



SINGER®

บริษัท ซิงเกอร์ประเทศไทย จำกัด (มหาชน)
Singer Thailand Public Company Limited

Annual Report 2017



ความสุขทุกสิ่งเป็นจริงที่
SINGER®

งานประกาศผลรางวัล ดาราทอง 2017

จากพลังคน สู่พลังทีม
ทุ่มสุดแรง ตั้งใจสุดพลัง
เหนื่อยแต่ไม่เคยท้อ



เพราะเรามีสายสัมพันธ์
ที่แข็งแกร่ง

SINGER DNA

Financial Highlights

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

(as at December 31)

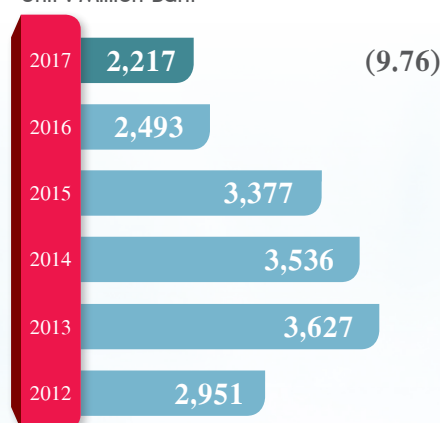
	2017	2016	2015
Total sales & Interest from installment sales	2,011.09	2,493.27	3,377.42
Total Revenues	2,363.41	2,545.63	3,394.56
Gross Margin	1,207.43	1,290.11	1,711.13
Cost of Sales	1,009.53	1,203.15	1,666.30
Selling and Administrative Expenses	1,340.93	1,175.30	1,508.15
Net Profit (Loss)	(9.76)	119.81	143.15
Total Assets	3,500.51	3,145.17	3,341.59
Total Liabilities	1,922.83	1,519.00	1,763.56
Total Shareholder's Equity	1,577.68	1,626.17	1,578.04
Financial Ratio			
Net Profit (Loss) Ratio (%)	(0.41)	4.71	4.22
Return on Equity (%)	(0.61)	7.48	9.07
Return on Assets (%)	(0.29)	3.69	4.27
Dividend Pay Out Ratio (%)	-	56.82	56.60
Liabilities Per Equities Ratio	1.22	0.93	1.12
Earnings Per Share (Baht)	(0.04)	0.44	0.53
Dividend Per Share (Baht)	0.00	0.25	0.30
Book value Per Share (Baht)	5.84	6.02	5.84
Total Staff (Persons)	12,247	9,873	3,696

Sales & Interest from installment sales by Year 2012 - 2017

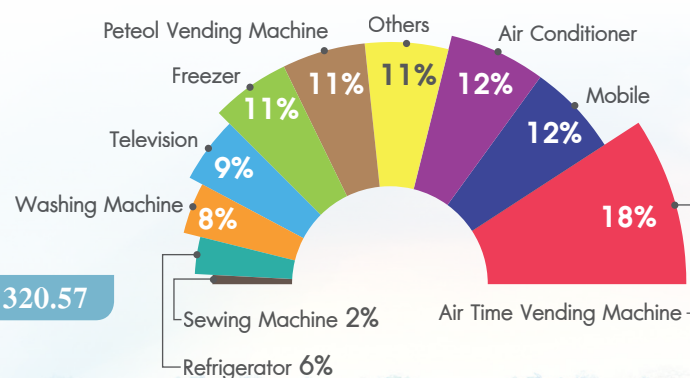
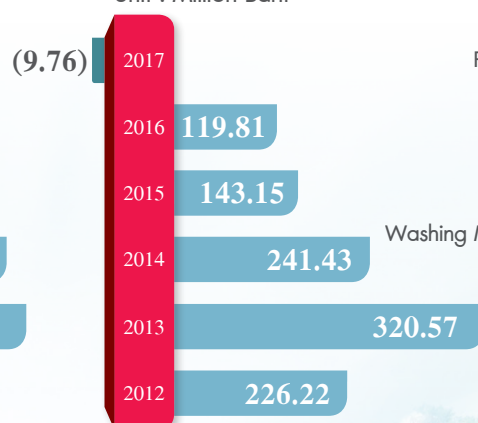
Net Profit / (Loss) by Year 2012 -2017

Sales by Product Line January - December 2017

Unit : Million Baht



Unit : Million Baht



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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

Mr. Adisak Sukumvitaya
Chairman of the Board

Dear Shareholders of Singer (Thailand) Public Company Limited.

2017 will be a year that the Thai people will always remember, since it was a historic year for Thailand during which all Thais united together as one in offering heartfelt and humble remembrance to bid farewell to their much beloved late HM King Bhumibol Adulyadej in the royal cremation ceremony as His Majesty ascends to heaven. On behalf of the Company's Board of Directors, Management and all Staff, we also offer our deepest respect and remembrance of His Majesty's endless benevolence for the Thai people and prostrate at his feet to bid farewell as His Majesty ascends to heaven, together with confirming our resolution to humbly continue carrying on the various royal initiatives of His Majesty for the overall future benefit of the country.

During 2017, both the Management and Staff of the Company continued to be fully committed to discharging their respective duties and responsibilities with honesty as well as within the principles of good and virtuous moral standards, and always keeping in mind the maximum benefits of the Company and its Shareholders.

With regards to the overall operating performance results for 2017, the Company achieved Total Consolidated Revenues of Baht 2,363.4 million - a decrease from Baht 2,545.6 million in 2016, or equal to a decrease of 7.2% year-on-year (YoY); together with a Total Net Loss for the year of Baht 9.8 million - compared to a Total Net Profit of Baht 119.8 million in the previous year. As such, this resulted in a Net Loss/share (EPS) of Baht 0.04, compared to an Net Profit/share of Baht 0.44 last year.

During 2017, the Company added further new branch outlets, which, as at the end of December 2017, totaled 185 - from a total of 177 outlets as at the end of December 2016; and the Company also plans to increase the total number of Sub-Branch Supervisors from 400 as at the end of December 2017 to 1,000 during 2018. This is in order to be able to access grassroots consumers and to be responsible for the products of the respective Branch outlets, as well as to expand overall sales area coverage and support the continuing growth of the Group of Companies.

Given the state of the economy still remaining stable, consumers continued to slow down their expenditures; while the overall export sector has still not fully recovered. Further, agricultural commodity prices have not yet improved and, most importantly, average household debts still remained high - especially in the upcountry areas throughout the country. As such, the Company continued to undertake various measures relating to its credit control and processing before approving any new borrowers, which involves stringent credit checks and fully complying with the established credit control system. Furthermore, the Company has also continued to oversee and closely monitor those accounts that have been in default for a long time, so as to establish protection against any possible acts of fraud, together with actively trying to resolve these long outstanding accounts in a timely manner. Additionally, the Company sped up the debt repayments negotiations process for those accounts, that wish to restart repaying their outstanding debts so as to remain classified as active or good accounts. This is also to maintain ongoing



Mr. Kittipong Kanokvilairat
Chief Executive Officer

positive customer relations for the long term. The Company has determined plans to reduce the overall costs of funds and other major expenses, through implementing continued effective costs controls and expenses management, The Company is also in the process of undertaking a Business Process Re-Engineering exercise together with implementing a new Oracle ERP (Enterprise Resource Planning) project, that are aimed at supporting the continuing future growth and development of the Company.

With the aim of enabling the further overall development of the economy and society as a whole on a sustainable basis - namely, its Staff, customers, local communities and the country, the Company is confident of and continually recognizes its social responsibilities. As such, during the past year, the Company, together with all of its Staff, continued to jointly undertake various activities to support and enable local communities to enjoy improved livelihoods and environment based on ongoing sustainability. Further, details of such Corporate Social Responsibility (CSR) activities and projects are given in the Section on “Corporate Social Responsibility” of this Annual Report for 2017.

Lastly, despite the fact that the overall economic situation during 2017 remained challenging for the Company, the Board of Directors, together with the Management, were strongly committed to seeing that the Company achieve its established business objective and goals. Additionally, all the Company’s Staff were fully intent and prepared to devote their efforts in working and striving to ensure that these objectives as well as goals are finally and successfully achieved.

The Company wishes to take this opportunity to express our genuine appreciation and thanks to all our customers and to the Management, as well as to each and every Staff for their continuing positive support and help in various ways. Most importantly, we wish to express our thanks to all our Shareholders for their continuing trust and confidence in the Company.

