures are made via the SET Community Portal and posted on the Company website, so that all Shareholders, investors, the press and media, and any involved parties are fully informed in an accurate, comprehensive and transparent manner in accordance with the Company's policy of giving great importance to full disclosures of information and transparency, which is a key factor in the overall operations of the Company.

As a result of the Company placing great importance on information disclosures and transparency, that is a key factor in the conduct of its businesses, Singer Thailand Pcl. received the SET Awards for SET "Best Investor Relations Awards" for 2011 and 2012" for two consecutive years; while in 2016 the Company also received the "SET Outstanding Investor Relations Award" at the SET Awards ceremony in 2016.

The Investor Relations and Corporate Communications Department of the Company has undertaken activities relating to contacting, informing and communicating with institutional investors, general investors, and Shareholders, together with securities analysts and involved Government agencies on an equal and equitable basis. Shareholders who wish to contact the Investor Relations Unit for further information can do so directly via email at chank@singerthai.co.th or by telephone at 0-2352-4777 Ext: 4727.

During 2016, various activities were undertaken whereby the CEO, Director/Controller & Finance Director regularly met with various individual or institutional investors and securities analysts, in order to make presentations regarding the financial status of the Company and the Management Discussion & Analysis (MD&A); as well as participated in the SET Opportunity Day for investors to present the Company's operating performance results of and overview for the future operating trends of the Company; with details as follows:

- Investors related activities and meetings involving the CEO and individual investors, in order to make a presentation and create a better understanding of the business trends and overall operating activities of the Company.
- Various company visits by and regular meetings or conference calls with securities analysts and investors - via email or telephone - in order to directly answer any questions.
- Participation in the "Thailand Focus 2015" event, in order to meet overseas institutional investors.

5. Responsibilities of the Board of Directors

The Board of Directors comprises of qualified persons with the knowledge and abilities that are recognized at the national level, who have a vital role in defining the policies of the Company together with the Senior Management Group as well as in determining the overall long term and short term business plans, financial policies, risks management policies, and procedures together with the overall image and reputation of the Company.

The Board of the Directors also plays an important role in the overall governance of the Company, in evaluating the performance of the Company, and in independently monitoring the activities of the Management group, so as to ensure that they always act in full accordance with established policies and plans.

The Board of Directors also establishes a system of internal controls together with an Internal Audit function, and closely monitors the activities of these key internal units on a regular basis at the Board Meetings.

The Company's Board of Directors comprises of 8 persons, who possess extensive experience in various business areas and disciplines; whereby there is 1 representatives from the majority Shareholder, 2 Executives Directors, and 3 Independent Directors (that is equal to 50% of the total number of Directors); whereby there is an effective balance of power within the Board of Directors.

With regard to the management independence, the Chairman of the Board is not the same person as the Chairman of Executive Committee, so as to separate the respective duties in the determination and oversight of policies and the implementation and operations management of such established policies. The Company's Chairman of the Board possesses the independence in accordance with the regulations of the SET and has no relationships with the Management Group/

In order to achieve maximum effectiveness in the discharge of their responsibilities as a Board Director, the policy on good corporate governance requires that each of the Company's Board Director should not concurrently be a Board Director in not more than 5 other listed companies.

The Company's Board of Directors has established a policy in regards to Members of the Management Groups being a Board Director of other Companies, that any Member of Management should inform and seek prior approval from the Board of Directors. As such, they are not to be a Board Director in any company that operates a similar or competitive business as that of the Company. At present, the CEO and other Executives/Management Group members do not hold any board directorships in any listed or other companies - with the exception of only those Subsidiary Companies in which the Company has a 99.99% equity shareholding

The Company has established a clear scope duty and of authority for the Board of Directors together with a Charter for the various Board Committees that clearly defines their respective scope of duty and authority, which details are disclosed on the Company's website.

Additionally, the Board of Directors has established procedures for their self-performance evaluation on a group through using performance evaluation forms in accordance with those designed and specified by the SET; whereby these performance evaluations results are then summarized for discussions at the Board of Directors Meeting, so that every Board member is made aware of these evaluation results and can use them to make further improvements to their performances

Normally, the Board of Directors holds a Board Meeting every quarter and any special Board Meetings as necessary. The Company clearly determines the proposed agenda items for consideration in advance; whereby the Company Secretary will coordinate and arrange to send out, to all Directors in advance, Notifications of the scheduled meetings together with any supporting information and documents. During the Board Meeting, Directors can freely express their opinions without being influenced by any other person or group of persons.

In 2016, the Board of Directors held a total of 6 meetings, comprising of 4 normal scheduled Board Meetings together with 2 special Board Meeting. For each Board Meeting, all supporting documents relating to each agenda item to be considered are sent out in advance to all Directors at least 3 - 5 days in advance, so that they may sufficiently review and study them in detail prior to the Meeting; and there was 1 Annual General Shareholders Meeting. (whereby the attendance record of each Board Director for Board Meetings during 2016 is disclosed in the 'Management Structure' segment.

In the consideration of various agenda items and matters, the Chairman of the Board, who acts as the Chairman of the Meeting allows all Directors to opportunity to freely express their opinions. Voting on any matters is on a 'majority vote' basis; whereby each Director has one vote, and any Directors having a vested interest in a matter being voted upon is not allowed

to attend that part of the Meeting and/or also not allowed to vote on the matter in question. Further, in the event of a tie, the Chairman has one additional and deciding vote.

Additionally, the Board of Directors places great importance on any 'related party transactions' as well as in the careful, equitable and transparent consideration of any possible conflicts of interests situation between involved parties, together with fully disclosing information related to all such transactions in a comprehensive manner. In the event that a Director has any vested interests in any matter being considered, that Director is not allowed to join the discussions, decide or vote on the matter. At the Board Meetings, in the event of a tie-vote, the Chairman of the Meeting has one additional deciding vote.

After each meeting, the Company Secretary together with the legal advisors (Chandler and Thong-Ek Law Office Ltd, the independent legal advisory firm to the Company and who also attends every meeting) is responsible for recording the Minutes of the Meetings, including all key discussion points and opinions expressed by each Director. These Minutes are then considered for adoption as the first agenda item of the next Board Meeting; whereby Directors can comment and recommend any amendments, as required, for the sake of improved clarity and accuracy. The Chairman will then approve the Minutes as being correct and formally adopted, and the approved Minutes are then maintained for safe keeping, as confidential information, in the Company's documentation system at the office of the Company Secretary, together with a soft copy on file with the list of proposed agenda items for consideration for easy search and reference in the future.

Development of Directors and Senior Executives/Management Members

So as to gain further knowledge and skills, the Board of Directors encourages ongoing skills development and training for those involved with governance and oversight of the business of the Company - such as, Board Directors, Members of the Audit Committee, Executives/Senior Management, Company Secretary, members of the Internal Audit Unit, as well as those coordinating activities with the SET. This is to enable ongoing development and improvements in the respective working activities for increased effectiveness. The Company Secretary together with the Training Department are responsible for compiling the records relating to skills development and training received by Members of the Board and members of the Executives/Management Group as well as for proposing various development and training programs as appropriate for each person to consider and decide in attending various course, programs and seminars

Orientation Program for new Board Directors

In the event that there is a new Board Director appointed, the Company's Board of Directors has determined the policy that an orientation program be undertaken together with compiling all relevant background documents and useful information to introduce and educate and inform the new Board Director on the Company's business model and business operations. Additionally, before the first Board Meeting, introductory meetings with other Board Directors and Senior Executives/Management Members be arranged so as to enable the new Board Director to obtain firsthand information and insights as well as operational activities, together with visits to the Company's warehouse facilities and branch sales offices. The Company also encourages new Board Directors to join and attend various courses held by the IOD, which will be beneficial and valuable in the discharge of the duties as a Board Director.

Corporate Social Responsibility (CSR)

Policies and Guidelines for Corporate Social Responsibility

1. Conducting business in a just and equitable manner

To achieve just and equitable business operations, Singer Thailand Pcl. and its Subsidiary Companies have determined a core strategy of giving great importance to the rights of all Stakeholders, regardless of whether they are internal (ie: Staff and Members of Management) or external (ie: customers, creditors, and Government agencies or other involved organizations, including local communities, society as a whole, and the environment). This just and equitable way of conducting its businesses is not limited to what is required by law but also includes those actions that will not infringe upon or violate the basic rights of all these Stakeholder groups; whereby the following operating good business conduct and ethics have been defined as below :

- Policies and responsibilities towards Shareholders

1. Establishing a policy framework for good corporate governance principles and practices, in order to enhance full transparency towards as well as trust among Shareholders, investors, and all other Stakeholders, through having in place policies and directions relating to the Company's business operations and activities, together with giving great importance to having in place specific internal controls and audit systems. This is to effectively monitor and ensure that the Management Group fully complies with agreed internal policies and strategies for the overall benefit of the Shareholders.
2. Respecting the basic rights of all its Shareholders to receive, on a equal basis, all necessary and relevant information to facilitate an assessment of the Company operations, as well as making full disclosures on the Company's performance results and financial status together with detailed supporting information/documents as required by the rules and regulations of the SEC and SET.
3. Having in place effective systems and procedures, to ensure that every single Shareholder will receive the same equal treatment during Shareholders Meetings.

- Guidelines relating to "Conflict of Interests" situations

1. In their dealings with customers or other outside parties, all Staff are required to avoid any possible situations of conflict between to their own personal interests and those of the Company.
2. All Staff are required to be fully committed in devoting their time and efforts towards the activities of the Company. In the event that they need to have to take on any additional work outside the normal working hours (in order to increase their personal income or for whatever reason), the following guidelines must be observed :
 - it must not affect or impact their assigned role or responsibilities within the Company,
 - it must not be illegal; or cause any conflict or unrest; or be against normal moral, culture and good behavior of a Thai citizen,
 - it must not result in any negative impact on the good name or reputation of the Company,
 - it must not be in conflict with the business activities and interests of the Company, and
 - it must not involve the misuse use of any confidential information of the Company.

2. Anti-Corruption

The Company has determined its anti-corruption policy in the Handbook for the Management Group, the Code of Good Business Conduct and Ethics and in the Zero Tolerance Policies, as well as has joined in declaring its anti-corruption stance

with the Private Sector Collective Coalition Against Corruption (CAC) as organized by the IOD, and has received full formal CAC certification.

3. Respect for Human Rights

Basic human rights are entitled by everyone and includes: the right to be happy as a human being and a part of society, together with the right to be treated with dignity and respect. The respect for these basic rights is the basis for a stable and peaceful society.

Singer Thailand Pcl. and its Subsidiary Companies, therefore, gives great importance to the respect for these basic human rights and recognizes the great value of its human resources; as well as wishes to all its Staff to feel proud of the Company. As such, the Company promotes a positive collaborative working environment, together with offers opportunities for all its Staff to advance in their respective career path on an equal basis; whereby all Staff members through the organization will be supported to develop through enhancing their knowledge and abilities equally and on continuous basis, in order to add value to the business that will enable the Company to be a leading business organization, within the following framework for the development of its human resources:

- Equal treatment and opportunities for advancement

1. Treating all employees alike and equally with respect for their dignity and value as a human being.
2. Recruiting and selecting capable people to operate our businesses, based on the required benefits and achievements of the Company, in a just and equal manner; as well as based on the needs of the Company's operations. This will facilitate acquiring 'good and capable' people, who share the same mindset that corresponds to business and cultural orientation of the Company, through taking into consideration, the required qualifications, education, experiences and other criteria for each position without any restrictions with regard to gender, age, race, nationality, religious beliefs, or personal relationships.
3. Determine and implement an employee's compensation plans as appropriate to the individual's capabilities, together with a welfare and benefits package for the Staff member and their family, that corresponds to the current economic situation; as well as determine annual increases for the overall compensation plans, based on the Company's overall performance results and the individual employee's efforts, industriousness and contribution during the past year.
4. Encourage and promote continuous development of the Staff's knowledge and capabilities, including their basic business skills, management skills, and ability to effectively carry out their assigned responsibilities; whereby support is given by the Company in terms of training budgets and time-off allowed to be able participate in various development programs on a continuing basis. This is so that all Staff and employees have the same opportunities for self-development and improvement of their skills and capabilities, as well as to facilitate their career advancement, and to develop the Company's human resources to be good people with the right attitude and be knowledgeable in their work.
5. Continuously promote and enhance good internal communications to facilitate good relations and effective cooperation among all employees in the work place.
6. Promote and create an open environment, in which Staff member has the opportunity to communicate freely and submit any suggestions concerning work together with any complaints or issues regarding their working conditions and welfare through a Company Staff Welfare Committee. All suggestions and complaints will then receive full and serious consideration, and receive an appropriate response, in order benefit all parties and enhance good internal cooperation and working relationships.

7. Promote and offer opportunities for the Staff, at every level, to be able to participate in overseas work-related training or field trips, in order to open up their minds to new ideas and expose them to new experiences, which they can then apply in their own work upon returning home.

- **Infringements and Violation**

1. All Managers and Supervisors should show the proper respect towards their Subordinates; and all Subordinates should act in the same manner towards their Superiors/Managers
2. Every Staff member must not express anything or act in any way that will infringe or violate upon the basic individual rights of others in terms of race, nationality or religious beliefs, as well as any physical or mental disabilities.

4. Equitable Treatment for all Workers

The Company values and believes in the power or ability of its human resources, which are vitally important in effectively driving the organization towards the realization of its vision and achievement of its mission in accordance with agreed business strategies. Thus, the Company strives to recruit and select new hires possessing the knowledge, capability, attitude and mindset, and full willingness to join and work for the Company. At the same time, the Company also strives to retain its existing employees through continuous development of their knowledge, skills and capabilities, so that they can to achieve good team work and assist each other as needed.

Additionally, the Company strives to build up mutually solid working relationships and bonds that will enable the Company to more effectively and efficiently achieve its business goals and objectives. Most important of all, the Company continuously strives to create a positive and happy working environment, with all employees liking each other and feeling proud to be a part of the organization.

Management of compensation/remuneration schemes and employee welfare

The Company believes in having an equitable compensation policy to facilitate a good and happy living standards that are appropriate to the current costs of living, as well as in providing financial assistance or support and various other employee welfare benefits (such as providing staff uniforms, annual health check-ups, and annual staff trips etc.). The Company also believes in encouraging all employees to be happy at work and have a good balance between their work life and personal life, based on the principles of economic self-sufficiency.

- **Individual rights and freedom of choice of employees**

The Company gives great importance to the protection and preservation of human self-dignity and of individual rights and freedom of choice, through addressing and incorporating measures to prevent any such potential infringements of individual rights as an integral part of the Company's core operating procedures, and to ensure equal treatment for all employees. All Singer staff have the opportunity to submit any complaints or personnel management issues to their supervisors/managers, with 'suggestion boxes' being made available and located throughout the Company facilities for any employee to submit any such suggestions or observations and comments as well as any complaints and issues, or requests. The Company Staff Welfare Committee will then seriously consider such all inputs and then, at every monthly Management - Staff meetings, will make their recommendations to the Management as to the appropriate responses and feedback to be made and/or actions to be taken.

- **Development of staff potential**

The Company has established various procedures and systems relating to the continuous development of the potential of its employees at every level including formal training programs, Staff coaching, on the job training and mentoring, so that every employee is able to become more effective in their work and be a positive part of the organization.

- Active participation in creative activities to benefit society and local communities

The Company encourages all employees to be actively involved in various CSR-related programs and activities that will benefit society, the community and the environment. Through its CSR policies, each and every business unit and branch of the Company should actively participate in undertaking good deed to give back to as well as help society and various communities - both at the national and local levels in which the Company operates. As such, the 'CSR Club' has been established through the joint cooperation among all employees and Staff Members, who volunteer to undertake activities that will positively benefit society and the environment.

5. Being Responsible towards Consumers and Business Partners

Apart from complying with all legal requirements relating to the treatment of consumers, Singer Thailand Pcl. and its Subsidiary Companies also have policies in place requiring all Staff members to apply good business conducts and ethics in their interactions with and towards both consumers and business partners, as follows:

- Consumers

1. Always be committed and strive to strictly adhere to any business terms and conditions as agreed with customers; and act in a just and credible manner.
2. Always be committed and strive to disclose all relevant information accurately and completely as well as in a timely manner; and continuously endeavor to promote a positive customer relationships.

- Business Partners/Contractual Parties

1. Always strive to source both products and services with high standards of quality, within a framework of equal information disclosures in a competitive manner; as well as use clear and transparent procedures in choosing to deal with any business partners and/or contractual parties. Make use of appropriate contractual agreement formats; as well as manage and monitor the established agreements to ensure full compliance to all agreed terms and condition. Prevent and avoid making use of any corrupt business practices or misconducts in all stages of the sourcing and procurement process; as well as undertake timely payments strictly in accordance with the agreed terms and conditions.
2. Always strive to continuously develop and maintain positive and sustainable relationships with all business partners and contractual parties, based on clearly established mutual trust and agreed requirements in terms of supplying products/services of the highest standard of quality as appropriate to the agreed pricing and/or technical specifications.
3. All employees are strictly prohibited from receiving any "benefits" in any form whatsoever from any business partners and/or contractual parties.

6. Joint Development of Society and Local Communities

The Company always recognizes and is mindful of the great importance of operating its business based on the highest ethical and moral business standards; as well as believes in looking after and helping to create a good Thai society in a positive manner and on a sustainable basis. As such, the Company believes that effective vocational development and training of Thai society are vital as well as basic grass root requirements of society as a whole. Thus, the Company continuously develops and promotes vocational training programs for students, young people and housewives together with female prison inmates, whereby these activities form the basis for the various "creating vocations and jobs" projects undertaken by the Company in close cooperation with various Government agencies and other private organizations that create jobs and livelihoods.

7. Managing the Environment

The Company realizes the great importance of efficient use of energy and energy conservation together with protecting the environment; and thus promotes the use of energy-efficient electrical appliances, which is a one of the Company's CSR practices. The Company has continuously developed appliances that are energy-efficient, bearing the official "No 5" Energy-Efficient label. Furthermore, Singer produces refrigerators that use non-CFC coolants that do not destroy or damage the environment and the ozone layer - namely: C- Pentane, that has a ozone layer destruction rating of 'zero'.