(Mr. Adisak Sukumvitaya)
Chairman of the Board

(Mr. Kittipong Kanokvilairat)
Chief Executive Officer

Board Of Directors



1. Mr. Adisak Sukumvitaya
Chairman of the Board
Member of NRC



2. Mr. Kittipong Kanokvilairat
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. Mrs. Nonglak Laksanapokin

Director

Board Of Directors



Mr. Adisak Sukumvitaya

Chairman of the Board

Member of Nomination and Remuneration Committee

Age : 62 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 : 2 Year 8 months

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
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 Services PCL.	Chairman of the Board
1994 - 2012	JMT Network Services PCL.	Director
2015 - Present	JAS Asset PCL.	Director
2002 - 2015	JAS Asset PCL.	Chairman of the Board
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

Board Of Directors



Mr. Kittipong Kanokvilairat

Chief Executive Officer

Age : 44 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 : 1 Year 11 Months

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
-	-	-	-

Relevant Important Positions :

Years	Company	Position
2016	SG Capital Co.,Ltd.	Director
2016	SG Service Plus.Co.,th	Director
2017	SG Broker Co.,th	Director

Educations :

1991 - 1994	Bachelor Degree, Assumption University
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Certifications :

-

Work Experiences in other Listed Companies :

Years	Listed Company	Position
Jan 2018 - Present	Singer Thailand PCL.	Chief Executive Officer
June 2017 - Dec 2017	Singer Thailand PCL.	Co-Chief Executive Officer
May 2016 - Present	Singer Thailand PCL.	Director
2016 - May 2017	Singer Thailand PCL.	Chief Marketing Officer
2015	Crown Tech Advance PCL.	Chief Commercial Officer
2002 - 2011	Jaymart Public Co., Ltd.	Chief Marketing Officer

Other Working Experiences (Non Listed Companies) :

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

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 : 65 Years

Nationality : Thai

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

Company Shareholdings : None

Date of Appointment : 8 November 2013

Years of Directorship : 4 Years 5 Months

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
2	1. Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Independent Director, MC Group PLC. 2. Chairman of the Board of Directors, Origin Property Public Company Limited	None	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), 122/2009 Thai Institute of Directors (IOD)
2004	Director Accreditation Program (DAP), SCC/2004 Thai Institute of Directors (IOD)

Work Experiences in other Listed Companies :

Years	Listed Company	Position
2016 - Present	MC Group Public Company Limited	Chairman of Nomination and Remuneration Committee, Member of Audit Committee and Independent Director
2013 - 2017	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 - 2016	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 : 57 Years

Nationality : Thai

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

Company Shareholdings : None

Date of Appointment : 13 May 2009

Years of Directorship : 8 Years 11 Months

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
2	1. Chairman of the Board, Audit Committee, Nominating & Remuneration, Thai Insurance PCL. 2. Chairman of the Board, 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	Chairman of the Board Audit Committee Nominating & Remuneration
2002 - Present	Sammakorn PCL	Chairman of the Board
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 : 69 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 : 1 Years 8 Months

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
-	-	-	-

Educations :

1981	Bachelor Degree in Business Administration, Roosevelt University, USA
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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
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. Vichai Kulsomphob

Director

Age : 41 Years

Nationality : Thai

Address : 530 Soi Sathupradit 58, Bangpongpan, Yannawa, Bangkok 10120

Company Shareholdings : None

Date of Appointment : August 13, 2015

Years of Directorship : 2 Year 8 months

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
2	1. Executive Director Saha Pathana Inter-Holding Public Company Limited 2. Executive Director Thai Samsung Life Insurance Public Company Limited	13	-

Educations :

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

Certifications :

2015	Bhumipalung Phandin Program (BPP 4) for senior executive level program, Chulalongkorn University
2013	Institute of Business and Industrial Development for top executive (IBID 1)
2011	OIC Advanced Insurance Institute, Office of Insurance Commission
2011	Investment Planner Certification, Association of Investment Management Companies
2011	Real Estate Management Program for Executive (RE-CU26), Chulalongkorn University
2006	Company Secretary Program (CSP 18/2006), Thai Institute of Directors Association

2006	Executive Leadership Program, Wharton Business School, University of Pennsylvania
2005	Director Certification Program (DCP 61/2005), 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
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

Relevant Important Positions :

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

Relation among Family with other Directors and Executives : None

Direct or indirect, stake holder's benefit as a contract partner in any business concerning the Company and its subsidiaries :

Act as Director of Thai Samsung Electronics Co., Ltd.

Board Of Directors



Mr. Piya Pong-acha

Director

Age : 47 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 : 1 Year 11 Months

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
2	1. Director/ Executive Director JMT Network Services PCL. 2. Vice Chief Executive Officer Jaymart PCL.	3	-

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

Relevant Important Positions :

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

Educations :

1994	Bachelor Degree in Business Administration Kasem Bundit University
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Certifications :

2011	Director Accreditation Program (DAP) The Thai Institute of Directors Association
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Work Experiences in other Listed Companies :

Years	Listed Company	Position
Jan 2018 - Present	Jaymart PCL.	Vice Chief Executive Officer
2012 - Present	JMT Network Services PCL.	Director/Executive Director
2012 - 2017	JMT Network Services PCL.	CEO
1998 - 2012	JMT Network Services PCL.	Marketing Director

Relation among Family with other Directors and Executives : None

Board Of Directors



Ms. Nonglak Laksanapokin

Director

Age : 57 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 : 2 Year

Meeting Attendance Year 2016 : 5/5

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
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Work Experiences in other Listed Companies :

Years	Listed Company	Position
2016 - Present	Singer Thailand Public Company Limited	Director
Jan 2018 - Feb 2018	Singer Thailand Public Company Limited	Advisor of CEO
2016 - 2017	Singer Thailand Public Company Limited	Chief Executive Officer
2012 - Present	JAS Asset Public Company Limited	Director and Nomination and Remuneration Committee
2012 - 2015	JAS Asset Public Company Limited	Chief Executive Officer, Director and Executive Committee
2000 - 2012	Jay Mart Public Company Limited	Executive Committee

Other Working Experiences :

Years	Company	Position
1997 - 2000	M Link Asia Corporation PCL.	Vice President of Operating Department
1992 - 1997	Technic Telecom Co. Ltd.	Vice President of Operating Department

Relevant Important Positions :

Years	Company	Position
2016 - Present	SG Capital Co., Ltd.	Director
2016 - Present	SG Service Plus Co., Ltd.	Director
2016 - Present	SG Broker 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



1. Mr. Kittipong Kanokvilairat
Chief Executive Officer



2. Miss Rapeepan Kantayaporn
Chief Information Officer



3. Miss Chanthornjira Kongtongsmut
Chief Operating Officer



4. Miss Peeraya Rodkorn
Chief Financial Officer

Management

Singer Thailand Public Company Limited

Ms. Chanthornjira Kongtongsmut

Age : 51 Years

Position : Chief Operating Officer

Address : 577/82 Soi Pongpetchniwet, Chatuchak, Bangkok

Company Shareholdings : 1,840 shares 0.0007%

Date of Appointment : 15 May 2016

Educations :

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

Training :

1. Corporate Secretary Development Program (class2)
2. Fundamental Practice for Corporate Secretary (class22)
3. Fundamental of Law for Corporate Secretaries Held by the Thai Listed Companies Association

Other Working Experiences :

Years	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 : 57 Years

Position : Chief Information Officer

Address : -

Company Shareholdings : None

Date of Appointment : 15 June 2016

Educations :

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

Training :

-

Work Experiences in other Companies :

Years	Company	Position
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

Miss Peeraya Rodkorn

Age : 45 Years

Position : Chief Financial Officer

Address : 19/294 Moo.1 Khukhot, Lamlukka, Pathumthani

Company Shareholdings : None

Date of Appointment : 2 May 2017

Educations :

2002 - 2004	Master Degree in Accounting, Chulalongkorn University
1991 - 1995	Beachelor Degree in Accounting, Thammasat University
1985 - 1991	Certificate of M.6, Benchamatheputit School

Training :

-

Working Experiences :

Years	Company	Position
2017 - Present	Singer Thailand PCL.	Chief Executive Officer
2000 - 2017	Total Access Communication PCL. (DTAC)	Vice President in Accounting
1999 - 2000	Iridium Southeast Asia Co., Ltd.	Assistant Manager
1995 - 1999	KPMG Audit (Thailand) Ltd.	Senior Auditor

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.

Mr. Narongdej Ketsongkram

Age : 45 Years

Position : Internal Audit Manager

Address : -

Company Shareholdings : None

Date of Appointment : -

Educations :

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

Training :

-

Working Experiences :

Years	Company	Position
2016 - Present	Singer Thailand PCL.	Internal Audit Manager
2012 - Present		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
1995	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.

Board of Directors and Management

Singer Thailand Public Company Limited

Board of Directors

Mr. Adisak Sukumvitaya	Chairman of the board
Mr. Kittipong Kanokvilairat	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
Mrs. Nonglak Laksanapokin	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. Lucksananoi Punkrasamee	Member of NRC
Mr. Adisak Sukumvitaya	Member of NRC

Executive Committee

Mr. Piya Pongacha	Chairman of Executive Committee
Mrs. Nonglak Laksanapokin	Vice Chairman of Executive Committee
Mr. Kittipong Kanokvilairat	Chief Executive Officer and Member
Miss Supamas Kaikaew	Member
Mr. Sutthirak Traichira-aporn	Member
Miss Rapeepan Kantayaporn	Member
Miss Peeraya Rodkorn	Member
Miss Chanthornjira Kongtongsmut	Secretary

Risk Management Committee

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

Management

Mr. Kittipong Kanokvilairat	Chief Executive Officer
Miss Rapeepan Kantayaporn	Chief Information Officer
Miss Chanthornjira Kongtongsmut	Chief Operating Officer
Miss Peeraya Rodkorn	Chief Financial Officer

Organization Chart



Company Profile and Information

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

CMT Counsellor Co., 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

Telephone 66-2-009-9999

Fax 66-2-009-9991

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)

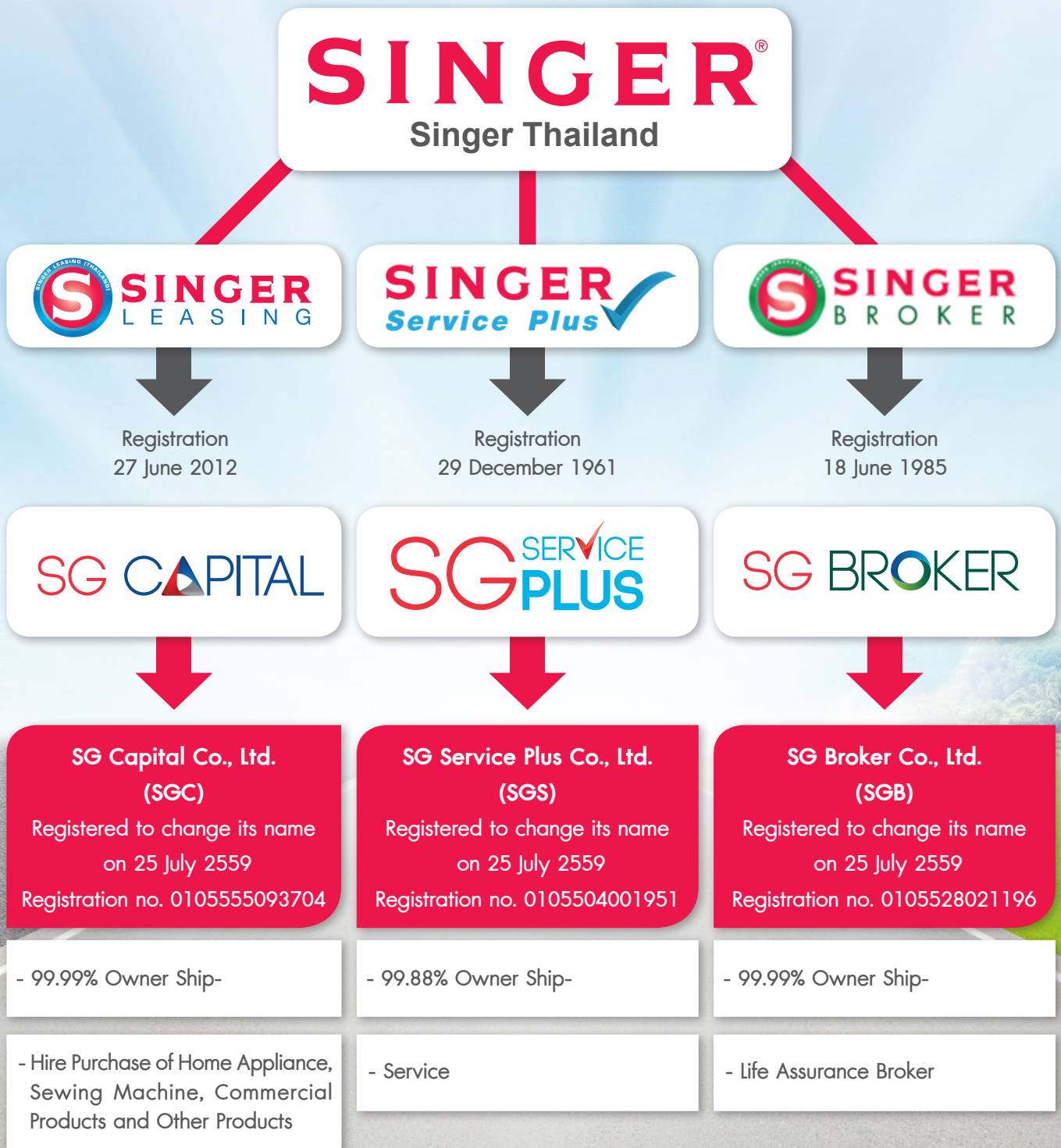
Paid-up Capital: Fully paid up at Baht 270,000,000

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 Ordinary Shares 1,450,000 Shares Paid-up Capital Baht 1,450,000,000	99.99%	Hire Purchase of Home Appliance, Sewing Machine, Commercial Products and Other Products
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 Ordinary Shares 5,000 Shares Paid-up Capital Baht 5,000,000	99.88%	Service
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 Ordinary Shares 40,000 Shares Paid-up Capital Baht 4,000,000	99.99%	Life Assurance Broker

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 equipment 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 and 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 a total of 10 - 20 shops in every small town or village. These small retailers are the new target customers for the Company with the aim of facilitating and helping to 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 operation 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 onward and for more than 50 years thereafter, the Company sold and distributed only its sewing machines. Then in 1957, the Company began to sell 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 then 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 and actively participated in the development of the Thailand’s economy; whereby, 24 May, 2004 was an auspicious day for the Company in His Majesty the King graciously granted the “Royal Warrant” and the associated Royal Garuda Emblem to Singer Thailand Public Company Limited, which is considered to be a great honor and auspiciousness in the history of the Company and for all its Staff.

Important milestones for the Company during the past few 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 an 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.
- 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 2012, 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 consumers’ 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 shareholding.
- 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, with Jaymart Pcl., a legal entity registered in Thailand, purchasing 24.99% of the Company’s shares, that then resulted in Jaymart Pcl. 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 to be as follows;
 - 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 received the “Outstanding Investor Relations Awards” from SET at the annual SET Awards event for the fourth time.
- In 2017, SG Capital Co., Ltd., the subsidiary of Singer, has started the new business, Rod Tum Ngern (making money vehicles), in the first quarter by providing credit and financing service to customers, both legal business entities and individual consumers in exchange for the ownership of their vehicles being pledge as a collateral with the Company. The vehicles will be available to passenger cars, commercial cars as well as large 6 or 10 wheels trucks

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, Fl.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, 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 185 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 180 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 JMT Network Services 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 from as of 29 September, 2017 to 28 September 2018.

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 equipment 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 installment basis, are made through the network of over 10,000 Singer sales representatives, who are dispersed over more than 180 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, 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 and drinking water vending machines.
- Agricultural equipment: 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 also sold mobile phone products through the Company's distribution channel, in the form of direct sales through Singer shops and the Singer sales network. As such, 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 shareholdings and business structure is a key turning point for Singer's overall operations in Thailand; whereby it is now a combination 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 onward 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.

Business Operation of the Company

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 shareholding; whereby the direct sales activities are made through the Singer branch/outlets network, sales staff and sales representatives, and the 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 by geographical areas as well as by types of products and appliances

(in Baht 000s’)

Value of total sales in Thailand/Exports (by products/appliances category)	2017	%	2016	%	2015	%
Sales Revenues in Thailand:						
Washing Machines	151,549	8	208,645	9	364,211	11
Refrigerators	121,679	6	181,422	8	303,036	10
Freezer/Coolers	221,140	11	367,044	16	647,604	20
Television sets	168,317	9	196,763	9	329,100	10
Sewing Machines	45,837	2	118,080	5	98,768	3
Air Conditioners	249,328	12	382,597	17	487,323	15
Air time vending machines (ATVM)	367,498	18	251,867	11	405,912	13
Petrol Vending Machine	227,418	11	322,667	14	368,866	12
Mobile Phones	240,380	12	51,610	2	52,318	-
Sub Total	1,790,146	89	2,080,695	91	3,057,138	94
Other products sold	220,941	11	197,458	9	178,202	6
Total Export Sales	-	-	-	-	-	-
Total Sales & Interest Income	2,011,087	100	2,278,153	100	3,235,340	100

Note: The Company operates only one core business unit as well as only in Thailand; as such no other financial information is disclosed by separate or for other business units

Revenues Structure of Subsidiary Companies

(in Baht 000s’)

Business Activity/Category	Operating under	% Equity shareholding by STL	2017	%	2016	%	2015	%
Income for Sales								
Singer Thailand Pcl. (STL)	STL	100.00	1,375,775	58.2	1,674,823	65.8	2,493,910	73.5
Income -Interest hire-purchase installments								
- SG Capital Co., Ltd. (SGC)	SGC	99.99	635,312	26.9	603,330	23.7	741,430	21.8
- Singer Thailand Pcl. (STL)	STL	100.00	-	-	-	-	-	-
Income from services								
- Singer Thailand Pcl. (STL)	STL	100.00	192,646	8.2	192,501	7.6	121,029	3.6
- SG Service Plus Co., Ltd. (SGS)	SGS	99.88	16,799	0.7	22,379	0.9	20,838	0.6

(in Baht 000s)

Business Activity/Category	Operating under	% Equity shareholding by STL	2017	%	2016	%	2015	%
<u>Income from life insurance policies</u>								
<u>brokerage</u>								
- SG Broker Co., Ltd. (SGB)	SGB	99.99	3,396	0.1	233	0.0	216	0.0
<u>Other income</u>								
- Singer Thailand Pcl. (STL)	STL	100.00	52,745	2.2	34,449	1.3	13,282	0.4
- SG Capital Co., Ltd. (SGC)	SGC	99.99	83,978	3.6	17,131	0.7	3,257	0.1
- SG Service Plus Co., Ltd. (SGS)	SGS	99.88	2,622	0.1	391	0.0	566	0.0
-SG Broker Co., Ltd. (SGB)	SGB	99.99	132	0.0	393	0.0	30	0.0
Total			2,363,405	100.0	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 continuing 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, as well as 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 network 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 regards to the core product groups (such as: home electrical appliances - especially refrigerators and TVs) that already have a high ownership rate 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 various customer groups, as well as continuously improves the overall quality of its products.