Since the Company does not have any manufacturing operations or facilities, but sources its products and appliances from Original Equipment Manufacturers (OEM), who have quality production processes as well as avoid buying from low quality manufacturers; whereby the Company has a special Quality Assurance team, responsibly for selecting and sourcing products and appliances that are of the required quality standards. The Company also has a policy to select and source from those manufacturers who pay attention to environmental impact and related issues.

The Company also emphasizes and focuses on only operating its business with high quality standards for the overall and ongoing benefits of society and the consumers on a continuous basis. Further, the Company encourages its employees to recycle and reuse printing paper, as well as separates out its garbage and reuses its packaging materials.

8. Being Innovative and Spreading Innovative Ideas in conducting the Company's Business, through Respect for Corporate Social Responsibilities, the Environment and All Stakeholders

Singer is the leading sewing machines manufacturer and supplier, with a long-standing and well-established reputation as well as in regards to new products development, innovation and designs. These products that are easy to use together with being of the highest quality and offer various outstanding features and specifications that meet all the expectations of those interested in sewing to produce well-made clothing items and accessories. Additionally, the Company also has well-experienced and capable sewing instructors to teach the art of sewing by using Singer sewing machines, who are readily available to actively participate, on a continuing basis, in skills training projects that will create new vocations for young people and housewives in local communities as well as for female prisons inmates.

Report on the Activities Relating to Corporate Social Responsibility

Ever since the start of our business and up to today, “Singer” has always sought to share both happiness and a sense of well-being to Thai society, together with continually developing the quality of both our products and services in order to achieve the highest level of excellence.

Part of the Company’s core mission is to raise the quality of life and standards of living of the Thai people, in order to achieve a happy society. Therefore, various projects and activities have been initiated for the overall benefit of both the society and the environment under the theme of ‘Creative Sharing, based on established strong relationships with the communities and focused on developing and growing as well as going forward together’. This is achieved through the creation of jobs and vocations for Thais, together with skills development for those living in local communities that will enable them to become our sales representatives, so that we can all fit in well together with the local way of life, local culture and customs, and to promote better livelihoods for members of local communities.

Currently, the Company has established a “CSR Club” to enable every employee to have the opportunity to participate in and contribute to various activities aimed at promoting and supporting society and the environment. The “CSR Club” logo that consists of a ‘large tree’ (representing the current large communities) that, through the collective care, support and actions by Singer staff in planting and nurturing (with good soil, fertilizers, together with constant watering and care) has grown to be big and strong from a small seedling (or community) that now bears fruit and able to be self-sustaining. This is similar to the many local communities that, through the care and sustained support from Singer employees to its people, development and environment, have now become strong, self-sufficient and self-reliant to grow on a sustainable basis.



CSR - in process

This aspect of CSR involves the Company undertaking activities relating to its core business activities based on policies related to being responsible towards society as a whole. This includes not only looking after the interests of the key Stakeholders groups, (namely: Shareholders, Customers, Consumers, Business Partners) in an appropriate and equitable manner, but also disclosing all relevant information with full transparency, together with recognizing the importance of good governance policies and practices.

As for its Employees, the Company takes good care of all its Staff, through offering equitable and competitive compensation as well as Staff welfare benefits and assistance, that will afford them an appropriate and happy livelihood, together with other various supporting financial assistance and loans schemes. Additionally, the Company also offers other benefits - such as, uniforms, annual health check-up program, annual staff trips, etc. - together with encouraging all staff to achieve a positive personal work-life balance, based on the principles of ‘sufficiency economy’. Further, so as to promote its Staff to develop a habit of saving money, the Company has joined the SET’s ‘Happy Money’ program, which is aimed at developing good financial discipline on the part of the Staff and in guiding them on how to more effectively save and manage their own money and their family’s finances, together with offering financial assistance and solutions to any financial problems.

Additionally, The Company encourages the staff to contribute towards better energy saving together with more effective use of paper and paper materials, with the overall objective of being saving energy as well as being more energy and resources efficient. All staff are also encourage to participate in various activities that will benefit society and the environment.

CSR – after process

CSR-outside of the business operations involves undertaking various activities that are ‘outside’ or not directly related to the Company’s core business activities, but relates to supporting and encouraging all Staff to participate in various activities undertaken for the direct benefit of society and the environment; whereby the Company has established policies that require

that every business unit within the Company including its nation-wide branch outlets network to join and participate together in projects that will benefit and help repay to communities - both at the local and national level - in which they are located, through undertaking various types of projects specifically related to these 5 key social activities:

1. Support and promote the development of local children and young people.
2. Promote religion, culture, customs, and family life.
3. Offer assistance and relief to communities affected or damaged by any natural disasters.
4. Promote the improvement of the quality of life of the people living in local communities.
5. Develop communities and society as a whole.

1. Support and promote the development of local children and young people

The Company focuses on activities to develop and support further education of underprivileged children and young people, together with offering them training to develop positive awareness and attitude towards society in general. This also includes other activities to encourage children and young people, through their local communities, to be aware of the need for contributing to both the preservation and productive use of local resources in a manner appropriate to their local way of life and local knowhow or skills; as well as to support the spread of local educational programs and the closing of the inequality gap between urban lifestyle and that of local communities.



During 2016, the Company and its staff carried out the following activities aimed at developing local children and young people:

1. Undertaking various activities - such as, donating books to local school libraries and sports-related materials.
2. Donating product relating to the National Children's Day activities
3. Donating products and money to various welfare and charity organizations and foundations
4. The activities of creation of the job and vocation "create a job, create a career" for youth in several areas;
 - Judicial Hospital at Putthamonthon District, Nakornpathom Province
 - Rajamangala University of Technology Krungthep (Rajamangala Institute of Technology South Bangkok campus) - Bangkok
 - Nakhonsawan Industrial and Community Education college and Nakornsawan Vocational College at Muang District, Nakornsawan Province
5. Merit making ceremony to raise educational funds for the Baan Maeklong Khao School at Umphang District, Tak Province



2. Promote religion, culture, customs, and family life

The Company participated in promoting religious activities, so that the Staff will be the centre for unity within the organization. This includes various activities aimed at preserving longstanding and well-accepted Thai customs and culture - such as, Songkran ceremonies and festivals, or various Buddhist ceremonies that have been handed down from generation to generation (ie: loy krathong, ceremony to offer Buddhist lent candles), as well as aimed at strengthening of the institution of family life like national mother's day.



3. Offering assistance and relief to communities affected or damaged by any natural disasters

To demonstrate its care and concern for local communities, the Company continuously participates in various programs and projects aimed at providing relief and assistance to those suffering from any extensive natural disasters - such as: conflagration, windstorm, floods, etc.,) that causes widespread damage to the peoples' lives and properties, regardless of whether such public relief activities involves donating money or essential goods and necessities.

4. Promoting the improvement of the quality of life of the people living in local communities

The Company has continuously participated in projects aimed at promoting the development and improvement of the quality of life of people living in local communities on a long term basis, through creating vocations and jobs so that people in these communities will have work together with a comfortable and improved livelihood without having to migrate to work in urban centers, as well as through recruiting local people to be hired as employees at its local branch outlets. Additionally, through developing and offering various new business generating products, that are affordable and will enable owners to generate income and operate a small business - such as: coolers and freezers, various types of coin-operated vending machines (ie; mobile air time vending machines, petrol vending machines, and various payments machines for consumers services), the Company has helped to create local jobs and small businesses opportunities within the local communities.

5. Joint Development of the Communities and Society

The Company is fully aware of and recognizes the vital importance of operating its business based on good moral and business ethics together with taking care and assisting others, and of contributing to the development of Thai society as a whole on a sustainable basis. The Company sees the importance of vocational training for members of the Thai society that is a key foundation for the development of society; and as such has participated in its development and promotion as well as have continuously supported vocational training for school children as well as housewives and women prisoners. This has led to the 'creating jobs and creating vocations' projects that have been undertaken jointly with various public and private organizations to build jobs and vocations with the following details:

1. Activities for prisons undertaken in 2016 are as follows:

- Ratchaburi Central Prison, Muang District, Ratchaburi Province
- Rayong Central Prison, Muang District, Rayong
- Pisanulok Women Correctional Institution, Wangthong District, Pisanulok
- Udonthani Central Prison, Muang District, Udonthani Province



- Khonkaen Central Prison, Muang District, Khonkaen Province
- Mae-sot Prison, Mae-sot District, Tak Province



Undertaking various projects and activities to create jobs and vocations for female prisoners, the Company joined the Royal initiated 'Kamlang Jai Project', graciously undertaken by HRH Princess Bjarakitiyabha aimed at helping those in Thai society requiring opportunities in new vocations and skills. Starting with pregnant female prisoners, HRH Princess Bjarakitiyabha graciously offered help and donated her personal funds, in cooperation with the Nursing Vocational School of the Thai Red Cross and the Department of Corrections, for various projects and activities to be undertaken to improve the lives of these female inmates as well as to teach them about health and improved hygiene; whereby these projects have fully achieved their intended objectives.

Based on this success, HRH Princess Bjarakitiyabha saw the opportunity to widen the scope of these assistance projects to include other needy groups; whereby HRH Princess Bjarakitiyabha graciously requested the support of the Ministry of Justice to promote these projects together with its goals and successful outcomes on a wider scale to others. While still focusing on female prisoners, the objective of these Royal initiated projects were widened to include vocational training in various fields, so that they can have a better chance of successfully rehabilitating into society after their release from prison and of avoiding repeating their crimes.

The Company saw the importance of such projects aimed at creating vocations and jobs as well as at offering new opportunities for the recipients to teach themselves about sewing and producing articles of clothing or other products. As such, the Company sent in experienced trainers and skilled staff to train female inmates on the sewing techniques and how to make articles of clothing, and, thereby, creating new vocations and skills that they can use in order to have independent jobs as useful citizens after being release and rehabilitated into society outside. Service technicians were also sent into the prisons to check, service and repair old sewing machines, so that they can become fully productive and usable again. These activities by the Company have resulted in much happiness and appreciation from all those involved.

2. Activities for local housewives and local communities - in 2016 include:

- Housewives Group : Moo 9, Wat Srai Sub-District, Muang District, Nakornsawan Province

3. Training for Housewives Group in 3 Southern Border Provinces jointly with Phradabos Foundation in 2016 include:

- Royal Thai Marine Task Force - Chulabhorn Camp, Muang District, Nawathiwat Province.
- Thunyarak Pattani Hospital, Muang District, Pattani Province.



4. Activities for the Handicapped in 2016 include:

- Vocational Development Center for Disabled Persons, Pakred District, Nonthaburi Province
- Ratchaburi Disability Services Center, Muang District, Ratchaburi Province
- Baan Nonthaphoomi, Pakred District, Nonthaburi



In order to create opportunities for those in need as well as to take care of, rehabilitate and develop vocations for handicapped persons and the poor, so that they can receive vocational training and self-development and then be able to be a part of society with a livelihood they can be proud of, the Company sent trainers and skilled staff to provide training for these groups of people on sewing techniques, designing, and developing and making articles of clothing or other products. This resulted in successful outputs of clothes and other items for sales as OTOP products, and thus creating new sources of income for the handicapped and the needy.

The Company also joined with Centre for Vocational Development for the Handicapped, Amphur Pakred, Nonthaburi, in creating new vocational opportunities and skills for the handicapped, through accepting 11 persons as employees of the Company (as part of the social activities), responsible for sewing small products or gift items to be used by the Company as souvenirs or gifts for various festive occasions, and possibly to be sold in the future. This has also created new sources of income for the handicapped, and has improved both the stability and the quality of their lives.

Moreover, Singer Thailand, is a well-known leading sewing machine company, with a long established reputation for product innovation and design as well as for offering consumers products that are easy to use, of the highest quality together with several unique product features to meet the requirements of those having a passion for sewing and decorating articles of clothing. The Company has also available experienced and skilled trainers to train others on the sewing techniques and how to make various items with Singer sewing machines. The Company is always willing and ready to undertake various vocations creating projects, aimed at training and giving new vocational skills to young people, housewives, and female inmates on a continuing basis.

Therefore, should any school, Government organizations and agencies, or private organizations interested in undertaking, jointly with the Company, any projects to create jobs and new skills, to develop both the potential ability and vocational skills for young people, housewives together with those lacking the opportunity for employment and in need of jobs and income, to give them the opportunity to have an income and be self-sufficient in raising their families (and, thus, to be a burden on society), as well as to develop and strengthen local communities and improve the overall quality of life for families and the community as a whole, should contact the Company. Then, Company would be happy and ready to cooperate in such joint assistance projects for the benefit of society; whereby the Company's social activities group can be contacted at Singer Thailand Pcl at : Tel. 02 - 352 - 4777, Ext 4202 or via email at : pansamaneep@singerthai.co.th

Preventing involvement in any corruption activities

Singer Thailand Pcl. and its Subsidiary Companies has established policies and associated operating guidelines relating to preventing any involvement with acts of corruption, whereby guidelines that correspond to the established ANTI-CORRUPTION POLICY are applicable for Singer's Board Directors, Executives/Management Group and all Staff. This Anti-Corruption Policy has been compiled and incorporates various operating guidelines relating to possible means that could be used for acts of corruption, the Whistle-Blower Program, Training and Communications Channels related activities, and Disclosures of Information to external parties, as well as Reporting and Operations Audit procedures. This is in order to ensure that the Management Group and all Staff can undertake their job responsibilities in a correct manner and appropriate to various situations.

As such, the Company has joined in declaring its anti-corruption stance with the Private Sector Collective Coalition Against Corruption (CAC), whereby at the CAC Committee meeting for Q4/2015, on 22 January 2016, a resolution was approved to recognize and award formal CAC Certification to the Singer Thailand Pcl. as a full CAC Member, which is valid for a period of 3 years effective from the date the resolution was approved.

The Company's activities aimed at preventing any involvement with acts of corruption are as follows:

1. All Staff are required to act in an honest manner, with integrity and good moral, as well as be committed to behaving with good professional business ethics; whereby the Company will instill these positive behaviors in all newly hires employees.
2. Undertake an assessment of the various risks related to corruption on a regular basis together with the annual risks assessment activities.
3. The Company has determined the ANTI-CORRUPTION POLICY, together with associated strict penalties to be imposed on anyone caught with being involved with any acts of corruption.
4. Undertake various associated training programs and courses as well as communications activities, so that all Members of the Management Group and Staff can be made aware of the established ANTI-CORRUPTION POLICY, together with undertaking an orientation program for newly hired employees so that all new staff members can fully understand the various anti-corruption measures.
5. Establish various channels of communications for use in submitting complaints and providing confidential information by informants/whistle-blowers on any alleged acts of corruption from any Staff member or outside persons; whereby any information received will be investigated to find the true facts as well as details of the informant/whistle-blower will be kept confidential.

As such, details of this policy is officially disclosed and posted on the Company's website, so that every persons or party involved with the Company will be aware of the Company's ANTI - CORRUPTION POLICY, details of which can be viewed at http://www.singerthai.co.th/newweb/about/zero_tolerance_policies2.php.

Internal Controls and Risk Management

The Board of Directors of the Company has established the Audit Committee, comprising of 3 Independent Directors, who possess the required qualifications as specified by the Stock Exchange of Thailand (SET). The Audit Committee is responsible for reviewing all financial reports of the Company, to ensure that they are accurate, correct and credible, as well as disclose the required information in an adequate manner together with being in full compliance with all applicable laws and regulations.

The Audit Committee is also responsible for reviewing that the Company has in place effective and adequate internal control procedures, and ensuring that the Internal Audit Department reports directly to the Audit Committee and the Chief Executive Officer. The Audit Committee has appointed Mr. Narongdej Ketsongkram as the Internal Audit Manager, whereby he possesses all the required qualifications and professional experiences (as stated in detail in Management Profile: Details of the qualifications of the Internal Audit Manager); and, thus, the Committee is of the opinion that Mr. Narongdej Ketsongkram is appropriately qualified to be appointed to this position and can effectively carry out the required duties and responsibilities. Further, in the event of any future appointment, dismissal or transfer of the Internal Audit Manager, approval from the Audit Committee is required.

At the Audit Committee Meeting No.1/2017, on 17 February, 2017, that was attended by all the 3 Independent Directors who are also Members of the Committee, a review and assessment was made of the existing internal controls system of the Company, through asking specific questions from the participating members of the Management and the external Auditors. From this thorough assessment of the 5 core components of the internal controls system, namely: internal control procedures within the organization, risks assessment and operational oversight and audit, together with information technology and communications systems, and monitoring procedures and systems, the Audit Committee concluded that the existing system of internal controls is adequate, and that the Company has assigned sufficient number of people to effectively undertake these responsibilities. It was also concluded that the monitoring procedures within the overall internal controls system relating to the operations oversight of the Company and Subsidiary Companies, are already adequate in being able to protect the assets of the Company and Subsidiary Companies through being inappropriately misused by Directors and the Executive/Management in undertaking activities that are beyond scope of their scope authority as well as in regards to undertaking transactions with any related party that may have a conflict of interests.

With regard to other key aspects of internal control procedures, the Audit Committee is of the opinion that such procedures are also adequate; but also requested the Company to further develop the Enterprise Risk Management system (ERM). The Company has established the Risk Management Committee (RMC), responsible for assessing the internal controls system as well as for overseeing the overall management of risks within the organization. The RMC the various Heads of Departments as the 'risk owners' to be responsible for identifying various possible risks within their respective Departments; whereby such perceived risks would then be reported to the RMC for further consideration to determine appropriate risk management measures and then to propose to the Audit Committee for acknowledgement and consideration.