Additionally, the Company has continuously launched new products, with the objective of targeting and increasing overall market coverage to include more small business operators (such as: community 'show huay' shops or retail outlets, food service outlets, and coffee shops, as well as apartments, students apartments), 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 True Move, which has added another source of income so as to increase the overall revenues for the Company.

Distribution/Sales Channels Strategy

The Company sells through the Company's own operated Singer Branch retail outlets, of which there are 185 in total located throughout the country as at the end of last year. There are also more than 10,000 sales staff. The Company also holds training course for its branch outlets sales staff so as to give them a good level of degree of product knowledge and understanding; whereby these sales staff are an important driving force in expanding the Company's market base. Approximately 90% of total sales are made on a hire-purchase installment basis; whereby the Company provides this hire-purchase financing service through SG Capital Co., Ltd., a Subsidiary Company in which the Company has a 99.9% equity holding.

With regards 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 stage. 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 approved 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 of as well as being checked by the Credit Control Department.

(b) Industry Trends and Competitive Environment

The overall economic for 2018 is becoming more positive, after seeing clear signs economic recovery in the last Quarter of last year. The Government projects a GDP growth of 3.8% YoY.

The Export Sector will drive the country's continuing economic growth as will Public Sector investments for planned mega-infrastructure projects. Additionally, the NESDB is confident that the overall economic has improved, then the stock exchange will readily take in new investments amounts being poured in; whereby the SET index that shot upwards to reach its highest point in more than 4 decades at the beginning of the year is a positive sign.

The economic trend for 2018 will be to reap the benefits of the various associated investment activities initiated by the Government during the past year; such as: Villages internet project and the Prompt Pay project, which are expected to be completed within mid this year so as to upgrade the Thailand towards being a fully digital economy. Another key element is the fast-tracking of planned key mega-infrastructure and economic projects to be implemented and invested in by the Government - namely: the Eastern Economic Corridor (EEC) project and the dual-track rail projects

The Ministry of Commerce projects that the CPI index (ie: rate of inflation) for 2018 will be at 0.6-1.6%, which correlates with the overall projected GDP growth for full year 2018 will be 3.5 - 4.0% YoY. As such, the project price of crude oil is at US\$ 50-60 per barrel and the US\$ exchange rate is at Baht 33-35; while expected inflation for the year is not more than 1%. However, continued ongoing and active Government support of the Agriculture Sector and the SME Business Sector is still required.

Hire purchase business for electrical products and appliance

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 equipment, home furniture, motor cycles, and automobiles), whereby they provide the hire-purchase loan and purchases loan services at all their dealer retailer 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 ownership rate and 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 - 3,000 per appliance. Further, such trade in transactions to purchase the new appliance can be made 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 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 Ayudhaya 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 grassroot provincial customers, living in the provinces and rural areas and mostly working within the agricultural sector.

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 also new 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. Changhong Electronics Co., Ltd. : LCD/LED TVs
5. Lucky Flame Co., Ltd. : gas stoves
6. ADT On-Line Co., Ltd. : online mobile airtime vending machines and coin-operated petrol vending machines
7. S Safe Oil Co., Ltd. : coin-operated petrol vending machines
8. Lucky Star Universal Co., Ltd. : beverage cooler cabinets
9. 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 associated accessories 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 - “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 through the Company selecting only 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. This is to further enhance the Company's 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 customers' hire-purchase 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; and 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 continuing 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 Committee, that is separate and independent, reporting directly to the Audit Committee together with various Risk Owner Teams, working together and being jointly responsible for independently controlling and providing credible opinions on the relevant risk factors as well as 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 and 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 - both internal and external; as well as in assessing or considering the various risk factors currently being faced by the Company and also 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 that 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 with 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 continuing 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 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 - 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 represent 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 with regard to technology that could directly affect the Company's business operations strategies. Furthermore, the Company searches for and sources from the OEM manufacturers and distributors, who are knowledgeable and capable in their manufacturing and services but who do not have a viable sales channel or to directly 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 and 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 contract. While the actual borrowing of funds 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 situations – both locally and globally – and, thus, this is considered to be 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, which 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 associated 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 heart of the Company’s business operations, since more than 80% 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 regard to these hire – purchase accounts; namely: the 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 and control processes relating to the consideration of the 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 these 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 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 forms 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.

Risk factors relating to manufacturing activities

The majority of the products sold by the Company come from OEM (Original Equipment Manufacturer) business partners, through 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 on 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 regards 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, and the ratio of hire-purchase accounts defaulting more than 3 months to the total number of hire-purchase accounts on hand. As such, from the latest Financial Statements for 2016 and 2017, the Company has still maintained these two key ratios as follows: Debt/Equity Ratio of 0.93 and 1.22 times respectively, and times for the Interest Bearing Ratio of 0.47 and 0.82 times respectively. However during 2017, with regards to the ratio of those hire-purchase accounts defaulting more than 3 months to the total number of hire purchase accounts, the Company has not met these requirements. As such, the Company has written to explain the situation to the financial institution to request a temporary relaxation which has already been approved.

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 it 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 to be a 'controlled business'. Thus, various operating guidelines issued relating to interests rates payable and 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 to 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, there is a need to comply with safety standards as specified by the Energy Business Department regarding petrol vending machines, in which regards 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. As such, 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 the 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 interrupt 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 recovered quickly 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 from 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: the 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 their 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 continuing 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 resulting from the actual selling price of the repossessed products and the remaining ‘book value’ of the risk asset together with any additional associated costs in repairing the repossessed items 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 that are caused by 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 by any the external situations. As such, 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 Department or Unit 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 continuing basis. The primary aim is to have each and every Operating Business Unit be 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 a regular risks assessments process that are effective in preventing them from occurring before there result in 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 decisions and will facilitate in achieving 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 regards 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 business entities and the 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 continuing basis, its operating risk management systems and procedures as well as any associated modern technology and tools to be used in this regard.

Risk factors relating to trade names and trademark license agreements

On 1 August 2015, the Company entered into a trade name agreement with Singer Company Limited S.A.R.L. and a 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 a trade name license fee is US Dollar 0.25 million per year to Singer Company Limited S.A.R.L. and a trademark license fee of 0.5% of the consolidated revenue to Singer Asia Limited. The terms 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 respectively.

Major Shareholders as at March 12, 2018

No.	Name	No. of Shares	% of Total Shares
1	Jaymart Public Company Limited	67,499,900	25.000
2	Mr. Sirisak Sonsophon	15,597,000	5.777
3	Kasikornbank Public Company Limited	13,469,000	4.989
4	Mr. Santi Kowitjindachai	10,243,000	3.794
5	Mr. Chairat Kowitjindachai	8,874,000	3.287
6	Mr. Chao Kara	8,400,000	3.111
7	Saha Pathana Inter Holding Public Company Limited	5,637,200	2.088
8	Muang Thai Life Assurance Public Company Limited	5,400,000	2.000
9	Ms. Kulisala Kara	4,083,000	1.512
10	Mr. Anucha Aveelastsakul	4,018,500	1.488
11	Thai Nvdr Company Limited	3,818,810	1.414
12	Mr. Varoon Sonsophon	3,688,300	1.366
13	Bank Lombard Odier & Co Ltd	3,621,600	1.341
14	Mr. Wasan Sonsophon	3,550,000	1.315
15	I.c.c. International Public Company Limited	3,500,000	1.296
16	Saha Pathanapibul Public Company Limited	3,500,000	1.296
17	Mr. Kitti Nghammaharat	2,735,100	1.013
18	I.D.F Co., Ltd.	2,450,000	0.907
19	Ms. Chantana Jindapornbhurana	2,300,000	0.852
20	Mr. Chan Mekkiengkrai	2,254,770	0.835
21	Mr. Direk Takru	2,018,500	0.748
22	Mr. Jittiporn Chantaratch	2,000,000	0.714
23	Ms. Varisara Sonsophon	1,800,000	0.667
24	Ms. Kandarath Pakpraphan	1,500,000	0.556
25	Mr. Phumchai Chaivanitchakul	1,400,000	0.519
TOTAL		183,358,680	67.912

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 2017	Full Year 2016	Full Year 2015
Interim Dividend Payment	-	-	-
Final Dividend Payment *	-	0.25	0.30
Total Dividend Paid	-	0.25	0.30
Par Value/Share	1	1	1

* In accordance with the resolution of Board of Directors Meeting No. 221, held on 23 February 2018, to be proposed to the scheduled AGM No. 51 to be held on April 20, 2018.

- 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 2017	Full Year 2016	Full Year 2015
Interim Dividend Payment	-	-	-
Final Dividend Payment *	-	25	30
Total Dividend Paid	-	25	30
Par Value/Share	1000.00	1000.00	1000.00

* In accordance with the resolution of Board of Directors Meeting No. 26, held on 23 February 2018, to be proposed to the scheduled AGM No.7 to be held on April 20, 2018.

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 2017, the Board of Directors held a total of 5 Board Meetings - consisting of 4 normal Board Meetings and 1 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 2017 are summarized as below:

Attendance record of Board Directors during 2017

Board Director	Term of Office	Attendance Record (No. of times attended/No. of times held)			
		AGM No. 50	Board Meetings	Audit Committee meetings	Nomination & Remuneration Committee
1. Mr. Adisak Sukumvitaya*	Apr 2017 - Apr 2020	1/1	5/5	-	6/6
2. Mr. Lucksananoi Punkrasamee**	Apr 2016 - Apr 2019	1/1	5/5	4/4	6/6
3. Mr. Bibit Bijaisoradat	Apr 2017 - Apr 2020	1/1	5/5	4/4	6/6
4. Mr. Preecha Prakobkit	Apr 2016 - Apr 2019	1/1	5/5	4/4	-
5. Mr. Vichai Kulsomphob	Apr 2016 - Apr 2019	1/1	5/5	-	-
6. Mrs. Nonglak Laksanapokin	Apr 2015 - Apr 2018(a)	1/1	5/5	-	-
7. Mr. Piya Pong-acha*	Apr 2015 - Apr 2018 (a)	1/1	5/5	-	-
8. Mr. Kittipong Kanokvilairat	Apr 2017 - Apr 2020	1/1	5/5	-	-

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 2018 and to be nominated for reappointment as a Board Director for another term at the AGM/2018 to be held on 20 April, 2018

Management Group

Management Group of Singer Thailand Pcl.

Mr. Kittipong Kanokvilairat	Chief Executive Officer
Ms. Rapeepan Kantayaporn	Chief Information Officer
Ms. Chanthornjira Kongtongsmut	Chief Operating Officer
Ms. Peeraya Rodkorn	Chief Financial Officer

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 2017

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 - 2016 ' 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 2017: 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	467,000	- Chairman of the Board	82,500	579,500
	- Member of the Nomination & Remuneration Committee	30,000			

Management Structure

Full name	Singer Thailand Pcl.		SG Capital Co.Ltd		Total (Baht)
	Position	Remuneration (Baht)	Position	Remuneration (Baht)	
Mr. Luksananoi Punkrasamee	- Chairman of the Audit Committee,	176,000	Director	51,500	549,500
	- Independent Director,	292,000			
	- Member of the Nomination & Remuneration Committee	30,000			
Mr. Bibit Bijaisoradat	- Chairman of Nomination & Remuneration Committee	50,000	Director	51,500	534,500
	- Member of the Audit Committee,	141,000			
	- Independent Director	292,000			
Mr. Preecha Prakobkit	- Member of the Audit Committee,	141,000	Director	51,500	484,500
	- Independent Director	292,000			
Mr. Vichai Kulsompob	- 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	-	-	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 2017	
	No. of persons	Total - Baht
Salaries, bonus payments and incentives	5	17,791,500

4. Remuneration for the Management Group: Other forms

Types	For 2017	
	No. of persons	Total - Baht
Company's contribution to the Employee Provision Fund	5	709,275

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			
		January 1, 2017	Trading During the		December 31, 2017
			BUY	SALE	
1.	Mr. Adisak Sukumvitaya	-	-	-	-
2.	Mr. Kittipong Kanokvilairat	-	-	-	-
3.	Mr. Lucksananoi Punkrasamee	-	-	-	-
4.	Mr. Preecha Prakobkit	-	-	-	-
5.	Mr. Bibit Bijaisoradat	-	-	-	-
6.	Mr. Vichai Kulsomphob	-	-	-	-
7.	Mr. Piya Pong-acha	-	-	-	-
8.	Mrs. Nonglak Laksanapokin	-	-	-	-
9.	Ms. Rapeepan Kantayaporn	-	-	-	-
10.	Ms. Chanthornjira Kongtongsmut	1,860	-	-	1,860
11.	Ms. Peeraya Rodkorn	-	-	-	-

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

- The Company has a total personnel headcount of 12,247 persons, of whom 722 are employed by the Subsidiary Companies. For 2017, the Company paid total remuneration and compensation of Baht 574.34 million, of which Baht 108.43 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 2017	Parent Company Singer Thailand Pcl	Subsidiary Company SG Capital Co. Ltd.	Subsidiary Company SG Service Co. Ltd
Field or Area personnel (persons)	11,272	166	142
Central HO staff (persons)	235	269	141
Executives & Management Members (persons)	18	4	-
Total No. of Employees (persons)	11,525	439	283
Total Remuneration & Compensation (Baht - million)	465.91	110.73	15.21

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 Members, 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 2017, 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:

- Review that the Company has all the required financial reports, as well as that they are fully accurate and adequate
- 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.

- 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.
- 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.
- 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.
- 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.
- 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 2017, the Nomination and Remuneration Committee held 6 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 Chairman of Executive Committee, 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 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 2 Directors from the majority Shareholder group (ie: Jaymart Pcl., who has a 24.99% shareholding) - namely, Mr. Adisak Sukumvitaya and Mr. Piya Pongacha
 - 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 22 September 2017 to 31 December 2017, 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 2,915,000.-; 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 33,700.-; 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 2018; 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 22 September 2017 to 31 December 2017.

5. In 2017, the Company held its Annual General Shareholders Meeting (AGM) No.50 on 21 April 2017, 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 2016 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 22 September 2017 to 31 December 2017, 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 2017.

10. In the AGM for 2017, 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 advisor (Miss Manunya Thitinuntawan, CMT Counsellor Co., 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 2017, 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 have 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: 66-2234-7171), 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: 668 - 1840 - 4555) 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 SG Capital 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 responsibilities 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:

Joint 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 66-2352-4777 Ext: 4727.

During 2017, various activities were undertaken whereby the CEO, Director/Chief Financial Officer 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 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.

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 are 2 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 2017, the Board of Directors held a total of 5 meetings, comprising of 4 normal scheduled Board Meetings together with 1 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 2017 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 advisor, CMT Counsellor Co., 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 ne 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 the 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 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 small community) that now bears fruit and is able to be self-sustaining. This is similar to the many local communities that, through the care and sustained support from Singer employees given to its people, development and the 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, and 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 together with Staff welfare benefits and assistance that will afford them an appropriate and happy livelihood, as well as other various supporting financial assistance and loan schemes. Additionally, the Company also offers other benefits - such as, uniforms, annual health check-ups, and 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, to promote its Staff in developing 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 guiding them on how to save and manage their own money and also their family’s finances more effectively, together with offering financial assistance and solutions to any financial problems.

Additionally, the Company encourages its Staff to contribute towards better energy savings together with having a more effective use of paper and paper materials, with the overall objective of being more energy and resources efficient. All staff are also encouraged 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 relate to supporting and encouraging all Staff to participate in various activities undertaken for the direct benefit of society and the environment. As such, the Company has established policies requiring 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 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 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 a 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 to contribute 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 in closing of the inequality gap between urban lifestyle and that of local communities.

During 2017, the Company and its Staff carried out the following activities, aimed at developing local children and young people:

1. Donated gifts to various activities relating to the National Children’s Day
2. Donated products and money to various welfare organizations and foundations
3. Participated with Phradabos Foundation and Southern border province administrative center by sending expert technician to teach the student in Phradabos School about how to clean, check and repair Air Condition.
4. Undertook various activities to create jobs and vocations for young people at the Judicial Hospital, Phutthamonthon, Nakhon Pathom Province



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

The Company participated in promoting religious activities, so that the Staff will be the center 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.

- Katin Ceremony at
 - Viriyadhama Ashram, Religious organisation in Amphoe Pak Chong, Nakhon Ratchasima
 - Ban Tha Khoi Nang Temple, Prang Ku District, Si Sa Ket
 - Kosamphi Nakhon Temple, Kamphaeng Phet
 - Buddhathiwat Temple, Betong, Yala



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: fire, windstorm, floods, etc.,) that cause widespread damage to the people's lives and properties, regardless of whether such public relief activities involves donating money or essential goods and other necessities.

4. Promoting the improvement of the quality of life of 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 jobs and vocations, 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 business opportunities within local communities.

5. Joint Development of the Communities and Society

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

1. Prisons-related activities undertaken during 2017 are as follows:

- Mae Sot Prison, Mae Sot, Tak
- Na Thawi District Prison, Na Thawi District, Songkhla
- Ubon Ratchathani Central Prison, Muang, Ubon Ratchathani
- Narathiwat Provincial Prison, Mueang Narathiwat District, Narathiwat



In 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 Bajakitiyabha, that is aimed at helping those in Thai society requiring opportunities in new vocations and skills. Starting with pregnant female prisoners, HRH Princess Bajakitiyabha 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 Bajakitiyabha graciously saw the opportunity to widen the scope of these assistance projects to include other needy groups; whereby HRH Princess Bajakitiyabha requested the support of the Ministry of Justice to promote these projects together with its goals and successful outcomes to other groups on a wider scale. While still focusing on female prisoners, the objective of these Royal initiated projects were widened to include vocational training in various fields, so that the female inmates 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 sewing techniques and on 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 of prison. 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. Undertaking various activities to groups of housewives and local communities during 2017:

- Wang Thong Housewives Group, 222 Tambon Wang, Tha Chang, Kabinburi, Prachinburi



3. Undertaking activities for groups of housewives in the 3 Southern-most Border Area during 2017 (together with the Pradabot Foundation)

- Thanyarak Pattani Hospital, Amphur Muang, Pattani



4. Participated in training program to make funeral wood flowers that will be given to public mourners before the late HM King Bhumibol Adulyadej's royal cremation.
 - Organized the training sessions for anyone who wish to participate in making funeral wood flowers, which demonstrates deep reverence for the Late King at the CAT Tower, Bangrak, , Bangkok



5. Undertaking a reforestation project, for the benefit of society and the environment, together with community leaders and people of the Huay Nam Sai Reservoir, Lan Khoi, Pa Payorm, Phatthalung.