As such, the Audit Committee has attached much importance to the fraudulent accounts that has occurred, and has assigned the Company's external auditors to review and submit an in-depth report of the associated details at their Quarterly review meetings. The Committee has also assigning the Internal Auditor and the Risk Management Manager to closely monitor details of such fraudulent accounts and submit a detailed report, to the Audit Committee meetings every Quarter, of the actual facts, reasons for their occurrence and the various resultant impacts together with possible means to solve this key issue.

Additionally, the Company's external auditor, namely: KPMG Phoomchai Audit Ltd., responsible for reviewing and auditing the Company's Quarterly and Annual Financial Statements in 2016, has given its opinions in its audit report on the

respective Consolidated Financial Statements of the Company and Subsidiary Companies and those for the Company only, ending as at 31 December 2016; whereby the report also discloses both the consolidated financial status of the Group of Companies and that of the Company only, as well as the consolidated operations performance results and that of the Company only together with the associated consolidated cash flows of the Group and those of the Company only ending as at the same date. As such, all these financial reports are accurate and correct with regards to any significant financial information, and have been prepared in accordance with the required financial reporting standards.

At the Board Meeting No. 216, held on 17 February, 2017, which was also attended by the Audit Committee, the Board of Directors considered the Audit Committee Report, questioned the Management group on specific matters, as well as reviewed and assessed the adequacy of the internal controls system summarized in the Audit Committee Report - based on the Committee's thorough assessment and discussions at the Audit Committee Meeting No.1/2017 held on 17 February, 2017; and, as such, it was concluded that Board of Directors did not have any differences of opinion from those expressed and submitted by the Audit Committee in its Report to the Board.

Additionally, the Audit Committee also focused on the issue of corporate governance, so as to facilitate ongoing reviews of and continuing improvements to be made to the internal controls system, with the following details:

1. The Organization and the Operating Environment

The Company has created an organization structure that enables the effectiveness of both the Management group and the activities of the staff, through having clearly defined working objectives and measurable targets. The Company has determined these goal based on appropriately realistic achievable assumptions; and also defined a code of ethics in conducting its businesses together with comprehensive regulations for the Management group and Staff members relating to possible conflicts of interests with the Company's business, as well as operating policies and procedures relating to financial transactions, procurement, and general management and administration that are concise and appropriate. Additionally, policies and business activities plans have been determined relating to the equitable treatment of customers that will benefit the Company in the longer term.

2. Risk Management

The Company has assessed various external and internal risks that may have adverse impacts on the Company's business operations, through taking into consideration both the opportunities and the potential gains to be achieve. It has also as closely monitored various situations on a regular basis so as to enable various appropriate counter measures and strategies to be determined, which have been communicated to the Management group and all staff for implementation and adherence, in order to reduce the perceived risks to an appropriate and acceptable level. As such, the Company has also established specific measures to effectively manage risks of losses relating to the Company's financing and hire purchase services, through establishing a credit approval center to approve credit to be given prior to a sale is made so as to prevent potential risks resulting from having poor credit quality customers, together with close monitoring of hire-purchase customers accounts, on a regular basis, that has resulted in the Company having a hire purchase customers base that is of a good quality.

3. Control and Oversight of the Activities of the Management Group

The Company has established the scope of authority and responsibility for the Management Group together with clearly defined and appropriate levels of approval authority, with specific financial limits. There is also a clearly defined separation of duties and responsibilities relating recording accounting transactions and other key information, together with the safekeeping and maintenance of Company assets. Other measures have also been established to effectively control the implementation of various transactions that involve the majority Shareholder, Directors, members of the Management group or other parties involved with these group of people, so as to prevent any conflict of interests

situations from occurring, as well as to achieve full transparency in the Company's business operations through taking into consideration the best interests of and benefits for the Company.

4. Information Technology and Information Communications.

The Company attaches great importance to its information technology systems and information communications activities, so that the information communicated is of a good quality and adequate enough to enable decisions to be made by the Board of Directors, the Management Group, Shareholders and investors, as well as for other involved parties in their consideration and decision making process. Additionally, the Company makes use of accounting policies and practices that conform to generally accepted accounting standards and that are appropriate to the Company's business operations with full accountability; whereby such accounting and financial records are carefully maintained and securely kept as appropriate as well as can be easily audited.

Letters of Invitation to Board and Shareholders Meetings, together with all relevant supporting documents, information and the respective Minutes of the Board or Shareholders Meetings (as applicable) are sent out sufficiently and appropriately in advance, as required by law, before the next scheduled meeting, so that they can be reviewed by the Board Directors or Shareholders prior to the Meeting. Furthermore, the Company regularly releases important news or information, both externally and internally to all Staff, through multiple channels of communications - such as, newspapers, in order to properly and clearly inform everyone about the Company's business activities.

5. Monitoring System and Procedures

The Board of Directors closely monitors the activities of the Management Group to assess whether, or not, they are in full accordance with established business objectives; and has also arranged for regular reviews and assessments to be made with regard to operational procedures and internal controls system, in order to ensure whether, or not, they are adequate and appropriate as well as are being fully adhered to. This is achieved through the activities of the Internal Audit Department, who will then report its findings directly to the Audit Committee, so that timely consideration and decisions can then be made in regards to rectifying any deficiencies; whereby those involved will then report on the outcome of such corrective actions within an appropriate timeframe.

Further, the Management Group is also required to report, to the Board of Directors, any incidents of misconduct as well as any fraudulent, unlawful or suspicious activities that may have any negative impacts on the image, reputation and financial status of the Company.

Audit Committee Report - Full Year 2016

The Audit Committee of Singer Thailand Public Company Limited is comprised of 3 Independent Directors, who possess the required qualifications specified by the Stock Exchange of Thailand, together with the Secretary of the Committee as follows:

1. Mr. Lucksananoi Punkrasamee	Chairman of the Audit Committee
2. Mr. Preecha Prakobkit	Member, Audit Committee
3. Mr. Bibit Bijaisoradat	Member, Audit Committee
And Mr. Supoj Anutarawirotkun	Secretary of the Audit Committee

The Audit Committee has discharged its duties and responsibilities in accordance with the Charter of the Audit Committee and as assigned by the Company's Board of Directors in overseeing the preparation of the Company's Consolidated Financial Statements so as to ensure that they are prepared according to the accounting standards and practices appropriate to its business operations, together with reviewing that all the financial reports of the Company are correct, fully accurate and adequate with regards to the information disclosed. The Audit Committee has also established a system of internal controls and associated procedures together with appropriate internal audit functions that are effective and appropriate as well as are in accordance with the applicable securities and exchange laws with regards to disclosing sufficient information as required. Furthermore, the Audit Committee has expressed its opinions regarding the consideration and proposed appointment of the external Auditor of the Company, together with overseeing the Company in preparing reports on related party transactions to be submitted to the Board of Directors every Quarter and has undertaken other tasks as assigned by the Board. .

As such, In all these activities, the Audit Committee has discharged its duties and responsibilities with full independence and without any restrictions on receiving the required information; together with being fully committed to ensuring that the Company conducts its businesses in compliance with the principles and practices of good corporate governance - namely, undertaking various activities as assigned with full transparent, equitability, credibility and full accountability; together with having in place an effective system of checks and balances in order to achieve maximum benefits not only for the Shareholders but also for the Staff and all other involved parties.

During 2016, the Audit Committee held a total of 4 meetings with the Internal Auditor and the Company's external Auditor, from the audit firm of KPMG Phoomchai Audit Ltd., and invited Members of the Management Group to attend such meetings as appropriate to the agenda items being considered. Additionally, a separate meeting was held with the external Auditor but without any members of the Management Group being present so as to enquire and discuss, in an fully independent manner, various matters relating to the financial reports, and to exchange various opinions as well as to provide beneficial recommendations regarding the analysis of the sources of information used in the Quarterly and Annual Consolidated Financial Statements for 2016. This is in order to ensure that all the financial reports are prepared in a correct and comprehensive manner, as well as that they adequately disclose all the required information and are not in breach of any applicable specified laws and regulations.

After each Audit Committee Meeting, the Audit Committee prepared a meeting report, recording the various issues discussed and activities undertaken by the Audit Committee; whereby a summary of the various matters and activities of any significant importance are summarized below:

- Reviewed the Consolidated Financial Statements for each Quarter and for the full year financial period of 2016, before submitting them, for consideration and approval, to the Company's Board of Directors.
- Reviewed the outcome of the Internal Audit Group's activities, and assessed the ongoing adequacy of the existing system of internal controls and procedures compared to the current business environment.
- Reviewed the accounting standards and practices together with the required international standards of financial reporting procedures to be used by the Company, and assessed any potential impacts on the Company's Financial Statements.

- Monitored and followed up on the operating activities undertaken by the Management Group, as stated in the Management Letter prepared by the external audit firm KPMG, with regards to the outcome of the audit of the various business operations of the Company in each year.
- Monitored and followed-up on the activities of the Internal Audit Group, together with providing various recommendations on how to improve and further develop existing internal audit procedures as well as the preparation of the Internal Audit Report, so that they will be more effective and correspond to the current businesses of the Company.
- Provided various recommendations on the credit control system and procedures of the Credit Control Centre together with the process of credit checking and verification of the clients account and the customer collections program.
- Monitored the operating activities and results of both SG Capital Co., Ltd. and SG Service Plus Co., Ltd., together with providing various recommendations.
- Reviewed the proposed internal audit plans for 2017 submitted by the Internal Audit Group, together with providing various suggestions on making use of hand-held stock counting devices instead of using their hands.
- Reviewed the selection of outsourced services, together with providing recommendations, working guidelines and advance planning of joint activities with the outsourced services team.
- Reviewed the monitoring procedures relating to possible acts of corruption, so that they are appropriate to the current business situation.
- Reviewed the internal controls system and procedures, in order to define the appropriate working guidelines for effectively managing various risks that may occur for the organization, together with providing various suggestions on the selection of suitably qualified people to be assigned with the responsibility for working in the respective functional risk management groups as appropriate.
- Reviewed the status of the ongoing legal proceedings relating to stopping social security payments to the Staff.
- Considered the proposed audit fee for 2017 as appropriate, for submitting to the Board of Directors for consideration and eventual submission, for final approval, to the Annual General Shareholders Meeting.

The Audit Committee is of the same opinion as the external Auditor that the Consolidated Financial Statements of the Company together with the information disclosures are fully adequate and correct as required, and that they are in accordance with generally accepted accounting standards and practices. The Audit Committee is also of the opinion that the existing internal controls system and procedures of the Company are appropriate for the current business operations of the Company, but still need further enhancements so that the system of internal controls and procedures become more comprehensive and concise than currently. This is so that such procedures can be more effective to meet the current economic situation that has not yet fully recovered, whereby there may be various associated risks for the Company. Further, no irregularities of any significant importance have been found in regards to the system of internal controls; and there has been appropriate compliance to all applicable laws, rules and regulations as specified by the involved regulatory authorities.

The Audit Committee has proposed to the Board of Directors to consider and submit, for consideration and final approval, to the next Annual Shareholders Meeting the proposed appointment of the Ms. Pantip Gulsantithamrong and/or other suitably qualified auditors, from the audit firm KPMG Phoomchai Audit Ltd., to be the authorized external auditor of the Company for the financial year 2017.

On behalf of the Audit Committee



(Mr. Lucksananoi Punkrasamee)
Chairman of the Audit Committee

February 17, 2017

Related Party Transactions

The various ‘related party transactions’, as reported in the accompanying ‘Notes No. 4 to the Company’s Financial Statements, that were undertaken to enable the Company to assess the actual operations outputs of the various businesses of the Company; whereby, in summary, these transactions with related companies during 2016 compared to 2015, it appears that:

1. SG Broker Co., Ltd. (SGB) operates a direct life insurance brokerage and agency business, with total 2016 revenues of Baht 0.62 million increased from Baht 0.38 million in 2015 or increased by Baht 0.24 million, whereas Net profit for full year 2016 is decreased to Baht 0.35 million. This is mainly due to the service fee of the application for the license of non-life insurance broker license with the Office of Insurance Commission.
2. After its organizational restructuring, SG Service Plus Co., Ltd. (SGS) is focused on its new after sales services activities relating to the installation and maintenance of air conditioners, together undertaking with on-site (or ‘at home service’) repairs, with services technicians being transferred to be permanent staff of this company which will enable a more effective accurate evaluation of the company’s performance. As at 31 December, 2016, the company achieved a full year 2016 Net Profit of Baht 4.2 million, increased from Baht 2.4 million in 2015, as the result of SGS’s after sales services are mostly provided to the parent company and affiliated companies, whereas all of services are within the warranty period. Total Assets and Total Liabilities as at the end of last year was Baht 29.41 million and Baht 13.77 million respectively.
3. SG Capital Co., Ltd. (SGC) operates the hire purchase installment financing services business for home and commercial appliances together with mobile phone. As at 31 December 2016, the company achieved total full year 2016 Net Profit of Baht 59.45 million compared to Baht 82.50 million for 2015, or decreased by 27.93%, mainly due to Thailand’s economic recession, the impact of slow economic recovery in domestic demand, lower public spending, and higher public debts. Total Assets and Total Liabilities of Baht 2,110.31 million and Baht 2,306.10 million respectively
4. After acquiring 24.99% of the total ordinary shares of the Company, the Jay Mart Group executed an joint business activity agreement with the Singer Group of Companies to collaborate in mutually strengthening the business Groups.

Based on the opinions of the Board of Directors with regard to all the ‘related party transactions’ undertaken by the Company with its Subsidiary and all other related Companies, as reported in the Financial Statements for the year ended as at 31 December 2016 together with the accompanying Notes to the Financial Statements, were fair and reasonable as well as that the Company, as a whole, has positively benefited from such ‘related party transactions’.

In order to achieve good corporate governance, the Company does not have a policy to undertake any transactions that may involve any conflicts of business interests, with the exception of any such transactions that are based on special circumstances and intended to afford the Company maximum benefits in a fair and equitable manner. As such, the Audit Committee will consider the appropriateness of such proposed transactions, and will then submit its recommendations to the Board of Directors and/or the Shareholders Meeting for their consideration and approval, as applicable, in accordance with regulations of the Stock Exchange of Thailand (SET). For the future, the Company still has a policy to undertake ‘intra Group loans and borrowings’, if necessary, to specifically support the Group’s business operations; whereby such loans will be charged an interest rate equal to the then prevailing applicable market rates.

Companies/Related Parties with possible conflict of interests

Company/Related Party with possible conflict of interests	Types of transactions/Relationship
SG Capital Co., Ltd. (SGC), in which Singer Thailand Pcl has a 99.99% equity shareholding.	Operates consumer finance services for products/appliances, through purchasing from Singer Thailand Pcl.; and offers hire purchase installment sales to its customers, with the support of the sale representatives of Singer Thailand Pcl. in regards to selling on installments purchase, collections, and product use advice and with Singer Thailand Pcl. charging a services fee for such activities under the terms of a Services Agreement. Additionally, Singer Thailand Pcl. also provides loans, with interest, for SGC for operating its financing services activities.
SG Service Plus Co., Ltd. (SGS), in which Singer Thailand Pcl. has a 99.88% equity share holding.	Provides after sales services (ie: installation, maintenance and repairs of air conditioners and other appliances/products) to customers of Singer Thailand Pcl. with income derived from repairs and monthly maintenance services provided.
SG Broker Co., Ltd. (SGB), in which Singer Thailand Pcl has a 99.99% equity shareholding.	Provides brokerage and sales agency services for the life insurance products of MuangThai Life Assurance Pcl., with sales being made by the staff of Singer Thailand Pcl. However, since 2011, these sales representatives now report directly to the MuangThai Life Assurance Pcl., in compliance with the regulations of the Department of Insurance, Ministry of Commerce. As such, no related party transactions are undertaken between the Company and SGB.

Type and Size of related Party transaction

Unit : '000 Baht

Transactions	Year	Subsidiaries			Total
		SG Capital	SG Service Plus	SG Broker	
1. Sales of goods	2016	1,112,971	1,560	-	1,114,531
	2015	2,052,888	1,583	-	2,054,471
2. Management fee income	2016	194,894	6,399	33	201,326
	2015	291,578	6,097	30	297,705
3. Interest income	2016	37,816	22	-	37,838
	2015	33,706	-	-	33,706
4. Purchase of goods	2016	235,370	-	-	235,370
	2015	228,232	-	-	228,232
5. Cost of service	2016	-	53,780	-	53,780
	2015	-	70,183	-	70,183
6. Interest expense	2016	-	17	12	29
	2015	-	-	-	-
7. Dividend income	2016	43,500	-	-	43,500
	2015	58,000	-	-	58,000

Type and Size of related Party transaction

Unit : '000 Baht

Transactions	Year	Major shareholder	Other related parties				Total
			JMT	JAS	ICC	SAMSUNG	
1. Sales of goods	2016	-	-	394	4	-	398
	2015	1,168	-	-	91	-	91
2. Purchase of goods	2016	18,229	-	-	715	145,769	146,484
	2015	48,015	-	-	773	239,048	239,821
3. Debt collecting fee	2016	-	14,735	-	-	-	14,735
	2015	-	508	-	-	-	508
4. Commission fee	2016	59	2	54	-	-	56
	2015	11	-	28	-	-	28
5. Commission income	2016	235	-	-	-	-	-
	2015	-	-	-	-	-	-
6. Other income	2016	-	203	2	-	-	205
	2015	-	-	-	-	-	-
7. Service income	2016	63,709	-	-	-	-	-
	2015	-	-	-	-	-	-

Policies used to determine pricing and terms/conditions for related transactions

Transactions	Policies used to determine pricing
Sale of products	Prevailing market prices - Cash price
Purchase of products	Prevailing market prices
Services cost	Prices designated for each product/service
	15% of income and service cost plus margin
Management services fees	Based on actual allocated costs + added margin as applicable for SG Capital Co., Ltd. and SG Service Plus Co., Ltd.
Interest income	WACC
Interest cost paid	WACC
Dividend income	Upon declaration
Debt collecting fee	Percentage rate of debt collection
Commission fee	3% - 4.5% of revenue from rendering of services
Service income	Percentage rate as agreed
Other revenue	Price as agreed

Key Agreements Executed with Related Parties or Businesses

1. 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 of 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.

2. Loan Agreement

On 27 March 2013, the Company entered into a Loan Agreement with SG Capital Co., Ltd., in the amount of Baht 1,877.681 million. The rate of interest shall be the rate calculated from average of funding cost per annum of the Company during the quarter preceding that interest period. Interest shall be due on each quarter. Subject to the terms and conditions of this agreement, SG Capital Co., Ltd. may drawdown repay, prepay and re-borrow under the facility during the availability period so

long as the loan does not at any time exceed the amount of the facility at such time.

The principal amount available under the facility is scheduled to reduce as follows unless otherwise agreed:-

- 1) Baht 500 million by 1 April 2014;
- 2) Baht 500 million by 1 April 2015;
- 3) Baht 500 million by 1 April 2016;
- 4) Baht 377.681 million by 1 April 2017

On 1 April 2013, the Company provided the loan of Baht 1,877.681 million according to the above loan agreement to SG Capital Co., Ltd. The proceeds from this loan have been used by SG Capital Co., Ltd., to settle the amount due from SG Capital Co., Ltd., to the Company for the business transfer.

As at 31 December 2016, the Company had received all of the loan principal amount from SG Capital Co., Ltd.

3. Services Agreement

On 10 February 2014, the Company entered into service agreement with SG Capital Co., Ltd., whereby the Company agrees to grant the service support regarding to operation support, finance and accounting, personnel service, information technology and others to SG Capital Co., Ltd. In consideration thereof, SG Capital Co., Ltd. is committed to pay service fee based on a service cost plus margin. The term of this agreement is effective on the date of the agreement and shall be automatically renewed and continued 1 year unless either party gives to the other party a written notice of non-renewal of this agreement at least 1 month prior to the date of expiration.

4. Receivable management and collection service agreement

On 23 September 2015, the Company and SG Capital Co., Ltd. entered into agreements with JMT Network Services Pcl. (JMT) for certain receivable management and collection services to be provided by JMT to the Company and SG Capital in return for fees at rates specified in the agreement. The term of these agreements are one year effective 29 September 2015 and shall be automatically renewed unless either party give to the other party written notice of non-renewal.

5. Consignment Agreement

On 1 February 2016, the Company entered into a consignment agreement with Jaymart Pcl. whereby the Company agrees to sale consignment products of Jaymart Pcl. In consideration thereof, Jaymart Pcl. agreed to pay the remuneration for the consignment sale to the Company at the rates as shown in the quotations and purchase orders within the 15 days of the next following month. The term of this agreement is effective on the date of the agreement and shall be terminated agreement if either party gives to the other party a written notice of non-renewal of this agreement at least 30 days prior to the date of expiration.

6. Service area agreement

On 1 June 2016, SG Service Plus Co., Ltd. entered into service area agreement with Jaymart Pcl. whereby Jaymart Pcl. agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd. is committed to pay service fee based on revenue from rendering of service as specific in the agreement. The term of this agreement is effective for one year, since 1 June 2016 until 31 May 2017 unless either party gives to the other party a written notice to terminate this agreement at least 30 days prior to the date of expiration.

On 1 June 2016, SG Service Plus Co., Ltd. entered into service area agreement with JMT Network Services Pcl. whereby JMT Network Services Pcl. agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd. is committed to pay service fee based on revenue from rendering of service as specific in the agreement. The term of this agreement is effective for one year, since 1 June 2016 until 31 May 2017 unless either party gives

to the other party a written notice to terminate this agreement at least 30 days prior to the date of expiration.

On 1 June 2016, SG Service Plus Co., Ltd entered into service area agreement with JAS Asset Pcl. whereby JAS Asset Pcl. agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd is committed to pay service fee based on revenue from rendering of service as specific in the agreement. The term of this agreement is effective for one year, since 1 June 2016 until 31 May 2017 unless either party gives to the other party a written notice to terminate this agreement at least 30 days prior to the date of expiration.

Outstanding Balance as of 31 December 2016 and 31 December 2015

Unit : '000 Baht

Transactions	Year	Subsidiaries			Total
		Singer Capital	SG Sverice Plus	SG Broker	
1. Trade account receivable	2016	393,116	47	-	393,163
	2015	277,283	11	-	277,294
2. Other receivable	2016	3,133	157	20	3,310
	2015	4,415	1,020	12	5,447
3. Accrued income	2016	9,360	527	-	9,887
	2015	22,759	526	-	23,285
4. Loan	2016	852,000	-	-	852,000
	2015	755,181	-	-	755,181
5. Trade account payables	2016	18,557	-	-	18,557
	2015	59,485	-	-	59,485
6. Other payables	2016	33,110	1,672	(199)	34,583
	2015	189,782	2,383	4,235	196,400

Unit : '000 Baht

Transactions	Year	Major shareholder	Other related parties				Total
			JMT	JAS	ICC	SAMSUNG	
1. Trade account receivable	2016	-	-	108	-	-	108
	2015	2,009	-	-	37	-	37
2. Other receivable	2016	1,568	-	-	-	2,314	2,314
	2015	-	-	-	-	1,152	1,152
3. Accrued income	2016	-	-	-	-	-	-
	2015	-	-	-	-	-	-
4. Trade account payables	2016	123,913	-	-	-	177	177
	2015	-	-	-	418	2,814	3,232
5. Other payables	2016	4	9,737	10	-	-	9,747
	2015	78	48	6	-	-	54

MD & A of the Financial Status and Operating Results

Financial Year 2016 (January 1 - December 31, 2016)

Macro Economics and Business Environment 2016

The macro economic situation in Thailand during 2016 saw an overall GDP growth of 3.2% year-on-year (YoY), with exports now becoming more of a positive supporting factor for this growth while the tourism sector showed a slight slowdown in its growth trend. At the same time, the Public Sector was driven by accelerated disbursements of funds by State Enterprises. However, despite household expenditures benefitting from various Government led economic stimulus initiatives; but with being at the same high base as at the same time last year, its comparative growth slowed down marginally.

Expected macro economic environment for 2017

Based on an assessment of the overall economic situation for 2017, it is expected that global economic growth will increase more than in 2016 while some uncertainties still remain. As such, the IMF projects an overall global economic growth of 3.4% YoY in 2017 (compared to 3.2% in 2016) (Source: IMF, World Economic Outlook, Oct 2016), due to the recovery of major emerging economies like India, China, and the ASEAN-5 countries that will achieve an average GDP growth of 6.3% YoY. Nevertheless, we cannot deny that some economic uncertainties and fluctuations still remain during 2017 - starting with political uncertainties in Europe, where more than 50% of the countries there will hold general elections during the year, with France, a leading EU country, holding its Presidential Elections and Germany also holding a major election in Q3/2017; while Italy has just completed a national referendum and voted down proposed amendments to its constitution that could become a triggering factor for Italy to vote to leave the EU (Italexit) just like the UK did mid last year.

As for the USA, what investors still need to closely follow is the issue of in what direction will its economic policies take under the new administration of President Trump. Will they be the same or very much different from what he promised to do in his election campaign speeches? What is certain, however, is that they will differ in many aspects from the economic policies of the previous (democratic) administration - such as: reducing personal income taxes and decreasing the importance of trade with China and Mexico, together with restricting overseas immigrant labor. As such, the resulting major effect of the US Presidential Elections will be the possible further increased volatility of the global financial markets - whether it is the strengthening of the US dollar currency that will cause other currencies to weaken, and also returns from US Government bonds will tend to become higher after investors dump other low risk investment assets in favor of taking a risk on US stocks and shares. At the same time, major trading partners, like China and Japan, may be affected by President Trump giving top priority to stimulating the domestic US economy. Nevertheless, Asian countries will feel a somewhat limited impact from potential free trade restriction, since their overall exports to the US account for only a small proportion of their respective total GDP. However, much concerns and stress remain about the possibility of investment capital flowing back to the US in the event that the US dollar becomes stronger; and, as such, there is a need to keep a close watch on this issue.

Another key issue, that has resulted in economic uncertainties and volatility since the beginning of the year, is the price of oil; whereby, after adjusting downwards to below US\$30.- per barrel during the period when global stock markets went through a price adjustment at the beginning of last year, the price of oil has since slowly recovered upwards after anxieties about a slowdown in overall global demand for oil began to disappear. However, subsequently the latest news is that OPEC member countries were able to come to an agreement about reducing their respective oil outputs for the first time in 8 years, in order to support and maintain the oil price per barrel that was under pressure due to the global oversupply of oil. This then resulted in the oil price to increase to above US\$50.- per barrel; and, as such, Kasikorn Securities projects that the average oil price, during 2017, will remain at US\$ 50 - 60 per barrel.

As for the Thai economy in 2017, it is expected that it will continue to grow at a similar rate as for the previous year; whereby the projected average GDP growth, for 2017 - 2019, will increase gradually in the range of 2.5 - 4.0% YoY, driven by

increasing overall consumer demand and the continuing growth in the tourism sector. Additionally, this expected GDP growth is also supported by the Government's policy of implementing a budget deficit of 2.6% of GDP that is aimed at stimulating the overall economy together with driving increased actual implementation of various public infrastructure projects. At the same time, the Fiscal Policy Office (FPO) of the Ministry of Finance will maintain the present Policy Interest Rate till the end of 2017 due to Thailand's gradual pace of economic recovery at the present time.

Full year 2016 Consolidated Profit & Loss

Based on the Financial Statement, ended as at December 31, 2016, the Company achieved total consolidated revenues from sales of product and other services and hire purchase interest income of Baht 2,546 million (a decrease of Baht 849 million, or 25.0%, when compared to full year 2015) together with total Net Profit of Baht 120 million (a decrease of Baht 23 million or 16.3% YOY), resulting in an EPS of Baht 0.44 (compared to Baht 0.53 for the previous year)

The above information with regard to the operations of the Group of Companies indicate that the achieved full year 2016 operating performance for total sales of products and services, together with total hire purchase, income has decreased from the previous year, due to the prevailing economic slowdown that led to a slow recovery of the overall consumer demands and spending, overall decreased in private consumption, sluggish exports, low agricultural commodities prices, and continuing high average household debts. For 2016, the Company had a total of 177 branch outlets together with a total of 9,873 field/area operations staff.

The Company achieved Gross Profits decreased compared to the previous year, mainly due to the impact of higher sales of reverted and slow movement products with lower margin and price reduction of some products like TV's and air conditioner to compete with the market price. Lower GM of sewing machine came from higher sale of SG Capital Co., Ltd. for non-Singer brand in view of interest received only.

Total Net Profit decreased due to the overall decrease in achieved total sales revenues, hire purchase interest income, while bad debts and the provision of allowance for doubtful accounts were increased. Together with the abovementioned decrease in Gross Profits, despite the Company having been able to decrease the overall amount of selling and administrative expenses by 22.1% compared to the previous year.

Operating business plans for 2016

Despite the Company having been unable to achieve its established objectives and goals during 2016 with regard to the targeted growth in total revenues and net profit, this is as the result of the Company has implemented the new measures for organization's development, as such the improved measurement in the main operation of both all the credit applications that have to get the approval from Credit Control Officer (CCO), and collection process that was changed from having salesman to collect the installment amount at customers' houses to sending out the billing statement so that customers having the reference to pay directly to the Company's accounts via the convenient payment channels of banks, post office, counter service and online payment via smart phone. Along with managing the direct payment from customers with penalty and administrative charge for both old and new hire-purchase contracts in view of the cost saving for total collecting cost and the reduction of the employee's fraud, the Company has the internal auditors to audit total assets and hire-purchase accounts of all the shops.

Total Revenues

For full year 2016, total of revenues from sales of products was Baht 1,674 million (a decrease of Baht 820 million or 32.8%YoY). As such, in comparing to full year 2015, it can be seen that there was a decrease in the total sales of household electrical products as well as commercial appliances - except for mobile phones and sewing machines, with sales of these products group having increased compared to last year.

Details of total full year 2016 sales for the respective products that have decreased/increased from 2015 are as follows:

- Sales of coolers/freezers decreased by 46.5%YoY

- Sales of TVs decreased by 46.2%YoY
- Sales of refrigerators decreased by 45.8%YoY
- Sales of sewing machines increased by 23.7%YoY
- Sales of washing machines decreased by 46.2%YoY
- Sales of airtime vending machines decreased by 38.8%YoY
- Sales of air conditioners decreased by 28.4%YoY
- Sales of mobile phones increased by 1,020.0%YoY

As such, the above resulted from the slow recovery of the economy and overall domestic consumer demands, low consumers spending and purchasing power, sluggish exports and low agricultural commodities prices due to water shortage situation, together with continued high average household debts - especially for those in the provinces and rural areas due to the continuing low agricultural commodities prices as mentioned; whereby it led to the Company having to implement ongoing strict credit approval processes, so as to prevent any further increase in overdue or default hire-purchase installment payments.

Interest Income from Hire-Purchase Installments

Interest income from hire-purchase installments decrease by Baht 138.1 million from the previous year, mainly due to the Company is being in the process of improvement the operation of installation payment by customers paying directly to the Company's accounts that caused some customers delay the payment. Meanwhile, lacking of adequate manpower directly communicate to the customers to more understand all the changes of method, and the reduction of hire-purchase term for sales of commercial products are the factors of interest income from hire-purchase installments diminishing. This total hire-purchase interest income accounted for 23.7% of the total consolidated revenues of the Company, however the total number of hire-purchase accounts increased from a total of 159,813 accounts as at the end of December 2015 to a total of 181,253 accounts as at the end of December 2016, with a total of 66.6% of these accounts being current and active as at the end of the 2016.

After Sales Services Revenues

Revenues from after sales services increased by Baht 108.3 million from the previous year, as the result of the operating income from;

- Singer Thailand Pcl. : Sales commission in selling air time via the airtime vending machine and product margin of selling mobile phone from consignment agreement.
- SG Capital Co., Ltd. : Issuing hire-purchase contract & application fee and administrative charge from penalties for overdue payments
- SG Service Plus Co., Ltd. : Providing electrical appliances maintenance - repair services and installation of air conditioners.

Other Revenues

Other revenues also increased as derived from sales of scraped products and appliances as well as component parts that were traded in for Singer products. Together with other income which was generated by SG Capital Co., Ltd., such as; opened account fee for selling mobile phone, administrative charge for tracking and collecting of debts and penalties for overdue payments.

Costs of Sales

Cost of sales decreased by 27.8% from the previous year, while total sales of products and services decreased by 32.8% compared to last year, as a gross margin for sales of some products having decreased — such as TVs and air conditioners, so as to be able to more competitive in the market, together with the impact from products repossessed for the increased in overdue hire-purchase accounts that were closed and from the increased in provisions, included sales of lower gross margin of sewing machines and colored printers in higher volume for non-Singer branded in view of interest received only.

Selling and Administrative Expenses

The percentage ratio of total selling and administrative expenses, relative to total revenues, decreased by 22.1% compared to the previous year, primarily due to the increased closed hire-purchase accounts as a result of clearing out overdue accounts. Moreover, the discount given in closing out the hire-purchase accounts have been reclassified in the accounts from Revenue from sale of goods to be Selling expenses, so as to correspond to the report for consolidated Financial Statements, after it was ascertained that such discounts were not related to sales activities. Additionally, its effect from reversing entry for the accrued obligations relating to the staff welfare benefits, whereas the number of sales agents who received the mentioned welfare benefit were reduced, as well as the selling and collecting commission that being in accord with decreasing of total sales and paying accounts.

Finance Costs

Finance costs total Baht 37.0 million, which was lower than the previous year as a result of both the total amount of borrowings and the rate of applicable interest having decreased compared to the previous year; whereby total interest bearing debts decreased to a total of Baht 758.6 million compared to the total of Baht 1,023.5 million as at the end of 2015, representing a decrease of Baht 264.9 million.

Net Profit/(Loss)

In 2016, the Company achieved a total Net Profit, from normal operations, of Baht 119.8 million compared to Baht 143.2 million for 2015, representing a variance of Baht 23.4 million year-on-year, which can be analyzed as follows:

Items	Baht Million
1.) Total revenues from sales of products - decreased	-819.1
2.) Total hire-purchase interest income - decreased	-138.1
3.) Total after sales services income - increased	65.1
4.) Total income from mobile air time sales - increased	8.0
5.) Other income - increased	35.2
6.) Costs of sales - decreased	463.0
7.) Selling expenses - decreased	406.4
8.) Administrative expenses - increased	-73.5
9.) Finance costs - decreased	13.7
10.) Corporate income tax - decreased	15.9
Total variance - decreased	-23.4

Financial Status

(as at December 31, 2016)

Assets

Total assets of the Company decreased by Baht 197 million, mainly due to the decrease in cash or cash equivalent totaling Baht 82.5 million; while other debt receivables decreased by Baht 79.8 million; and total inventory on hand (net) decreased by Baht 19.0 million.

Hire-purchase customer accounts receivables (net)

Hire-purchase customer account receivables (net) at the end of December 2016 was slightly decreased from Baht 1,950.5 million at the end of December 2015 to Baht 1,950.0 million, whereas the number of hire-purchase customer account receivables

was 181,253 compared to 159,813 at the end of December 2015 or increased by 21,440 accounts, as the result of total new hire-purchase accounts being more than the total of hire-purchase accounts that were closed due to the associated products having been repossessed.

Inventory on hand (net)

The total value of inventory on hand (net) decreased by Baht 19.0 million as at the end of December 2016 due to strictly inventory control and an increasing of sales boosting for slow movement products, while the provision for inventories on hand decreased by Baht 0.5 million, compared to the total value of Baht 25.9 million as at the end of December 2015.

Property, Plant and Equipment (net)

The total value of Property, Plant and Equipment decreased by Baht 7.4 million as at December 2016, with no additional investments were made, except the depreciation and amortization costs that were recognized in 2016.

Deferred Tax Assets

Increase in value by Baht 9.3 million, mainly due to the higher provision of allowance for doubtful accounts, and temporary differences of interest income from hire-purchase.