6. Undertaking activities for the benefit of disabled persons in 2017

- Vocational Development Center for Disabled Persons, Pakkret, 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 sale as OTOP products, and thus creating new sources of income for the handicapped and the needy.

The Company also joined with the Centre for Vocational Development for the Handicapped, Amphur Pakkred, Nonthaburi, in creating new vocational opportunities and skills for the handicapped, through accepting 11 persons as employees of the Company (as part of its 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 sewing techniques and on how to make various items of clothing with Singer sewing machines. The Company is always willing and ready to undertake various vocations creation 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 be 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 and housewives together with those lacking the opportunity for employment and in need of jobs and income, in order to give them the opportunity to have an income and be self-sufficient in raising their families (and, thus, not 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; they should contact the Company directly. The 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 acts of corruption

Singer Thailand Pcl. and its Subsidiary Companies has established policies and associated operating guidelines relating to preventing involvement with any acts of corruption; whereby guidelines that correspond to the established Anti-Corruption Policy are applicable for Singer's Board Directors, the 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 preventing 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 Thailand 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 grant 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 involvement with any acts of corruption are as follows:

1. All Staff are required to act in an honest manner, with integrity and good morals standards, as well as be committed to behaving with good professional business ethics; whereby the Company will instill these positive behaviors in all newly hired 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 in 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 all details of the informant/whistle-blower will be kept confidential.

As such, details of this policy are officially disclosed and posted on the Company's website, so that every person 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.1/2018, on 23 February, 2018, 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 2017, 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 2017; 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. 221, held on 23 February, 2018, 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.1/2018 held on 23 February, 2018; 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 2017

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 according to the Charter for 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 in accordance with the accounting standards and practices that are appropriate to the business operations together with reviewing that all the financial reports of the Company are correct, fully accurate, comprehensive 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 in accordance with the applicable securities and exchange laws with regards to sufficiently disclosing 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 transparency, equitability, credibility and 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 2017, 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 2017. 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 for 2017, 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.

- Monitored and followed up on the latest accounting standards as well as the international standards for financial reporting as applicable for the Company together with the possible impacts for the Company's Financial Statements. This is especially so with regards to the TFRS 9 relating to financial tools, to which the Company place much importance; whereby specialist advisors were engaged to set up a model for possible use by the Company and also for analysing the possible impacts that may result from its application. This activity is estimated to be completed during 2018.
- 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 on the preparation of the Internal Audit Report, so that they will be more effective and correspond to the current businesses of the Company.
- Monitored the operating activities and results of both SG Capital Co. Ltd. and Singer Service Plus Co. Ltd., together with providing various recommendations.
- Reviewed and monitored possible acts of fraud and corruption with regards to the field activities during 2017; together with providing recommendations on internal control procedures, so that they can be improved to prevent such acts as appropriate to every possible situation.
- Reviewed the internal controls system and procedures, in order to determine 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 persons to be assigned with the responsibility for working in the respective functional risk management groups as appropriate.

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 they still need further improvements, 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 in meeting 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 2018.

On behalf of the Audit Committee



(Mr. Lucksananoi Punkrasamee)

Chairman of the Audit Committee

February 23, 2018

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 2017 compared to 2016, it appears that:

1. SG Broker Co., Ltd. (SGB) operates a direct life insurance brokerage and agency business, with total 2017 revenues of Baht 4.96 million increased from Baht 0.62 million in 2016 or increased by Baht 4.34 million, whereas Net profit for full year 2017 is Baht 2.30 million increase from year 2016 that loss Baht 0.35 million. This is mainly due to income of the life insurance, Car insurance and Personal accident insurance of Rod Tham Ngern project’s customer.
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, 2017, the company full year 2017 Net loss of Baht 4.8 million, decreased from Net Profit Baht 4.2 million in 2016, mainly due to Thailand’s economic recession, the impact of slow economic recovery in domestic demand, lower public spending which decrease the demand of Air condition that effected directly to the installment fees of the company. Moreover, the company had to service customers who still have the warranty so we cannot charge the customer anymore. Total Assets and Total Liabilities as at the end of last year was Baht 28.64 million and Baht 17.82 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 2017, the company achieved total full year 2017 Net loss of Baht 56.17 million compared to Net Profit Baht 59.45 million for 2016, 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 2,304.91 million and Baht 1,652.08 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 and 31 December 2017 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.

Related Party Transactions

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.
SG Service Plus Co., Ltd. (SGS), in which Singer Thailand Pcl. has a 99.88% equity share holding.	Additionally, Singer Thailand Pcl. also provides loans, with interest, for SGC for operating its financing services activities. 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	2017	1,010,185	1,905	-	1,012,090
	2016	1,112,971	1,560	-	1,114,531
2. Management fee income	2017	55,314	7,682	476	63,472
	2016	194,894	6,399	33	201,326
3. Dividend Income	2017	36,250	-	-	36,250
	2016	43,500	-	-	43,500
4. Interest Income	2017	42,158	153	-	42,311
	2016	37,816	22	-	37,838
5. Revenue from sales of rights in receivable	2017	-	2,707	-	2,707
	2016	-	-	-	-
6. Purchase of goods	2017	232,485	-	-	232,485
	2016	235,370	-	-	235,370
7. Purchase of equipment	2017	-	1,578	-	1,578
	2016	-	-	-	-
8. Cost of service	2017	-	32,872	-	32,872
	2016	-	53,780	-	53,780
9. Interest Expense	2017	-	-	-	-
	2016	-	17	12	29

Related Party Transactions

Type and Size of related Party transaction

Unit: '000 Baht

Transactions	Year	Major shareholders	Other related parties						Total
			Jaymart Mobile	JMT	J fintech	JAS	ICC	SAMSUNG	
1. Sales of goods	2017	-	-	-	-	389	-	-	389
	2016	-	-	-	-	394	4	-	398
2. Service Income	2017	-	81,087	-	-	-	-	-	81,087
	2016	63,709	-	-	-	-	-	-	-
3. Marketing Support Income	2017	-	35,084	-	-	-	-	-	35,084
	2016	-	-	-	-	-	-	-	-
4. Revenue from sales of rights in receivable	2017	-	-	11,027	-	-	-	-	11,027
	2016	-	-	-	-	-	-	-	-
5. Other Income	2017	-	-	-	321	-	-	-	321
	2016	-	-	-	203	2	-	-	205
6. Purchase of goods	2017	-	31,591	-	-	-	-	26,227	57,818
	2016	18,229	-	-	-	-	715	145,769	146,484
7. Purchase of Property, Plant and equipment	2017	-	-	-	1,804	-	-	-	1,804
	2016	-	-	-	-	-	-	-	-
8. Debt collecting fee	2017	-	-	59,705	-	-	-	-	59,705
	2016	-	-	14,735	-	-	-	-	14,735
9. Other Income	2017	209	214	-	-	-	-	-	214
	2016	59	-	-	2	54	-	-	56

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
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 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.

2. 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.

3. Receivable management and collection service agreement

On 23 September 2015, the Company and SG Capital Co., Ltd. entered into agreement with JMT Network Services Public Company Limited (JMT) for certain receivable management and collection services to be provided by JMT to the Company and SG Capital Co., Ltd. in return for fees at rates specified in the agreement. The term of 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.

On 1 April 2017, SG Capital Co., Ltd. entered into agreement with SG Service Plus Co., Ltd. whereby SG Service Plus Co., Ltd. provides debt collection service to SG Capital Co., Ltd. SG Capital Co., Ltd. agreed to pay fees based on success performance at rate specified in the agreement by 45 days after verify the billing document complete. The term of this agreement is effective on 1 April 2017 until 31 March 2018 and will 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 30 days prior to the date of expiration.

4. 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.

On 1 January 2017, Jay Mart Public Company Limited transferred a partial of the business to Jaymart Mobile Company Limited which is a subsidiary of Jay Mart Public Company Limited and transferred its right and duty according to the consignment agreement as mentioned above

5. Service area agreement

On 1 June 2017, 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 2017 until 31 May 2018 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. However, JMT Network Services Public Company Limited gave SG Service Plus Co., Ltd. a written notice to terminate this agreement effective on 1 January 2017 onwards.

On 1 June 2017, 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 2017 until 31 May 2018 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.