Liabilities

Total liabilities decreased by Baht 245 million due to a decrease in overall interest bearing debts totaling Baht 264.9 million, as resulting from a total decrease in bank overdrafts and short term loans due for repayment within 1 year totaling Baht 606.7 million, that is offset by an increased long term borrowings of Baht 341.8 million. Including a decrease in the accrued obligations relating to the Staff welfare benefits and the Staff Provident Funds equaling to Baht 38.1 and 6.0 million respectively.

Shareholders' Equity

Increased by Baht 48 million, due to achieved full year Total Net Profit of Baht 120 million, while in 2016 a dividend payment totaling Baht 143.1 million was made to Shareholders, based on the total achieved Net profit for 2015.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors of Singer Thailand plc. is responsible for and has provided the Consolidated Financial Statements and those for its Subsidiaries together with the associated information relating to their respective financial status as presented in this Annual Report.

These Financial Statements and reports on the performance results for the financial year 2016 are prepared in accordance with generally accepted accounting principles and through the use of appropriate accounting policies that are consistently applied by the Company together with the use of careful consideration and best estimates. Further, all important and relevant information are adequately disclosed within the Notes to the Financial Statements.

Towards this end, the Board of Directors has appointed an Audit Committee consisting of Independent Directors, which is responsible reviewing the quality of these Financial Statements, the internal controls. The opinions and comments of the Audit Committee relating to these matters appear in the Audit Committee's Report that is included this Annual Report.

The Board of Directors is of the opinion that the overall internal controls system of the Company has functioned satisfactorily and, thus, has provided reliable, accurate and adequate information for the Consolidated and Financial Statements and those for its Subsidiaries for the financial year ending December 31, 2016.



Mr. Adisak Sukumvitaya
Chairman of the Board



Mrs. Nonglak Laksanapokin
Chief Executive Officer

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 2016, 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 2016 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 under the Royal Patronage of His Majesty the King 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	
Refer to Note 3 and 7	
The key audit matter	How the matter was addressed in the audit
The core business of the Group is hire-purchase. The valuation of hire-purchase contract receivables was significant impact to the financial statements. Hire-purchase contract receivables consist of a great number of accounts but small receivable value.	<p>My audit procedures were included:</p> <ul style="list-style-type: none">• Testing the controls designed in respect of the appropriate valuation of hire-purchase contract receivables and understanding the policies and procedures that the Group's management applied for estimated and recognised of allowance for doubtful account

<p>The valuation of hire-purchase contract receivables involves highly management judgements on estimation uncertainty, the expectation on customers' repayment abilities and current economics. Consequently, I consider that this is a significant matter.</p>	<ul style="list-style-type: none"> • Testing the reliable and accuracy of arrear of hire-purchase contract receivables that data extracted from the accounting systems by my own IT specialists and evaluated their work performed • Testing on a sampling basis of items in the arrear report of overdue receivables and corroborated on whether these items were classified in the appropriate arrear bracket. • Considering the reliable of the Group's debt allowance policy and also analysed historical information and information after reporting date including testing the subsequent receives of debtors after period-end for consider whether the Group's estimate was reasonable. • Considering of the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.
--	--

Valuation of receivables from employee's shortage remittance	
Refer to Note 3 and 8	
The key audit matter	How the matter was addressed in the audit
<p>Before 1 September 2016, the Company had assigned salesperson to collect money from the customers for installment sales. Salesperson had responsible for remittance money to the Company. There were long outstanding of receivables from employee's shortage remittance. On 1 September 2016 onwards, the Company has changed collection procedure to let the customers make directly payments to the Company.</p> <p>The valuation of receivables from employee's shortage remittance involves highly estimation uncertainty from analysis of payment histories and future expectations of employee payments.</p> <p>Consequently, I consider that this is a significant matter.</p>	<ul style="list-style-type: none"> • I tested the controls designed in respect of the appropriate valuation of receivables from employee's shortage remittance and understanding the policies and procedures that the Company's management applied for estimated and recognised of allowance for doubtful account. • In addition, I considered the reliable of the Company's debtor allowance policy and also analysed the company's historical information and information after reporting date including testing the subsequent receive of debtors after period-end for consider whether the Company estimate was reasonable. • Considering of the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Valuation of inventory	
Refer to Note 3 and 10	
The key audit matter	How the matter was addressed in the audit
<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 and obsolescence by the management estimates and judgment. Consequently, I consider that this is a significant matter.</p>	<ul style="list-style-type: none"> • Testing the controls designed in respect of the appropriateness of the adequacy of estimation about decline on valuation of inventory and understanding the policies and procedures that the Group applied. • Testing the reliability and accuracy of inventory report extracted from the accounting systems by my own IT specialists and evaluated their work performed • Understanding the internal control related to inventory management and attend the inventory observation and testing the physical of inventory. • Testing on a sampling basis of items in the inventory report and corroborated on whether these items were classified in the appropriate aging bracket and categories. • Considering the reliability of net realisable value of inventory with the historical information, current situation and distribute plan for consider with the reasonable of current assumption. • Considering of the adequacy of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

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.

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.



(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2017

Statement of financial position

Singer Thailand Public Company Limited and its Subsidiaries

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2016	2015	2016	2015
		(in Baht)			
<i>Current assets</i>					
Cash and cash equivalents	5	189,857,222	272,448,948	127,893,905	256,023,676
Trade accounts receivable	4, 6	11,482,093	18,983,653	403,295,101	294,945,901
Current portion of hire-purchase contract receivables	7	1,368,710,776	1,177,891,940	-	-
Other receivables	4, 8	189,563,041	269,378,623	133,703,289	172,617,735
Short-term loans	4, 9	5,500,000	15,500,000	857,500,000	466,500,000
Inventories	10	300,498,026	319,472,123	297,548,512	317,954,191
Accrued income	4	15,969,138	21,515,089	20,369,677	38,653,042
Total current assets		2,081,580,296	2,095,190,376	1,840,310,484	1,546,694,545
<i>Non-current assets</i>					
Hire-purchase contract receivables	7	581,385,872	772,642,318	-	-
Investments in subsidiaries	11	-	-	1,458,990,400	1,458,990,400
Other long-term investment	12	1,000,000	1,000,000	-	-
Long-term loan to related party	4	-	-	-	304,181,000
Property, plant and equipment	13	376,320,686	383,732,909	370,730,647	377,659,367
Prepayment for outlet leases		3,913,113	5,630,869	3,913,113	5,630,869
Intangible assets	14	22,932,793	13,359,108	18,382,476	12,603,754
Deferred tax assets	15	63,819,234	54,527,765	30,243,067	38,206,703
Other non-current assets		14,216,250	15,510,349	13,776,850	15,236,049
Total non-current assets		1,063,587,948	1,246,403,318	1,896,036,553	2,212,508,142
Total assets		3,145,168,244	3,341,593,694	3,736,347,037	3,759,202,687

The accompanying notes are an integral part of these financial statements

Statement of financial position

Singer Thailand Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2016	2015	2016	2015
<i>(in Baht)</i>					
Current liabilities					
Bank overdrafts and short-term loan from					
financial institutions	16	100,433,382	245,316,914	100,433,382	245,316,914
Trade accounts payable	4, 17	235,358,757	167,725,534	244,748,002	224,204,905
Other payables	4, 18	254,457,095	259,170,919	273,271,028	437,018,225
Current portion of debentures	16	100,000,000	520,000,000	100,000,000	200,000,000
Current portion of long-term loans from					
financial institutions	16	58,140,000	100,080,000	-	-
Income tax payable		10,823,644	8,580,460	-	-
Other current liabilities		6,000,000	7,600,000	6,000,000	7,600,000
Total current liabilities		765,212,878	1,308,473,827	724,452,412	1,114,140,044
Non-current liabilities					
Debentures	16	500,000,000	100,000,000	500,000,000	100,000,000
Long-term loans from financial institutions	16	-	58,140,000	-	-
Employee benefit obligations	19	152,242,966	190,266,935	130,849,867	169,525,991
Employee security deposits		3,471,900	2,540,490	2,216,911	1,354,764
Provident funds	20	98,073,021	104,135,868	96,945,478	103,339,162
Total non-current liabilities		753,787,887	455,083,293	730,012,256	374,219,917
Total liabilities		1,519,000,765	1,763,557,120	1,454,464,668	1,488,359,961
Equity					
Share capital:	21				
Authorised share capital		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid-up share capital		270,000,000	270,000,000	270,000,000	270,000,000
Additional paid-in capital:					
Premium on ordinary shares	21	225,000,000	225,000,000	225,000,000	225,000,000
Reserve arising from business combination					
under common control		-	-	974,117,594	974,117,594
Retained earnings:					
Appropriated:					
Legal reserve	22	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		906,495,174	855,744,333	588,092,470	574,432,891
Other components of equity	13, 22	197,672,305	200,292,241	197,672,305	200,292,241
Total equity		1,626,167,479	1,578,036,574	2,281,882,369	2,270,842,726
Total liabilities and equity		3,145,168,244	3,341,593,694	3,736,347,037	3,759,202,687

The accompanying notes are an integral part of these financial statements

Statement of comprehensive income

Singer Thailand Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Income					
Revenue from sale of goods	4	1,674,822,588	2,493,909,518	1,599,681,859	2,420,223,511
Interest income from hire-purchase contract		603,329,958	741,430,300	-	-
Revenue from rendering of services	4	215,112,645	142,083,020	192,500,755	121,028,632
Revenue from management fees	4	-	-	201,326,020	297,704,882
Other income	4	52,364,303	17,135,005	115,816,062	104,986,976
Total income		2,545,629,494	3,394,557,843	2,109,324,696	2,943,944,001
Expenses					
Cost of sale of goods	4				
and rendering of services	10	1,203,154,253	1,666,297,588	1,154,166,897	1,631,425,694
Selling expenses	24	738,880,682	1,145,284,213	621,852,644	932,275,413
Administrative expenses	25	436,413,775	362,863,668	217,062,180	228,444,167
Finance costs	27	36,972,234	50,659,631	25,958,946	23,661,325
Total expenses		2,415,420,944	3,225,105,100	2,019,040,667	2,815,806,599
Profit before income tax expense		130,208,550	169,452,743	90,284,029	128,137,402
Income tax expense	28	(10,397,242)	(26,300,188)	(8,568,474)	(13,404,435)
Profit for the year		119,811,308	143,152,555	81,715,555	114,732,967
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial gains	28	9,319,687	-	10,324,088	-
Other comprehensive income for the year, net of income tax		9,319,687	-	10,324,088	-
Total comprehensive income for the year		129,130,995	143,152,555	92,039,643	114,732,967
Basic earnings per share	29	0.44	0.53	0.30	0.42

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements						Total equity
		Issued and paid-up share capital	Share premium	Reserve arising from business combination under common control	Retained earnings		Other components of equity	
					Legal reserve (in Baht)	Unappropriated		
Year ended 31 December 2015								
Balance at 1 January 2015		270,000,000	225,000,000	-	27,000,000	853,071,962	202,912,177	1,577,984,139
Transactions with owners, recorded directly in equity	30							
Dividends to owners of the Company		-	-	-	-	(143,100,120)	-	(143,100,120)
Total transactions with owners, recorded directly in equity		-	-	-	-	(143,100,120)	-	(143,100,120)
Comprehensive income for the year								
Profit		-	-	-	-	143,152,555	-	143,152,555
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	143,152,555	-	143,152,555
Transfer to retained earnings	13	-	-	-	-	2,619,936	(2,619,936)	-
Balance at 31 December 2015		270,000,000	225,000,000	-	27,000,000	855,744,333	200,292,241	1,578,036,574
Year ended 31 December 2016								
Balance at 1 January 2016		270,000,000	225,000,000	-	27,000,000	855,744,333	200,292,241	1,578,036,574
Transactions with owners, recorded directly in equity	30							
Dividends to owners of the Company		-	-	-	-	(81,000,090)	-	(81,000,090)
Total transactions with owners, recorded directly in equity		-	-	-	-	(81,000,090)	-	(81,000,090)
Comprehensive income for the year								
Profit		-	-	-	-	119,811,308	-	119,811,308
Other comprehensive income	28	-	-	-	-	9,319,687	-	9,319,687
Total comprehensive income for the year		-	-	-	-	129,130,995	-	129,130,995
Transfer to retained earnings	13	-	-	-	-	2,619,936	(2,619,936)	-
Balance at 31 December 2016		270,000,000	225,000,000	-	27,000,000	906,495,174	197,672,305	1,626,167,479

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

	Note	Issued and paid-up share capital (in Baht)	Share premium	Reserve arising from business combination under common control	Separate financial statements			Other components of equity	Total equity
					Retained earnings	Legal reserve	Unappropriated		
Year ended 31 December 2015									
Balance at 1 January 2015		270,000,000	225,000,000	974,117,594	27,000,000	600,179,988	202,912,177	2,299,209,759	
Transactions with owners, recorded directly in equity									
Dividends to owners of the Company	30	-	-	-	-	(143,100,000)	-	(143,100,000)	
Total transactions with owners, recorded directly in equity		-	-	-	-	(143,100,000)	-	(143,100,000)	
Comprehensive income for the year									
Profit		-	-	-	-	114,732,967	-	114,732,967	
Other comprehensive income		-	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	114,732,967	-	114,732,967	
Transfer to retained earnings	13	-	-	-	-	2,619,936	(2,619,936)	-	
Balance at 31 December 2015		270,000,000	225,000,000	974,117,594	27,000,000	574,432,891	200,292,241	2,270,842,726	
Year ended 31 December 2016									
Balance at 1 January 2016		270,000,000	225,000,000	974,117,594	27,000,000	574,432,891	200,292,241	2,270,842,726	
Transactions with owners, recorded directly in equity									
Dividends to owners of the Company	30	-	-	-	-	(81,000,000)	-	(81,000,000)	
Total transactions with owners, recorded directly in equity		-	-	-	-	(81,000,000)	-	(81,000,000)	
Comprehensive income for the year									
Profit		-	-	-	-	81,715,555	-	81,715,555	
Other comprehensive income	28	-	-	-	-	10,324,088	-	10,324,088	
Total comprehensive income for the year		-	-	-	-	92,039,643	-	92,039,643	
Transfer to retained earnings	13	-	-	-	-	2,619,936	(2,619,936)	-	
Balance at 31 December 2016		270,000,000	225,000,000	974,117,594	27,000,000	588,092,470	197,672,305	2,281,882,369	

The accompanying notes are an integral part of these financial statements

Statement of cash flows

Singer Thailand Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
Note	2016	2015	2016	2015
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	119,811,308	143,152,555	81,715,555	114,732,967
<i>Adjustments for</i>				
Depreciation	13,471,277	14,432,377	12,084,977	13,497,958
Amortisation	10,798,204	11,857,902	10,675,562	11,785,014
Investment income	(2,451,296)	(3,130,485)	(83,653,373)	(94,747,172)
Finance costs	36,972,234	50,659,631	25,958,946	23,661,325
Unrealised loss on exchange rate	14,716	20,595	14,716	20,595
Bad and doubtful debts expenses	183,552,937	100,127,081	36,876,342	30,531,713
Provision (reversal of) for obsolete and damaged inventory	(500,000)	7,877,727	(500,000)	7,900,000
Impairment losses on property, plant and equipment	309,000	-	-	-
Loss (gain) on disposal of property, plant and equipment	284,937	(237,721)	(22,930)	(237,721)
Loss on disposal of intangible assets	144,045	1,170	-	1,170
Loss on repossession	59,427,360	77,393,025	-	-
Employee benefit obligations	3,752,735	22,928,953	1,360,218	20,607,056
Provision for provident funds	7,578,597	9,688,497	7,225,552	9,423,613
Income tax expense	10,397,242	26,300,188	8,568,474	13,404,435
	443,563,296	461,071,495	100,304,039	150,580,953
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	7,911,720	(1,980,056)	(107,939,039)	19,094,764
Hire-purchase contract receivables	(205,666,347)	(102,358,531)	-	-
Other receivables	41,982,767	(17,536,723)	(11,909,991)	(54,804,036)
Accrued income	5,545,950	(6,915,132)	18,283,365	(5,268,866)
Inventories	19,474,097	(30,323,251)	20,905,679	(30,626,610)
Prepayment for outlet leases	(4,735,682)	(5,612,589)	(4,735,682)	(5,612,589)
Other non-current assets	1,294,100	(1,710,752)	1,459,200	(1,637,811)
Trade accounts payable	67,633,222	(5,550,881)	20,543,096	28,302,428
Other payables	(4,827,183)	8,973,755	(166,256,220)	(6,771,482)
Other current liabilities	(1,600,000)	400,000	(1,600,000)	400,000
Employee benefit paid	(30,127,096)	(9,092,025)	(27,131,231)	(7,261,325)
Employee security deposits	931,409	1,412,280	862,147	1,019,100
Provident funds paid	(13,641,444)	(8,350,326)	(13,619,236)	(8,345,424)
Income tax paid	(31,356,595)	(43,194,616)	(1,765,658)	(30,685,748)
Income tax refunded	12,112,745	2,907,580	12,103,014	646,009
Net cash from (used in) operating activities	308,494,959	242,140,228	(160,496,517)	49,029,363

The accompanying notes are an integral part of these financial statements

Statement of cash flows

Singer Thailand Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2016	2015	2016	2015
		(in Baht)			
Cash flows from investing activities					
Interest received		2,451,296	3,130,485	40,153,463	36,747,292
Dividend received		-	-	43,499,910	57,999,880
Purchase of building and equipment		(7,902,984)	(11,598,983)	(5,215,096)	(5,660,276)
Sale of property, plant and equipment		1,249,994	237,833	81,769	237,833
Decrease (increase) in short-term loans		10,000,000	(15,500,000)	(391,000,000)	(466,500,000)
Proceeds from repayment of long-term loan to related party		-	-	304,181,000	420,000,000
Purchase of intangible assets		(14,062,496)	(7,568,926)	(10,000,846)	(6,780,872)
Increase in investment in subsidiary	11	-	-	-	(3,800,000)
Net cash from (used in) investing activities		(8,264,190)	(31,299,591)	(18,299,800)	32,243,857
Cash flows from financing activities					
Finance cost paid		(36,858,873)	(51,200,892)	(23,449,922)	(23,661,325)
Dividends paid to owners of the Company		(81,000,090)	(143,100,120)	(81,000,000)	(143,100,000)
Increase (decrease) from bank overdrafts and short-term loan from financial institution		(144,883,532)	216,217,425	(144,883,532)	216,217,425
Repayment of long-term loan from financial institutions	16	(100,080,000)	(100,080,000)	-	-
Proceeds from issue of debentures	16	500,000,000	100,000,000	500,000,000	100,000,000
Repayment of debentures	16	(520,000,000)	(250,000,000)	(200,000,000)	(250,000,000)
Net cash from (used in) financing activities		(382,822,495)	(228,163,587)	50,666,546	(100,543,900)
Net decrease in cash and cash equivalents					
		(82,591,726)	(17,322,950)	(128,129,771)	(19,270,680)
Cash and cash equivalents at 1 January		272,448,948	289,771,898	256,023,676	275,294,356
Cash and cash equivalents at 31 December	5	189,857,222	272,448,948	127,893,905	256,023,676

The accompanying notes are an integral part of these financial statements

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade accounts receivable
7	Hire-purchase contract receivables
8	Other receivables
9	Short-term loans
10	Inventories
11	Investments in subsidiaries
12	Other long-term investment
13	Property, plant and equipment
14	Intangible assets
15	Deferred tax
16	Interest-bearing liabilities
17	Trade accounts payable
18	Other payables
19	Employee benefit obligations
20	Provident funds
21	Share capital
22	Reserves
23	Segment information
24	Selling expenses
25	Administrative expenses
26	Employee benefit expenses
27	Finance costs
28	Income tax expense
29	Earnings per share
30	Dividends
31	Financial instruments
32	Commitments with non-related parties
33	Contingent liabilities
34	Event after the reporting period
35	Thai Financial Reporting Standards (TFRS) not yet adopted

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

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 17 February 2017.

1 General information

Singer Thailand Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 72 CAT Building 17 Floor, Charoenkrung Road, Bangrak, Bangkok.

The Company was listed on the Stock Exchange of Thailand in June 1984.

The Company’s major shareholder during the financial year was Jay Mart Public Company Limited (24.99% shareholding) incorporated in Thailand.

The principal business of the Company relates to the sales electrical appliances, commercial products, mobile phones and others.

On 25 July 2016, the Company subsidiaries consisted of “Singer (Broker) Limited”, “Singer Leasing (Thailand) Co., Ltd.”, and “Singer Service Plus Company Limited” had been registered with Ministry of Commerce to change their names to “SG Broker Co., Ltd.”, “SG Capital Co., Ltd.” and “SG Service Plus Co., Ltd.” respectively.

Details of the Company’s subsidiaries as at 31 December 2016 and 2015 are given in notes 4 and 11.

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 (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Land and building	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (n)

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) 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 policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 6	Trade accounts receivables – allowance for doubtful accounts
Note 7	Hire-purchase contract receivables – allowance for doubtful accounts
Note 8	Other receivables – allowance for doubtful accounts
Note 10	Inventories – allowance for obsolete and damaged inventory
Note 19	Measurement of defined benefit obligation
Note 31	Financial instruments

Measurement of fair values

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.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. 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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 – Property, plant and equipment;
- Note 31 – Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Significant intra-group transactions between the Company and its subsidiaries are eliminated on consolidation.

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.

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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

(b) Foreign currencies

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.

(c) 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.

(d) Trade receivables, other accounts receivable and salesman receivables

Trade receivables, other accounts receivable and salesman receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful for trade receivables and other accounts receivable is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

The allowance for doubtful for salesman receivables accounts is assessed primarily on analysis of payment histories. Bad debts are written off when incurred.

(e) 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.

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 was valued by 50% - 100% of product price at contract date starting from 31 December 2016. The percentage of allowance for doubtful accounts is as follows:

	2016	(%)	2015
Current	1		1
Overdue:			
Less than 3 months	5		5
3-6 months	25		25
6-9 months	35		35
9-12 months	75		50
Over 12 months	100		100

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

The Group's method for calculating the allowance for doubtful accounts 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.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

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.

An allowance is made for deteriorated, damaged, obsolete and slow-moving inventories.

(g) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method.

(h) 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 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.

Gains and losses on disposal of an 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 net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Leased assets

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 and loss.

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 surplus 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 surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

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 or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

(i) Prepayment for outlet leases

Prepayment for outlet leases is amortised over the lease periods on the straight-line method. Software licenses that are acquired by the Group which have finite useful lives, are stated at cost less accumulated amortisation and accumulated impairment losses.

(j) 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 periods are five years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

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 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

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.

(l) 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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

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 20).

(o) 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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

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.

(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 excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue from the sale of goods consists of cash sales, credit sales and hire-purchase contract sales. Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Hire-purchase contract sales are based on hire-purchase contracts in which the hire-purchase contract receivable the related debts are effectively secured by the products sold. Revenue from hire-purchase sales comprises revenue from the sales of products and interest. Revenue from the sales of product is recognised when a contract is signed and the first payment is received. Interest is recorded as unearned interest income and is recognised in income using the effective rate method.

After a customer has defaulted on 3 consecutive payments, the Group ceases to recognise the related earned interest income.

Service income is recognised as services are provided.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss of income as it accrues.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, 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.

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.

(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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

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.

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. 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 earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(v) 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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries are described in note 11. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation	Nature of relationships
Jay Mart Public Company Limited	Thailand	Major shareholder, 24.99% shareholding since 5 June 2015 and common director
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 (Formerly JMT Plus Company Limited)	Thailand	Indirect subsidiary of major shareholder
I.C.C. International Public Company Limited	Thailand	Shareholder, 1.30% shareholding and representative of director
Thai Samsung Electronics Co., Ltd.	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.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Market cash price
Service income	Percentage rate as agreed
Purchase of goods	Market price
Cost of service	Fixed price determine by product
Commission fee	3% - 4.5% of revenue from rendering of services
Management fee income	15% of income and service cost plus margin
Dividend income	Upon declaration
Debt collecting fee	Percentage rate of debt collection
Interest income	Average funding cost
Interest expense	Average funding cost
Other revenue	Price as agreed

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Major shareholder				
Sale of goods	-	1,168	-	1,168
Service income	63,709	-	63,709	-
Commission income	235	-	235	-
Purchase of goods	18,229	48,015	18,229	48,015
Commission fee	59	11	-	-
Subsidiaries				
Sale of goods	-	-	1,114,531	2,054,471
Management fee income	-	-	201,326	297,705
Interest income	-	-	37,838	33,706
Dividend income	-	-	43,500	58,000
Purchase of goods	-	-	235,370	228,232
Cost of service	-	-	53,780	70,183
Interest expense	-	-	29	-
Other related parties				
Sale of goods	398	91	398	91
Other income	205	-	205	-
Purchase of goods	146,484	239,821	146,484	239,821
Debt collecting fee	14,735	508	666	285
Commission fee	56	28	-	-
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	35,964	23,704	31,823	19,770
Post-employment benefits	1,778	1,778	1,592	1,436
Total	37,742	25,482	33,415	21,206

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

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Trade accounts receivable from related parties				
Major shareholder	-	2,099	-	2,099
Subsidiaries	-	-	393,163	277,294
Other related parties	108	37	108	37
Total	108	2,136	393,271	279,430
Other receivables from related parties				
Major shareholder	1,568	-	1,568	-
Subsidiaries	-	-	3,310	5,447
Other related parties	2,314	1,152	2,314	1,152
Total	3,882	1,152	7,192	6,599

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Accrued income from related parties				
Subsidiaries	-	-	9,887	23,285
Total	<u>-</u>	<u>-</u>	<u>9,887</u>	<u>23,285</u>

	Interest rate		Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015	2016	2015
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans to related party						
Subsidiary	4.13 - 4.27	4.53 - 4.76	-	-	852,000	451,000
Total			<u>-</u>	<u>-</u>	<u>852,000</u>	<u>451,000</u>

Long-term loans to related party						
Subsidiary						
Non-current	-	4.76	-	-	-	304,181
Total			<u>-</u>	<u>-</u>	<u>-</u>	<u>304,181</u>

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Summary of loans to related party				
Short-term loans	-	-	852,000	451,000
Long-term loans	-	-	-	304,181
Total loans to related parties	<u>-</u>	<u>-</u>	<u>852,000</u>	<u>755,181</u>

Movements during the years ended 31 December of loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Loans to related parties				
Short-term loans				
Subsidiary				
At 1 January	-	-	451,000	-
Increase	-	-	945,020	574,200
Decrease	-	-	(544,020)	(123,200)
At 31 December	<u>-</u>	<u>-</u>	<u>852,000</u>	<u>451,000</u>
Long-term loans				
Subsidiary				
At 1 January	-	-	304,181	724,181
Decrease	-	-	(304,181)	(420,000)
At 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>304,181</u>

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Trade accounts payables to related party</i>				
Major shareholder	123,913	-	123,913	-
Subsidiaries	-	-	18,557	59,485
Other related parties	177	3,232	177	3,232
Total	124,090	3,232	142,647	62,717
<i>Other payables to related parties</i>				
Major shareholder	4	78	-	67
Subsidiaries	-	-	34,583	196,400
Other related parties	9,747	54	-	-
Total	9,751	132	34,583	196,467

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.

Loan agreement

On 27 March 2013, the Company entered into a loan agreement with SG Capital Co., Ltd. in the amount of Baht 1,877.681 million. The rate of interest shall be the rate calculated from average of funding cost per annum of the Company during the quarter preceding that interest period. Interest shall be due on each quarter. Subject to the terms and conditions of this agreement, SG Capital Co., Ltd. may drawdown, repay, prepay and re-borrow under the facility during the availability period so long as the Loan does not at any time exceed the amount of the facility at such time.

The principal amount available under the facility is scheduled to reduce as follows unless otherwise agreed:-

- 1) Baht 500 million by 1 April 2014;
- 2) Baht 500 million by 1 April 2015;
- 3) Baht 500 million by 1 April 2016;
- 4) Baht 377.681 million by 1 April 2017

On 1 April 2013, the Company provided the loan of Baht 1,877.681 million according to the above loan agreement to SG Capital Co., Ltd. The proceeds from this loan have been used by SG Capital Co., Ltd. to settle the amount due from SG Capital Co., Ltd. to the Company for the business transfer.

As at 31 December 2016, the company had received all of the loan principal amount from SG Capital Co., Ltd.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Service agreement

On 10 February 2014, the Company entered into service agreement with SG Capital Co., Ltd., whereby the Company agrees to grant the service support regarding to operation support, finance and accounting, personnel service, information technology and others to SG Capital Co., Ltd. In consideration thereof, SG Capital Co., Ltd. is committed to pay service fee based on a service cost plus margin. The term of this agreement is effective on the date of the agreement and shall be automatically renewed and continued 1 year unless either party gives to the other party a written notice of non-renewal of this agreement at least 1 month prior to the date of expiration.

Receivable management and collection service agreement

On 23 September 2015, the Company and SG Capital Co., Ltd. entered into agreements 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 these agreements are one year effective 29 September 2015 and shall be automatically renewed unless either party give to the other party written notice of non-renewal.

Consignment agreement

On 1 February 2016, the Company entered into a consignment agreement with Jay Mart Public Company Limited whereby the Company agrees to sale 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 shown in the quotations and purchase orders within the 15 days of the next following month. The term of this agreement is effective on the date of the agreement and shall be terminated agreement if either party gives to the other party a written notice of non-renewal of this agreement at least 30 days prior to the date of expiration.

Service area agreement

On 1 June 2016, SG Service Plus Co., Ltd. enter into service area agreement with Jay Mart Public Company Limited whereby Jay Mart Public Company Limited agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd. is committed to pay service fee based on revenue from rendering of service as specific in the agreement. The term of this agreement is effective for one year, since 1 June 2016 until 31 May 2017 unless either party gives to the other party a written notice to terminate this agreement at least 30 days prior to the date of expiration.

On 1 June 2016, SG Service Plus Co., Ltd. enter into service area agreement with JMT Network Services Public Company Limited whereby JMT Network Services Public Company Limited agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd. is committed to pay service fee based on revenue from rendering of service as specific in the agreement. The term of this agreement is effective for one year, since 1 June 2016 until 31 May 2017 unless either party gives to the other party a written notice to terminate this agreement at least 30 days prior to the date of expiration.

On 1 June 2016, SG Service Plus Co., Ltd enter into service area agreement with JAS Asset Public Company Limited whereby JAS Asset Public Company Limited agreed to grant the rental area for install and rendering of service for vending machine. In consideration thereof, SG Service Plus Co., Ltd is committed to pay service fee based on revenue from rendering of service as specific in the agreement. The term of this agreement is effective for one year, since 1 June 2016 until 31 May 2017 unless either party gives to the other party a written notice to terminate this agreement at least 30 days prior to the date of expiration.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash on hand	98	128	80	80
Cash at banks - current accounts	92,592	33,393	44,458	29,879
Cash at banks - saving accounts	87,411	103,530	73,604	91,177
Cash in transit - current / saving accounts	9,756	135,398	9,752	134,888
Total	189,857	272,449	127,894	256,024

Cash and cash equivalents of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	108	2,136	393,271	279,430
Other parties		11,961	18,239	10,611	16,907
Total		12,069	20,375	403,882	296,337
Less allowance for doubtful accounts		(587)	(1,391)	(587)	(1,391)
Net		11,482	18,984	403,295	294,946
Bad and doubtful debts expenses					
(reversal) for the year		(410)	95	(410)	95

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Within credit terms	5,518	11,181	397,331	287,143
Overdue:				
Less than 3 months	5,723	7,373	5,723	7,373
3-6 months	329	663	329	663
6-9 months	39	201	39	201
9-12 months	38	124	38	124
Over 12 months	422	833	422	833
	12,069	20,375	403,882	296,337
Less allowance for doubtful accounts	(587)	(1,391)	(587)	(1,391)
Net	11,482	18,984	403,295	294,946

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

Trade accounts receivable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

7 Hire-purchase contract receivables

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2016	2015	2016	2015	2016	2015
	<i>(in thousand Baht)</i>					
Hire-purchase contract receivables	2,008,840	1,799,692	753,054	994,286	2,761,894	2,793,978
Less unearned interest income	(567,757)	(549,752)	(120,262)	(208,081)	(688,019)	(757,833)
	<u>1,441,083</u>	<u>1,249,940</u>	<u>632,792</u>	<u>786,205</u>	<u>2,073,875</u>	<u>2,036,145</u>
Less allowance for doubtful accounts	(72,372)	(72,048)	(51,406)	(13,563)	(123,778)	(85,611)
Net	<u>1,368,711</u>	<u>1,177,892</u>	<u>581,386</u>	<u>772,642</u>	<u>1,950,097</u>	<u>1,950,534</u>

Consolidated financial statements

2016 2015

(in thousand Baht)

Bad and doubtful debts expenses for the year

146,677 **69,595**

As at 31 December 2016, the Group has allowance for doubtful accounts under hire-purchase contract receivables by net of collateral (products) as a result of allowance was decreased amount of Baht 68.84 million.

Aging analyses for hire-purchase contract receivables as at 31 December were as follows:

	Consolidated financial statements			
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account*	Percentage of allowance for doubtful	Allowance for doubtful accounts
	<i>(in thousand Baht)</i>		<i>(%)</i>	<i>(in thousand Baht)</i>
2016				
Within credit terms	1,185,735	390,936	1	3,909
Overdue:				
Less than 3 months	467,523	163,927	5	8,196
3-6 months	244,328	129,570	25	32,393
6-9 months	100,810	52,185	35	18,265
9-12 months	59,456	59,456	75	44,992
Over 12 months	16,023	16,023	100	16,023
Total	<u>2,073,875</u>	<u>812,097</u>		<u>123,778</u>

*Net of collateral (products)

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

2015	Consolidated financial statements			
	Hire-purchase contract receivables net of unearned interest income (in thousand Baht)	Net receivables for set up allowance for doubtful account (in thousand Baht)	Percentage of allowance for doubtful (%)	Allowance for doubtful accounts (in thousand Baht)
Within credit terms	1,654,153	1,654,153	1	16,541
Overdue:				
Less than 3 months	248,221	248,221	5	12,411
3-6 months	65,826	65,826	25	16,457
6-9 months	29,969	29,969	35	10,489
9-12 months	16,526	16,526	50	8,263
Over 12 months	21,450	21,450	100	21,450
Total	<u>2,036,145</u>	<u>2,036,145</u>		<u>85,611</u>

Hire-purchase contract receivables of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

As at 31 December, the gross investment under hire purchase contracts and the present value of minimum payments of hire-purchase contract receivables were as follows:

	Consolidated financial statements			
	2016	2015		
	Gross investment under the hire purchase contracts	Present value of minimum payments of hire-purchase contract receivables (in thousand Baht)	Gross investment Under the hire purchase contracts	Present value of minimum payments of hire-purchase contract receivables
Portion due within one year	2,008,840	1,441,083	1,799,692	1,249,940
Portion due over one year but within five years	753,054	632,792	994,286	786,205
	<u>2,761,894</u>	<u>2,073,875</u>	<u>2,793,978</u>	<u>2,036,145</u>
Less unearned interest income	<u>(688,019)</u>		<u>(757,833)</u>	
Net investment under hire purchase contracts	<u>2,073,875</u>		<u>2,036,145</u>	

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Changing of repayment conditions of hire-purchase contract receivables

The financial statements for the year ended 31 December 2016 includes the following changes through various types of debt rescheduling: (2015: none)

<i>For the year ended 31 december 2016</i>	Consolidated financial statements	
	Before	After
	debt rescheduling	debt rescheduling
	<i>(in thousand Baht)</i>	
Changes of repayment conditions	46,290	46,290
Total	46,290	46,290