Related Party Transactions

6. Supporting insurance business service agreement

On 1 January 2017, SG Capital Co., Ltd. entered into service agreement with SG Broker Co., Ltd. whereby SG Capital Co., Ltd. agreed to render the supporting insurance business service for SG Broker Co., Ltd. In consideration thereof, SG Broker Co., Ltd. agreed to pay the service fees based on the percentage of revenue from commission and service income that SG Broker Co., Ltd. has received from the insurer. 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 30 days prior to the date of expiration

Unit: '000 Baht

Transactions	Year	Subsidiaries			Total
		SG Capital	SG Service Plus	SG Broker	
1. Trade account receivable	2017	255,503	69	-	255,572
	2016	393,116	47	-	393,163
2. Other receivable	2017	5,531	143	35	5,709
	2016	3,133	157	20	3,310
3. Accrued income	2017	6,339	639	460	7,438
	2016	9,360	527	-	9,887
4. Loan	2017	1,339,000	6,000	-	1,345,000
	2016	852,000	-	-	852,000
5. Trade account payables	2017	7,646	-	-	7,646
	2016	18,557	-	-	18,557
6. Other payables	2017	21,708	1,764	-	23,472
	2016	33,110	1,672	(199)	34,583

Unit: '000 Baht

Transactions	Year	Major shareholders	Other related parties						Total
			Jaymart Mobile	JMT	J Fintech	JAS	ICC	SAMSUNG	
1. Trade account receivable	2017	-	-	-	-	188	-	-	188
	2016	-	-	-	-	108	-	-	108
2. Other receivable	2017	300	3,631	-	-	-	-	1,513	5,144
	2016	1,568	-	-	-	-	-	5,845	5,845
3. Accrued income	2017	-	23,043	-	16	-	-	-	23,059
	2016	-	-	-	-	-	-	-	-
4. Trade account payables	2017	-	44,681	-	-	-	-	1,712	46,393
	2016	123,913	-	-	-	-	-	177	177
5. Other payables	2017	-	2	14,011	-	-	-	-	14,013
	2016	4	-	9,737	-	10	-	-	9,747

Management Discussion & Analysis of Financial Status - Full Year 2017

Macro Economic Situation in 2017

For the full year 2017 period, the Thai economy grew by 3.9 % year -on- year (YoY), which is an improvement compared to 3.3% achieved GDP growth for 2016, together with achieved total full year export growth of 9.7% YoY. As such, the exports and tourism sectors still remained important strong driving forces for the sustained economic growth throughout the year corresponding to the global economy clearly growing in a widespread manner. As such, private sector consumption and investments increased YoY by 3.2% and 0.9% respectively. Domestic demand also continued its gradual pace of growth. While the driving force from the public sector slowed down compared to the previous year, as with the rate of growth from the private sector that still remained low, since some manufacturers still had spare production capacity remaining and others were waiting to see clear signs from the pending Royal Act on the Special Eastern Economic Corridor (EEC) of which the final draft was passed so as to become law by mid-February 2018. Average inflation for the year was at 0.7% and Current Accounts deficit was at 10.8% of GDP. The overall picture of the various key economic indicators for Thailand was stable, with the rate of inflation and rate of unemployment remaining low. The financial position of the country was positive with the financial status of the business sector strong together with that of financial institutions sector; and as such is able to withstand various risks relating to the quality of some of their customers credit facilities that has deteriorated.

(Source: NESDB ECONOMIC REPORT and the Bank of Thailand Report for 2017)

Projected macro economic environment for 2018

Economic trends for Thailand

The Thai economy for 2018 is projected to grow in a positive manner and sustained further growth from 2017; whereby the key supporting factors are: improving global economic recovery resulting in increased production outputs from the industrial sector that will support more positive macro economic trends. The driving force for growth from public sector expenditures will remain positive, as with planned increased public sector investments together with the continuing positive growth in the key economic sectors from 2017. Employment rate will increase together with the overall people's income base within the economic system. Nevertheless, there remains some limitations in the overall economic growth rate from the Agricultural Sector's still slow recovery and return to normal situation and from the risks from the remaining volatilities in the global economic and monetary systems that may occur as a result of changing economic directions of some major global economies that may take place faster than the basic economic factors together with the changing expectations from investors during the uptrend of the products price cycle and adjustment in global interest rates. Further, there remains some uncertainties from the changing US economic policies as well as some uncertain situations in some major countries.

Supporting economic and business factors for 2018

The NESDB estimates that the Thai economy will grow by 3.6 - 4.6 % year -on-year (the median used for the budget is 4.1%), which has improved from 3.9% and 3.3% for 2016 and 2015 respectively; whereby the driving factors for this sustained growth consist of: (1) increased global economic recovery; (2) driving force from public sector expenditures that is still positive together with the increase public sector investments in accordance with the increased in the annual investments budget and progress of ongoing public sector projects; (3) the clear recovery and increase in private sector investments; (4) the positive growth trends for key economic sectors; and (5) the improved employment rate and of the income base within the economic system. As such it is estimated that the total value of products exports will increase by 6.8%, while private consumption and investment will increase by 3.2% and 5.5% respectively. Overall inflation (CPI) for the year is estimated to be at 0.9 - 1.9% and current accounts deficit will be at 7.8% of GDP.

Limitations and Risk factors

Nevertheless, the NSDB's Report on the Macro Economy of Thailand, summarizes that the ongoing limitations and key risk factors that will have an impact on the abovementioned key estimated macro economic indicators for 2018, as summarized below:

- (1) a decrease in the driving forces from the increased agricultural outputs during its recovery towards normal situations, which is at risk to decrease faster as a result of La Nina.
- (2) Global products and commodities prices, rate of inflation, and global interest rates that shows an increasing trend in line with the overall improving global economy resulting in an Output Gap to be reduced in the key economic countries and result in various countries to change their monetary policies and measures together with increase in interest rates towards the normal level.
- (3) Risks resulting from the volatility and uncertainties of the global economy due to :1) Changing expectations of investors during the upward trend of the economic cycle, inflation rate and interest rates within the global markets; whereby this will create volatility and uncertainties in the global economic and monetary system with regards to movements of global investments, fluctuations of foreign currency exchange rates, basic prices of goods, interest rates, and key capital markets, together with the changed expectation of investors regarding the US's financial and economic status for the long term that may result in the weakening of the US dollar and the subsequent further strengthening of the Baht; and 2) Directions and trends for key policy and economic changes in major countries, consisting trade protection and investments policies of the US towards its major trade partner countries, outcomes of the NAFTA and BREXIT negotiations, together with the results of elections in Italy, the political terms and conditions in Spain, and the political conflict in the Korean peninsular and the Middle East region.

(Source:: NESDB ECONOMIC REPORT and Macro Economic Plans)

Consolidated Profit and Loss Statement

For the 2017 operating results, the Company achieved a Total Net Loss of Baht 9.8 million, compared to a Net Profit of Baht 119.8 million for year 2016.

The total revenue for Y2017 decreased from Baht 2,545.6 Million for Y2016 to Baht 2,363.4 Million or an decrease by 7.2% mainly from an increase in interest from hire purchase contracts was increased 5% and other income was increased 180% while main products sales were decreased 18% and decreased in rendering of services 4% which from the margin of consignment agreement, airtime top up, additional application fee and late payment fee from new hire purchase contract.

Inventory reserve as of December 2017 equaling Baht 33.1 Million was increased from the reserve at end of December 2016 by Baht 7.7 Million due to higher reverted stocks. The Company has plans to clear slow moving products to reduce the provision from obsolete stocks.

However, in Q4-2017, the Company has provided the allowance for doubtful accounts Baht 62 Million which was increased Baht 20 Million from Q3-2016, in Y2017 the company has provided the allowance for doubtful accounts Baht 330 Million which was increased Baht 188.6 Million from Y2016 due to old customers (who has old collection process from pay directly to sales person to the new method by customer pay by other payment channels such as counter services and counter banks) still not improving in paying off the outstanding debt as the result from slow recovery of the economy.

Total Sales Revenues.

For 2017, total revenues from sales of the Company's products was Baht 1,376 million (a decrease of Baht 299 million, or 17.9%, YoY). As such compared with 2016, it can be seen that there was a decrease in the total sales of home electrical appliances and of almost all commercial appliances - except for Mobile Phone Airtime Vending Machines and Mobile Smart Phones that increased

Total sales revenues of core products groups compared to 2016 consist of the following:

- Sales of Coolers products decreased 39.8%
- Sales of TV products decreased 14.5%
- Sales of refrigerators decreased 32.9%
- Sales of sewing machines decreased 61.2%*
- Sales of washing machines decreased 27.4%
- Sales of Airtime Vending Machines increased 45.9%
- Sales of Air Conditions decreased 34.8%
- Sales of Mobile Phones increased 45.9%

* Note: The sales of the sewing machines products group for 2017 did not include commercial/industrial sewing machines, (that are included in the : Other domestic products group - Multi brand products)

Net Profit/(Loss)

In summary, the net loss for Y2017 was Baht 9.8 Million compared to a net profit of Baht 119.8 Million for Y2016. The unfavorable difference amounting Baht 129.6 Million can be analyzed as follows:

	Million Baht
i. A decrease of products sale	-299.1
ii. An increase of interest from installment	32.0
iii. An increase of rendering service	6.1
iv. A decrease of revenue from air time business	-17.9
v. An increase of other income	96.6
vi. A decrease of cost of sale of goods	155.4
vii. A decrease of cost of services	38.3
viii. A decrease of distribution cost	69.0
ix. An increase of administrative expenses	-46.0
x. An increase of allowance of doubtful accounts	-188.6
xi. An increase of financial expenses	-4.1
xii. A decrease of income tax expenses	28.8
	-129.6

Business Plans for 2017

The Company is in the process of undertaking a Business Process Re-Engineering program together with a n Enterprise Resource Planning (ERP) implementation project using an ORACLE system, so as to support future corporate grow and development. As such, the Company chose 3 specialist advisory firms to form a consortium in implementing these projects; namely: Bara Advance Infotech Co., LTD.; Business Navigator Consulting Co., Ltd.; and Mercury Consulting Co., Ltd. The projects started as of January 2017, whereby the 3 consultants firm will study and analyze the Company's operations, and then design and determine the new required improving business processes. Thereafter these business processes designs and associated knowhow will be transferred to the Company so as to determine the ERP project parameters that correspond to the newly and more effective designed business processes, which will be able to handle increased number of payments from both existing and new future customers via bank direct deposits together managing the payments installments collections from the customers as

well as any applicable late payments penalties. This will facilitate reducing cost in chasing and collecting payments together with decreasing any potential amount of from acts of fraudulence on the part of the Staff. The Company has assigned hire-purchase accounts checkers to review all hire-purchase accounts at all the Company's branch outlets.