Cash collection under debt rescheduling of hire-purchase contract receivables in 2016 was as follows: (2015: none)

<i>For the year ended 31 december 2016</i>	Consolidated financial statements
	<i>(in thousand Baht)</i>
Cash collection under debt rescheduling	4,546

As at 31 December 2016 debt rescheduling of hire-purchase contract receivables were remained as follows: (2015: none)

<i>31 December 2016</i>	Consolidated financial statements
	<i>(in thousand Baht)</i>
Hire – purchase contract receivables	
After debt rescheduling	43,821

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

8 Other receivables

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
		(in thousand Baht)			
Related parties	4	3,882	1,152	7,192	6,599
Salesman		201,872	194,988	201,872	194,988
Other parties					
- Advance payment for goods		18,105	52,876	18,105	52,876
- Advance payment for employee		10,054	16,405	9,533	15,690
- Value added tax		58,351	98,656	2	-
- Advance payment for rendering service		32,473	27,007	32,473	27,007
- Others		50,770	56,625	50,470	53,788
Total		375,507	447,709	319,647	350,948
Less allowance for doubtful accounts - Salesman and others		(185,944)	(178,330)	(185,944)	(178,330)
Net		189,563	269,379	133,703	172,618
Bad and doubtful debts expenses for the year		37,286	30,437	37,286	30,437

Other receivables of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

9 Short-term loans

		Interest Rate		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015	2016	2015
		(% per annum)		(in thousand Baht)			
Related parties	4	4.13 - 4.27	4.53 - 4.76	-	-	852,000	451,000
Others		9.00	9.00	5,500	15,500	5,500	15,500
Total				5,500	15,500	857,500	466,500

The Group's and the Company's short-term loans as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Finished goods (included inventory revert)	308,498	329,519	307,343	329,354
Service parts	17,400	15,853	15,606	14,500
	<u>325,898</u>	<u>345,372</u>	<u>322,949</u>	<u>343,854</u>
Less allowance for loss on decline in value	<u>(25,400)</u>	<u>(25,900)</u>	<u>(25,400)</u>	<u>(25,900)</u>
Net	<u>300,498</u>	<u>319,472</u>	<u>297,549</u>	<u>317,954</u>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	1,037,390	1,492,805	1,034,972	1,521,912
- Reversal of write-down	(500)	-	(500)	-
- Write-down to net realisable value	-	7,878	-	7,900
Net	<u>1,036,890</u>	<u>1,500,683</u>	<u>1,034,472</u>	<u>1,529,812</u>

11 Investments in subsidiaries

	Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 January	1,458,990	1,455,190
Increase	-	3,800
At 31 December	<u>1,458,990</u>	<u>1,458,990</u>

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

Investments in subsidiaries as at 31 December were as follows:

Separate financial statements							
Type of business	Country of incorporation	Ownership Interest		Paid-up capital		Cost method	
		2016	2015 (%)	2016	2015 (in thousand Baht)	2016	2015
SG (Broker) Limited	Thailand	99.99	99.99	4,000	4,000	3,999	3,999
SG Capital Co., Ltd.	Thailand	99.99	99.99	1,450,000	1,450,000	1,449,997	1,449,997
SG Service Plus Co., Ltd.	Thailand	99.88	99.88	5,000	5,000	4,994	4,994
Total						1,458,990	1,458,990

In 2016, the Company had dividend income from SG Capital Co., Ltd. amount of Baht 43.5 million (2015: Baht 58.0 million).

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

12 Other long-term investment

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Fixed deposit - TISCO Bank Public Company Limited	1,000	1,000	-	-
Total	1,000	1,000	-	-

Fixed deposit is maintained as the minimum security required by the Department of Insurance Commission.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

13 Property, plant and equipment

Consolidated financial statements

	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment <i>(in thousand Baht)</i>	Tools and equipment	Vehicle	Construction in progress	Total
Cost / revaluation								
At 1 January 2015	286,949	132,208	45,829	106,579	918	12,293	-	584,776
Additions	-	-	866	5,083	2,179	3,471	-	11,599
Disposals	-	-	(273)	(471)	-	(679)	-	(1,423)
At 31 December 2015 and 1 January 2016	286,949	132,208	46,422	111,191	3,097	15,085	-	594,952
Additions	-	-	553	6,684	665	-	-	7,902
Disposals	-	-	(4,061)	(45,523)	-	(1,701)	-	(51,285)
At 31 December 2016	286,949	132,208	42,914	72,352	3,762	13,384	-	551,569
Depreciation and impairment loss								
At 1 January 2015	1,763	55,827	38,409	93,531	242	8,438	-	198,210
Depreciation charge for the year	-	3,383	2,912	6,563	373	1,201	-	14,432
Disposals	-	-	(273)	(471)	-	(679)	-	(1,423)
At 31 December 2015 and 1 January 2016	1,763	59,210	41,048	99,623	615	8,960	-	211,219
Depreciation charge for the year	-	3,406	2,438	5,535	717	1,375	-	13,471
Impairment losses	-	-	-	-	-	309	-	309
Disposals	-	-	(3,990)	(45,490)	-	(271)	-	(49,751)
At 31 December 2016	1,763	62,616	39,496	59,668	1,332	10,373	-	175,248
Net book value								
At 1 January 2015	285,186	76,381	7,420	13,048	676	3,855	-	386,566
At 31 December 2015 and 1 January 2016	285,186	72,998	5,374	11,568	2,482	6,125	-	383,733
At 31 December 2016	285,186	69,592	3,418	12,684	2,430	3,011	-	376,321

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

	Separate financial statements					
	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment	Vehicle	Construction in progress
				(in thousand Baht)		Total
Cost / revaluation						
At 1 January 2015	286,949	132,208	45,829	105,729	12,293	583,008
Additions	-	-	806	4,785	69	5,660
Disposals	-	-	(273)	(471)	(679)	(1,423)
At 31 December 2015 and 1 January 2016	286,949	132,208	46,362	110,043	11,683	587,245
Additions	-	-	553	4,662	-	5,215
Disposals	-	-	(4,002)	(45,516)	-	(49,518)
At 31 December 2016	286,949	132,208	42,913	69,189	11,683	542,942
Depreciation and impairment losses						
At 1 January 2015	1,763	55,827	38,409	93,074	8,438	197,511
Depreciation charge for the year	-	3,383	2,902	6,230	983	13,498
Disposals	-	-	(273)	(471)	(679)	(1,423)
At 31 December 2015 and 1 January 2016	1,763	59,210	41,038	98,833	8,742	209,586
Depreciation charge for the year	-	3,406	2,431	5,277	971	12,085
Disposals	-	-	(3,973)	(45,487)	-	(49,460)
At 31 December 2016	1,763	62,616	39,496	58,623	9,713	172,211
Net book value						
At 1 January 2015	285,186	76,381	7,420	12,655	3,855	385,497
At 31 December 2015 and 1 January 2016	285,186	72,998	5,324	11,210	2,941	377,659
At 31 December 2016	285,186	69,592	3,417	10,566	1,970	370,731

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

The gross amount of the Group and the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2016 amounted to Baht 276.55 million (2015: Baht 252.16 million).

Measurement of fair value

Fair value hierarchy

The fair value of lands and buildings were determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

During 2014, 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 (CRNLD) 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 31.10 million and Baht 4.80 million Baht, respectively.

As at 31 December 2016, fair value measurement for lands and buildings, net of Baht 354.78 million Baht (2015: 358.18 million Baht) 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 building, 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 2016 and 2015 were as follows:

	Consolidated and Separate financial statements	
	2016	2015
	(in thousand Baht)	
Balance at 1 January	200,292	202,912
Revaluation of land	-	-
Revaluation of building	-	-
Depreciation	(3,275)	(3,275)
Decrease in deferred tax liabilities - depreciation	655	655
	<u>(2,620)</u>	<u>(2,620)</u>
Balance at 31 December	197,672	200,292

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

14 Intangible assets

	Consolidated financial statements		
	Software licences	Software licences under installment (in million Baht)	Total
Cost			
At 1 January 2015	39,304	-	39,304
Additions	7,569	-	7,569
Disposals	(1,485)	-	(1,485)
At 31 December 2015 and 1 January 2016	45,388	-	45,388
Additions	5,422	8,640	14,062
Disposals	(120)	-	(120)
At 31 December 2016	50,690	8,640	59,330
Amortisation			
At 1 January 2015	28,551	-	28,551
Amortisation for the year	4,962	-	4,962
Disposals	(1,484)	-	(1,484)
At 31 December 2015 and 1 January 2016	32,029	-	32,029
Amortisation for the year	4,383	-	4,383
Disposals	(15)	-	(15)
At 31 December 2016	36,397	-	36,397
Net book value			
At 1 January 2015	10,753	-	10,753
At 31 December 2015 and 1 January 2016	13,359	-	13,359
At 31 December 2016	14,293	8,640	22,933

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

	Separate financial statements		
	Software licences	Software licences under installment <i>(in million Baht)</i>	Total
Cost			
At 1 January 2015	39,235	-	39,325
Additions	6,781	-	6,781
Disposals	(1,485)	-	(1,485)
At 31 December 2015 and 1 January 2016	44,531	-	44,531
Additions	5,201	4,800	10,001
At 31 December 2016	49,732	4,800	54,532
Amortisation			
At 1 January 2015	28,522	-	28,522
Amortisation for the year	4,889	-	4,889
Disposals	(1,484)	-	(1,484)
At 31 December 2015 and 1 January 2016	31,927	-	31,927
Amortisation for the year	4,223	-	4,223
At 31 December 2016	36,150	-	36,150
Net book value			
At 1 January 2015	10,713	-	10,713
At 31 December 2015 and 1 January 2016	12,604	-	12,604
At 31 December 2016	13,582	4,800	18,382

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

15 Deferred tax

Deferred tax assets and liabilities determined after appropriate offsetting are included in the statement of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Deferred tax assets	116,839	108,011	83,263	91,690
Deferred tax liabilities	(53,020)	(53,483)	(53,020)	(53,483)
Net	63,819	54,528	30,243	38,207

Movements in deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	(Charged) / credited to:			
	At 1 January 2016	Profit or loss (Note 28)	Other comprehensive income (Note 19)	At 31 December 2016
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Allowance for doubtful accounts	43,890	8,996	-	52,886
Allowance for decline in value of inventories	5,180	(100)	-	5,080
Interest income from hire-purchase contract	6,577	9,621	-	16,198
Employee benefit obligations	35,471	(5,275)	(2,330)	27,866
Provision for provident fund	13,821	(627)	-	13,194
Provision for warranty	1,520	(320)	-	1,200
Provision for inventory revert	1,199	(1,199)	-	-
Impairment loss on property, plant and equipment and intangible assets	353	62	-	415
Total	108,011	11,158	(2,330)	116,839
Deferred tax liabilities				
Property, plant and equipment	(53,483)	463	-	(53,020)
Total	(53,483)	463	-	(53,020)
Net	54,528	11,621	(2,330)	63,819

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Seperate financial statements

(Charged) / credited to:

	At 1 January 2016	Profit or loss (Note 28) (in thousand Baht)	Other comprehensive income (Note 19)	At 31 December 2016
Deferred tax assets				
Allowance for doubtful accounts	35,944	1,362	-	37,306
Allowance for decline in value of inventories	5,180	(100)	-	5,080
Interest income from Employee benefit obligations	33,905	(5,154)	(2,581)	26,170
Provision for provident fund	13,788	(634)	-	13,154
Provision for warranty	1,520	(320)	-	1,200
Provision for inventory revert	1,000	(1,000)	-	-
Impairment loss on property, plant and equipment and intangible assets	353	-	-	353
Total	91,690	(5,846)	(2,581)	83,263
Deferred tax liabilities				
Property, plant and equipment	(53,483)	463	-	(53,020)
Total	(53,483)	463	-	(53,020)
Net	38,207	(5,383)	(2,581)	30,243

Consolidated financial statements

(Charged) / credited to:

	At 1 January 2015	Statement of income (note 28) (in thousand Baht)	At 31 December 2015
Deferred tax assets			
Allowance for doubtful accounts	41,265	2,625	43,890
Allowance for decline in value of inventories	3,600	1,580	5,180
Interest income from hire-purchase contract	4,122	2,455	6,577
Employee benefit obligations	32,704	2,767	35,471
Provision for provident fund	13,342	479	13,821
Provision for warranty	1,440	80	1,520
Provision for inventory revert	1,615	(416)	1,199
Impairment loss on assets	353	-	353
Total	98,441	9,570	108,011
Deferred tax liabilities			
Property, plant and equipment	(53,712)	229	(53,483)
Total	(53,712)	229	(53,483)
Net	44,729	9,799	54,528

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Separate financial statements			
(Charged) / credited to:			
	At 1 January 2015	Statement of income (note 28) (in thousand Baht)	At 31 December 2015
<i>Deferred tax assets</i>			
Allowance for doubtful accounts	33,701	2,243	35,944
Allowance for decline in value of inventories	3,600	1,580	5,180
Employee benefit obligations	31,236	2,669	33,905
Provision for provident fund	13,325	463	13,788
Provision for warranty	1,440	80	1,520
Provision for inventory revert	-	1,000	1,000
Impairment loss on assets	353	-	353
Total	83,655	8,035	91,690
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(53,712)	229	(53,483)
Total	(53,712)	229	(53,483)
Net	29,943	8,264	38,207
Deferred tax assets arising from temporary differences that have not been recognised in the financial statements were as follows:			

	Consolidated Financial statements		Separate Financial statements	
	2016	2015	2016	2015
	(in thousand Baht)			
Reserve arising from business combination under common control	116,894	136,376	-	-
Total	116,894	136,376	-	-

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

16 Interest-bearing liabilities

	Consolidated Financial statements		Separate Financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts and short-term loans from financial institution - unsecured	100,433	245,317	100,433	245,317
Current portion of debentures				
- secured	-	320,000	-	-
- unsecured	100,000	200,000	100,000	200,000
Current portion of long-term loans from financial institution				
- secured	33,280	33,360	-	-
- unsecured	24,860	66,720	-	-
	<u>258,573</u>	<u>865,397</u>	<u>200,433</u>	<u>445,317</u>
Non-current				
Debentures - unsecured	500,000	100,000	500,000	100,000
Long-term loans from financial institution				
- secured	-	33,280	-	-
- unsecured	-	24,860	-	-
	<u>500,000</u>	<u>158,140</u>	<u>500,000</u>	<u>100,000</u>
Total	<u>758,573</u>	<u>1,023,537</u>	<u>700,433</u>	<u>545,317</u>

As at 31 December 2016 the Company had bank overdrafts bearing interest at MOR rates which are 7.12% to 7.68% per annum (2015: 7.37% to 7.68% per annum).

As at 31 December 2016 the Group and the Company had unutilised credit facilities totalling Baht 796 million (2015: Baht 617 million).

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Debentures

As at 31 December the Group had debentures as detailed below;

	Consolidated Financial statements		Separate Financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Balance at the end of year	600,000	620,000	600,000	300,000
Less Current portion of debentures	(100,000)	(520,000)	(100,000)	(200,000)
Debentures - net of current portion	500,000	100,000	500,000	100,000

Debenture issued by Singer Thailand Public Company Limited.

On 11 May 2012, the Company issued debentures in the amount of Baht 750 million at par value of Baht 1,000, the registered, senior and unsecured debentures with monthly interest payment as detailed below;

Series	Period (year)	Due date	Amount (in million Baht)	Interest rate	
				Year	% per annum
1	1	13 May 2013	150	1	4.65
2	2	12 May 2014	150	1	4.90
				2	5.00
3	3	11 May 2015	250	1	5.00
				2	5.30
				3	5.50
4	4	11 May 2016	200	1	5.20
				2	5.40
				3	5.50
				4	5.90
Total			750		

On 15 May 2015, the Board of Directors meeting of the Company passed a resolution approving the issuance of debentures in the amount of Baht 100 million at par value of Baht 1,000, interest rate at 3.65% per annum, the senior and unsecured debentures. The Company issued the debenture on 15 May 2015 and maturity date of debenture is 28 July 2017.

The Board of Directors meeting of the Company on 18 February 2016 passed a resolution approving the issuance of unsecured and senior debentures in the amount of Baht 500 million at face value of Baht 1,000, interest rate at 4.00% per annum. The Company issued the debenture on 29 April 2016 and maturity date of debenture is 29 April 2019.

Debenture issued by SG Capital Co., Ltd.

The Board of Directors meeting of SG Capital Co., Ltd. held on 26 April 2013 passed a resolution approving the issuance of debentures with the conditions and structure of debentures as proposed by the Board of Directors. This has been approved by the extraordinary meeting of the shareholders of SG Capital Co., Ltd. held on 6 May 2013.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

The conditions and structure of the debentures are detailed below;

Objective	Repayment of loan from Singer Thailand Public Company Limited
Instrument	Senior, Secured debentures by Singer Thailand Public Company Limited
Amount	Baht 320 million
Redemption Value	Baht 1,000 per unit
Maturity	3 years
Issue Date	10 May 2013
Maturity Date	9 May 2016
Coupon Rate	Fixed rate at 5.20% per annum
Principal payment term	Pay all principal in the maturity date
Interest payment term	Quarterly basis; 10 February, 10 May, 10 August and 10 November of each year throughout the term of the Debentures.

Long-term loans from financial institutions

On 30 January 2014, the Company and a subsidiary entered into a long-term loan agreement with a bank amounting to Baht 200 million. The principal is repayable in a total of 12 installments every quarter and the interest is repayable every month. The subsidiary acquired the first loan amount of Baht 100 million in March 2014 which bears interest rate 4.59% per annum, installments of Baht 8.34 million each starting from June 2014 except the last installment of Baht 8.26 million. The subsidiary acquired the second loan amount of Baht 100 million in May 2014 which bears interest rate 4.45% per annum, installments of Baht 8.34 million each starting from August 2014 except the last installment of Baht 8.26 million.

On 18 September 2014, a subsidiary entered into a long-term loan agreement with a bank amounting to Baht 100 million. The principal is repayable in a total of 12 installments every quarter and the interest is repayable every month. The loan bears interest rate 4.60% per annum, installments of Baht 8.34 million each starting from January 2015 except the last installment of Baht 8.26 million.

Long-term loans from financial institutions and debenture of the subsidiary are guaranteed by the Company.

Loan agreements from the financial institutions and debentures contain certain restrictions imposed and debt covenants e.g. debt to equity ratio, delinquency ratio of hire-purchase receivable, hire-purchase receivable to interest-bearing debt ratio, current ratio and interest-bearing debt to equity ratio, etc.

As at 31 December 2016, the Group did not comply with a delinquency ratio as prescribed in the loan agreements from two financial institutions. The Company sent the written consents to 2 financial institutions for waiver of the financial covenant breached. The Company received a written consent from a financial institution and still during process to obtain a written consent from another financial institution. However, these loans from financial institutions were presented as current liabilities because they would be due within one year.

Interest-bearing liabilities of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

17 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Related parties	4	124,090	3,232	143,784	62,717
Other parties		111,269	164,494	100,964	161,488
Total		235,359	167,726	244,748	224,205

Trade accounts payable of the Group and the Company as at 31 December 2016 and 2015 were denominated entirely in Thai Baht.

18 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Other payables - related parties	4	9,751	132	34,583	196,467
Advance received		57,383	56,760	57,383	56,760
Accrued commission		71,999	70,955	71,997	70,955
Accrued advertising and sales promotion		30,594	50,573	29,059	40,255
Value added tax payable		9,063	2,206	8,919	1,882
Accrued tradename and trademark expenses		13,836	7,112	13,836	7,112
Accrued bonus		-	4,000	-	4,000
Others		61,831	67,433	57,494	59,587
Total		254,457	259,171	273,271	437,018

19 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Defined benefit obligations	152,243	190,267	130,850	169,526
Statement of comprehensive income Recognised in profit or loss				
Post-employment benefits	3,753	22,929	1,360	20,607
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	(11,650)	-	(12,905)	-
Cumulative actuarial losses (gains) recognised	(9,583)	2,067	(13,987)	(1,082)

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

The Group operate a defined benefit pension plan based on the requirement 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.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate Financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	152,243	190,267	130,850	169,526
Statement of financial position Obligation	152,243	190,267	130,850	169,526

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate Financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	190,267	176,430	169,526	156,180
Include in profit or loss:				
Current service cost	19,320	18,632	17,413	16,808
Curtailment gain	(20,139)	-	(20,139)	-
Interest on obligation	4,572	4,297	4,086	3,799
	3,753	22,929	1,360	20,607
Included in other comprehensive income				
Actuarial gains	(11,650)	-	(12,905)	-
Others				
Benefit paid	(30,127)	(9,092)	(27,131)	(7,261)
Defined benefit obligations at 31 December	152,243	190,267	130,850	169,526

Actuarial losses (gains) recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate Financial statements	
	2016	2015	2016	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	(3,406)	-	(2,943)	-
Financial assumptions	9,463	-	9,463	-
Experience adjustment	(17,707)	-	(19,425)	-
Total	(11,650)	-	(12,905)	-

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated and Separate financial statements	
	2016	2015
Discount rate	2.74%	2.70%
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.

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 obligation by the amounts shown below.

Defined benefit obligations at 31 December 2016	Consolidated financial statements (in thousand Baht)		Separate Financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(10,939)	11,723	(9,349)	10,657
Future salary growth (1% movement)	12,459	(10,514)	9,981	(8,942)

Defined benefit obligations at 31 December 2015	Consolidated financial statements (in thousand Baht)		Separate Financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(13,986)	16,069	(12,359)	14,198
Future salary growth (1% movement)	15,518	(13,775)	13,710	(12,167)
Future mortality (10% movement)	(10)	9	(23)	22

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

20 Provident funds

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
At 1 January	104,136	102,798	103,339	102,261
Provision used				
- Company and interest	(9,537)	(6,014)	(9,533)	(6,014)
- Employee	(4,105)	(2,336)	(4,087)	(2,331)
Provision setup				
- Company and interest	5,612	7,340	5,299	7,120
- Employee	1,967	2,348	1,927	2,303
At 31 December	98,073	104,136	96,945	103,339

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.

21 Share capital

	<i>Par value per share (in Baht)</i>	2016		2015	
		Number	Baht	Number	Baht
		<i>(thousand share/thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	270,000	270,000	270,000	270,000
At 31 December					
- ordinary shares	1	270,000	270,000	270,000	270,000
Issued and paid					
At 1 January					
- ordinary shares	1	270,000	270,000	270,000	270,000
At 31 December					
- ordinary shares	1	270,000	270,000	270,000	270,000

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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

22 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

Valuation changes

The valuation changes account within equity comprises the cumulative net change in the valuation of land and building included in the financial statements at valuation until such land and building are sold or otherwise disposed of.

23 Segment information

The Group has three reportable segments, as described below, 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. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Trade sales
- Segment 2 Hire purchase
- Segment 3 Service and others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit 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.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Consolidated financial statements

	Trade sales	Hire-purchase	Service and others (in thousand Baht)	Eliminations	Total
For the year ended 31 December 2016					
Revenue from sale of goods					
- External revenue	485,151	1,187,821	1,851	-	1,674,823
- Inter-segment revenue	1,114,531	235,370	-	(1,349,901)	-
Other income					
- External revenue	163,270	620,460	87,076	-	870,806
- Inter-segment revenue	239,164	-	53,818	(292,982)	-
Total segment revenue	2,002,116	2,043,651	142,745	(1,642,883)	2,545,629
Finance costs	25,959	48,850	30	(37,867)	36,972
Segment profit before income tax	90,284	79,190	4,235	(43,500)	130,209
Reportable segment assets as at 31 December 2016	1,425,357	2,140,176	39,191	(459,556)	3,145,168

Consolidated financial statements

	Trade sales	Hire-purchase	Service and others (in thousand Baht)	Eliminations	Total
For the year ended 31 December 2015					
Revenue from sale of goods					
- External revenue	365,754	2,124,858	3,298	-	2,493,910
- Inter-segment revenue	2,054,470	228,238	-	(2,282,708)	-
Other income					
- External revenue	134,310	744,687	21,651	-	900,648
- Inter-segment revenue	389,410	-	70,252	(459,662)	-
Total segment revenue	2,943,944	3,097,783	95,201	(2,742,370)	3,394,558
Finance costs	23,661	60,696	8	(33,705)	50,660
Segment profit before income tax	128,137	96,002	3,314	(58,000)	169,453
Reportable segment assets as at 31 December 2015	1,545,031	2,321,740	42,392	(567,569)	3,341,594

Geographic segments

The Group is managed and operates principally in Thailand. There is no material revenues derived from, or assets located in, foreign countries.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

24 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee benefit expenses	476,826	720,192	449,474	700,435
Trade discounts	29,901	133,386	-	-
Loss on repossession	59,427	77,393	-	-
Travel expenses	49,977	53,981	49,977	53,981
Rental expense	35,218	40,300	35,218	40,300
Product warranty	23,402	37,075	25,215	50,784
Local freight	19,660	35,274	19,607	35,142
Management service fee	23,658	26,905	23,658	26,905
Advertising	5,395	20,214	5,368	20,202
Others	15,417	564	13,336	4,526
Total	738,881	1,145,284	621,853	932,275

25 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Employee benefit expenses	146,960	151,893	105,702	115,431
Bad and doubtful debt	183,553	100,127	36,876	30,532
Travel expenses	36,624	47,438	22,221	31,842
Rental expense	21,729	21,994	21,669	21,799
Depreciation and amortisation	17,273	19,043	16,307	18,387
Stationery	14,411	13,661	10,162	10,050
Professional fee	15,931	12,942	11,081	8,934
Bad debt recovery	(25,890)	(27,279)	(22,249)	(24,646)
Others	25,823	23,045	15,293	16,115
Total	436,414	362,864	217,062	228,444

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

26 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	35,482	23,150	31,466	19,344
Contribution to defined contribution plans, employee benefit and social security	543	1,778	357	1,436
Others	1,717	554	1,592	426
	37,742	25,482	33,415	21,206
Other employees				
Wages and salaries	148,383	164,411	80,730	106,694
Commission	323,168	495,721	308,760	495,602
Contribution to defined contribution plans, employee benefit and social security	28,130	49,582	21,504	43,226
Sales incentive	107,724	151,695	104,144	140,877
Others	7,898	9,120	6,623	8,261
	615,303	870,529	521,761	794,660
Total	653,045	896,011	555,176	815,866

Defined benefit plans

Details of the defined benefit plans are given in note 19.

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.

27 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Finance costs:				
Debentures	27,064	34,640	21,138	18,000
Bank loans and overdrafts	7,578	13,975	2,475	3,649
Others	2,330	2,045	2,346	2,012
Total	36,972	50,660	25,959	23,661

Singer Thailand Public Company Limited and its Subsidiaries
For the year ended 31 December 2016

Income tax recognised in profit or loss

Income tax recognised in other comprehensive income

	Before tax	2016 Tax expense <i>(note 15)</i>	Net of tax	Before tax	2015 Tax expense	Net of tax
<i>(in thousand Baht)</i>						
Consolidated financial statements						
Actuarial gains	11,650	(2,330)	9,320	-	-	-
Total	11,650	(2,330)	9,320	-	-	-
	Before tax	2016 Tax expense <i>(note 15)</i>	Net of tax	Before tax	2015 Tax expense	Net of tax
<i>(in thousand Baht)</i>						
Separate financial statements						
Actuarial gains	12,905	(2,581)	10,324	-	-	-
Total	12,905	(2,581)	10,324	-	-	-

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016	2015		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		130,209		169,453
Income tax using the Thai corporation tax rate	20	26,042	20	33,891
Effect of income tax from subsidiaries		71		(3)
Utilisation of previously unrecognised deferred tax asset		(19,482)		(19,482)
Expenses not deductible for tax purposes		4,139		11,802
(Over) under provided income tax expense in prior year		(373)		92
Total	7.98	10,397	15.52	26,300

Reconciliation of effective tax rate

	Separate financial statements			
	2016	2015		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		90,284		128,137
Income tax using the Thai corporation tax rate	20	18,057	20	25,627
Income not subject to tax		(8,700)		(11,600)
Expenses not deductible for tax purposes		(371)		(715)
(Over) under provided income tax expense in prior year		(418)		92
Total	9.49	8,568	10.46	13,404

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

29 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company (basic)	119,811	143,153	81,716	114,733
Number of ordinary shares outstanding	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.44</u>	<u>0.53</u>	<u>0.30</u>	<u>0.42</u>

30 Dividends

At the annual general meeting of the shareholders of the Company held on 28 April 2016, the shareholders approved the appropriation of dividend of Baht 0.30 per share, amounting to Baht 81.0 million. The dividend was paid to shareholders during 2016.

At the annual general meeting of the shareholders of the Company held on 24 April 2015, the shareholders approved the appropriation of dividend of Baht 0.53 per share, amounting to Baht 143.1 million. The dividend was paid to shareholders during 2015.

31 Financial instruments

Financial risk management policies

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 derivative financial instruments for speculative or trading purposes.

Capital management

The Board's 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 of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.

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 flow. Loan interest rates are mainly fix from debentures (Note 16).

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2016				
Current				
Bank overdrafts and short-term loan from financial institutions	2.87 - 7.50	100,433	-	100,433
Debentures	3.65	100,000	-	100,000
Long-term loan from financial institutions	4.45 - 4.60	58,140	-	58,140
Non - Current				
Debentures	4.00	-	500,000	500,000
Total		258,573	500,000	758,573
Separate financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2016				
Current				
Bank overdrafts and short-term loan from financial institutions	2.87 - 7.50	100,433	-	100,433
Debentures	3.65	100,000	-	100,000
Non - Current				
Debentures	4.00	-	500,000	500,000
Total		200,433	500,000	700,433

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2015				
Current				
Bank overdrafts and short-term loan from financial institutions	2.80 - 7.44	245,317	-	245,317
Debentures	5.20 - 5.90	520,000	-	520,000
Long-term loan from financial institutions	4.45 - 4.60	100,080	-	100,080
Non - Current				
Debentures	3.65	-	100,000	100,000
Long-term loan from financial institutions	4.45 - 4.60	-	58,140	58,140
Total		865,397	158,140	1,023,537

Separate financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2015				
Current				
Bank overdrafts and short-term loan from financial institutions	2.80 - 7.44	245,317	-	245,317
Debentures	5.90	200,000	-	200,000
Non - Current				
Debentures	3.65	-	100,000	100,000
Total		445,317	100,000	545,317

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies.

At 31 December 2016 and 2015, the Group and the Company was not exposed to foreign currency risk in respect of financial liabilities denominated in foreign currencies.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. That concerned with trade accounts receivable, hire-purchase contract receivables and short-term loans. Management has a credit policy in place and the exposure to credit risk is properly monitored. Moreover, for instalment sales from 1 September 2016 onwards, the Company has changed collection methods from assigned salesperson to collect money from customers to directly payments from customers to the Company. At the reporting date Company expect that were no significant concentrations of credit risk. Moreover, credit approval of Company was not concentration due to Company have lots of customer base and the maximum exposure to credit risk is represented by the carrying amount of trade accounts receivable, hire-purchase contract receivables and short-term loans in the statement of financial position

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.

Carrying amount and fair values of financial assets and liabilities

Financial instruments not measured at fair value

Carrying amount and fair values of financial assets and liabilities at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in thousand Baht)</i>			
31 December 2016				
Other long-term investment	1,000	1,000	1,000	1,000
Debenture	600,000	597,996	600,000	597,996

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value	Carrying amount	Fair value
	<i>(in thousand Baht)</i>			
31 December 2015				
Other long-term investment	1,000	1,000	-	-
Long-term loan to related party	-	-	304,181	304,181
Debenture	620,000	623,323	300,000	301,843

The Group determines Level 2 fair values for over-the-counter securities based on broker quotes.

The fair values of the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Capital commitments				
Contracted but not provided for:				
Software	5,184	-	2,880	-
Total	5,184	-	2,880	-

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	37,801	38,767	36,846	38,193
After one year but within five years	15,520	31,083	15,189	30,057
After five years	562	527	562	527
Total	53,883	70,377	52,597	68,777

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.

	Consolidated/Separate financial statements	
	2016	2015
	<i>(in thousand Baht)</i>	
Other commitments		
Bank guarantees	1,030	1,020
Total	1,030	1,020

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

The Group 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 customers to deal with them.

Significant agreements

Trademark license and offshore service fees

The Company has agreements with Singer Asia Limited for the payment of trademark license fees in the amount of 0.1% of net sales of Singer Brand products and of offshore service fees for marketing, product planning, design development and other services in the amount of 1.0% of net sales.

On 31 July 2015, the Company and Singer Asia Limited mutually agreed and made written to terminate the trademark license and offshore service fee agreement.

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.

33 Contingent liabilities

As at 31 December 2016, the Company has contingent liabilities with the financial institutions and the bond holders to guarantee a subsidiary in respect of line of credit use and debenture totalling Baht 33.28 million (2015: Baht 386.64 million).

34 Event after the reporting period

Dividend payment

The Board of Directors of the Company meeting held on 17 February 2017 proposed a resolution approving a dividend payment in respect of the results of the operations in 2016 of Baht 0.25 per share, amounting to Baht 67.5 million. However, this resolution must be approved at the annual general meeting of shareholders.

35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2016

TFRS	Topic
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 27 (revised 2016)	Separate Financial Statements
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TFRS 3 (revised 2016)	Business Combinations
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 15 (revised 2016)	Operating Leases - Incentives
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
FAP Announcement no. 5/2016	Accounting Guidance for derecognition of financial assets and financial liabilities

The Group had made a preliminary assessment of the potential initial impact on the consolidated and separate 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.

Annual General Shareholders Meeting (AGM) No.49th



The 49th Annual General Meeting of Shareholders of Singer Thailand PCL., was held on April 28, 2016 at the Conference Room, CAT Telecom Tower, 30th Fl., Charoenkrung road, Bangrak, Bangkok. The meeting was presided over by Mr. Adisak Sukumvitaya, Chairman of the Board acted as the Chairman of this Meeting with attendees from all Singer's Board of Directors, Management, 166 shareholders and proxies to consider and approve various agenda items by the Shareholders.



Opportunity Day

Singer Thailand PCL., had joined the event “Opportunity Day” which has organized by the Stock Exchange of Thailand as always. The event aims to facilitate investor relations activities of the listed companies. In year 2015, the Company joined to announce company performance result 2 times for year 2014 and Q2/2015.

An Opportunity Day was made to convenient for analysts, investors, the media and other interested parties to find out about the business and operations of listed companies - and for listed firms to communicate with these key audiences. The session was broadcasted via webcast facilities of SET with live and can also be reviewed retroactively on the Company's website at www.singerthailand.co.th.



Singer participates in helping those who are affected by floods in the South of Thailand



Singer Thailand Public Company Limited was in coordinate with Jaymart Group, Saha Pathana Inter Holding Pcl., and Ph.D. students in Peace Studies, MahaChulalongkornrajavidyalaya University, in arranging to deliver and donate rice, dried food, drinking water and medicines to flood victims throughout Southern of Thailand. The shipment were dispatched by Singer Caravan trucks with Mrs. Nonglak Laksanapokin, Chief Executive Officer, Mr. Kittipong Kanokvilairat, Chief Marketing Officer together with senior executives and staff of Singer are in person to represent the above-mentioned organizations. Additionally, the Company also arranged team of technicians to provide free of charge services to repair all brand electrical appliances affected by the flood which can brought much relief and happiness to those victims.



SINGER®

SINGER Thailand Public Company Limited

72 CAT Telecom Tower 17th Fl., Charoen Krung Road, Bangrak, Bangkok 10500

Tel. (66)-2352-4777 Fax. (66)-2352-4799

Call Center: 66-2234-7171 Hotline: 668-1840-4555

www.singerthai.co.th