The Company has increased more staff to the Credit Control Officer Unit to support the expected increase in hire-purchase accounts and also to ensure that the new hire-purchase accounts are of good quality. In the event of any future problems, corrective actions can then be taken in a timely manner. Additionally, this is to speed up the credit approval process as well. Further the IT system has added a Credit Scoring application for use in analyzing the credit worthiness of the loan applicant more accurately.

Additionally, to increase the collection from customers, the Company open 10 collection centres nationwide to get closer to the customers. As well as, the Company has increased and hired the several positions of credit control and approval staffs to support the additional hire purchase business 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. Moreover, to speed up the credit approval process IT department has created a program to measure credit scoring for more correctness in term of customer credit checking

The Company has intensely promoted refinance program to support the Government campaign and after the Company has changed the payment method caused more customers confusion and not pay the bills. The program created the positive sign to both customer and the Company in term of NPL.

The Company has increased the total number of branch outlets from 177 as at the end of December 2016 to 185 as at the end of December 2017. Further, the Company plans to increase the number of sales supervisor at sub-branches that totaled 440 as at the end of December 2017 to 1,000 within 2018, so as to reach the grassroot customers and be responsible for the branch products as well as to increase the sale area coverage and enable the expansion of the Group of Companies.

Statement of Financial Position

Assets

Total Assets of the Company as at the end of 2017 increased by Baht 355 million compared to the end of 2016. The main reason was because of the increase in total hire-purchase accounts — (net of provisions for doubtful accounts) with a total value of Baht 166 million due to the Company having launched new hire-purchase products together with the financing if vehicles with pledging of ownership licenses together with short term loans starting as at March 2017. Additionally, the YoY increase in Total Assets also resulted from the valuation of assets at a higher value than the original invested capital for a land plot based on the new land price and improvements made to the land plot together with improvements made to the Head Office facilities and branch outlets located throughout the country as well as investment for office, IT systems and equipment.

Hire-Purchase Customers' Receivables (Net)

Net hire-purchase contract and car collateral receivables at the end of December 2017 was increased from Baht 2,116.1 Million at the end of December 2016 to Baht 1,950.1 Million, whereas the number of hire-purchase contract and car collateral receivables was 188,181 compared to 181,253 at the end of December 2016 or increased by 6,928 accounts as the result of 108,547 new hire-purchase contracts be opened, and 101,619 hire-purchase contract closed.

Inventory on hand (Net)

Net inventory at the end of December 2017 increased from Baht 300.5 Million at the end of December 2016 to Baht 311.7 Million due to increasing in reverted stock however, the Company has plan to clear the stock very soon.

Liabilities

Trade account payable at the end of December 2017 decreased from Baht 235.4 million at the end of December 2016 to Baht 135 Million, due to lower order of mobile phone.

Interest bearing debt was increased from Baht 758.6 Million to Baht 1,286.1 Million, increase by Baht 527.5 Million due to issue Debenture in October 2017 to replace short term loan and support “Rod Tum Ngern” project which has longer period. And at the end of December 2017, the Company’s long term loan was equal Baht 1,200 Million or increased from the end of December 2016 Baht 541.9 Million, whereas short term loan including bank overdraft increased from Baht 100.4 million at the end of December 2016 to Baht 86.1 Million, decrease by Baht 14.3 Million Baht.

Shareholders’ Equity

The main reason for the YoY decrease in Total Shareholders’ Equity was the Total Net Loss of nearly Baht 10 million for 2017 together with the dividend payment, of Baht 68 million, to Shareholders from the Net Profit for 2016. Nevertheless, there is a valuation made in excess from the capital relaying to increase in the value of assets totaling Baht 29 million during the year, resulting in a net decrease in the overall Total Shareholders’ Equity of Baht 48 million.

Liquidity

As at the end of 2017, the Company had cash on hand or cash equivalent totaling Baht 277, derived from net cash flow from operations totaling Baht 272 million; net cashflow from investment activities totaling Baht 50 million and net cash flow from financing activities totaling Baht 410 million

As at the end of 2017, the Ratio of Interest bearing Debts to Equity was 0.82 times and the Debt to Equity Ratio was compared to 1.22 times compare to 0.47 times and 0.93 times as at the end of 2016 respectively. While the Liquidity Ratio at the end of 2017 was 4.79 times increase from 2.72 times as at the end of 2016. This was mainly due to the decrease in current liabilities resulting from the repayment and decrease of outstanding short term loans, together with redemption of debentures and the current portion of long term loans totaling Baht 158 million that became due in 2016. As such, during 2017 the Company issue new debentures toting Baht 700 million with a 3-year maturity to replace the long term loans that became due and was used for working capital and making further investments in expanding the hire-purchase finance business.

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.

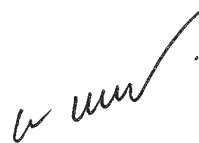
These Financial Statements and reports on the performance results for the financial year 2017 are prepared in accordance with generally accepted accounting principles and through the use of appropriate accounting policies that are consistently applied by the Company together with the use of careful consideration 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, 2017.



Mr. Adisak Sukumvitaya
Chairman of the Board



Mr. Kittipong Kanokvilairat
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 2017, 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 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of hire-purchase contract receivables and loan receivable with vehicle collateral	
Refer to Note 3 7 and 8	
The key audit matter	How the matter was addressed in the audit
<p>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> <p>During 2017 the Group has operated new business which is loan receivable with vehicle collateral. The valuation of loan receivable with vehicle collateral is significantly impact to the financial statement. In addition, loan receivables with vehicle collateral consisted of a great number of wholesale and retail receivables.</p>	<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 included receivables have changed of their repayment conditions and loan receivables with vehicle collateral, 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 included receivables have changed of their repayment conditions and loan receivables with vehicle collateral 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 included receivables have changed of their repayment conditions and loan receivables with vehicle collateral 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.
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Valuation of receivables from ex-employee's shortage remittance	
Refer to Note 3 and 9	
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 ex-employee's shortage remittance.</p> <p>The valuation of receivables from ex-employee's shortage remittance involves highly estimation uncertainty from analysis of payment histories and future expectations of employee payments. 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 debt 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 12	
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 appropriate of the adequacy of estimation about decline on valuation of inventory and understanding the policies and procedures that the Group applied. • Testing the reliable 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 reliable 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
23 February 2018

Statement of financial position

Singer Thailand Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	277,104,169	189,857,222	140,039,714	127,893,905
Trade accounts receivable	4, 6	13,398,269	11,482,093	267,765,255	403,295,101
Current portion of hire-purchase contract receivables	7	1,302,814,950	1,368,710,776	-	-
Current portion of loan receivables with vehicle collateral	8	116,217,564	-	-	-
Short-term loan receivables	9	56,596,234	-	-	-
Other receivables	4, 10	147,626,060	189,563,041	122,022,086	133,703,289
Short-term loans	4, 11	5,000,000	5,500,000	1,350,000,000	857,500,000
Inventories	12	311,710,759	300,498,026	303,777,285	297,548,512
Accrued income	4	55,679,517	15,969,138	54,827,118	20,369,677
Total current assets		2,286,147,522	2,081,580,296	2,238,431,458	1,840,310,484
Non-current assets					
Hire-purchase contract receivables	7	549,898,045	581,385,872	-	-
Loan receivables with vehicle collateral	8	90,581,630	-	-	-
Investments in subsidiaries	13	-	-	1,458,990,400	1,458,990,400
Other long-term investment	14	2,000,000	1,000,000	-	-
Property, plant and equipment	15	438,949,755	376,320,686	427,511,996	370,730,647
Prepayment for outlet leases		3,919,981	3,913,113	3,919,981	3,913,113
Intangible assets	16	26,708,663	22,932,793	21,789,704	18,382,476
Deferred tax assets	17	86,818,545	63,819,234	20,163,841	30,243,067
Other non-current assets		15,486,209	14,216,250	12,870,514	13,776,850
Total non-current assets		1,214,362,828	1,063,587,948	1,945,246,436	1,896,036,553
Total assets		3,500,510,350	3,145,168,244	4,183,677,894	3,736,347,037

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	
		2017	2016	2017	2016
(in Baht)					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	18	86,149,442	100,433,382	86,148,325	100,433,382
Trade accounts payable	4, 19	134,903,818	235,358,757	136,855,907	244,748,002
Other payables	4, 20	253,003,764	254,457,095	243,466,373	273,271,028
Current portion of debentures	18	-	100,000,000	-	100,000,000
Current portion of long-term borrowings					
from financial institutions	18	-	58,140,000	-	-
Current income tax payable		728,205	10,823,644	-	-
Other current liabilities		3,000,000	6,000,000	3,000,000	6,000,000
Total current liabilities		477,785,229	765,212,878	469,470,605	724,452,412
Non-current liabilities					
Debentures	18	1,200,000,000	500,000,000	1,200,000,000	500,000,000
Provision for employee benefit	21	160,570,550	152,242,966	137,781,160	130,849,867
Employee security deposits		2,806,244	3,471,900	1,175,482	2,216,911
Provident funds	22	81,665,709	98,073,021	79,970,557	96,945,478
Total non-current liabilities		1,445,042,503	753,787,887	1,418,927,199	730,012,256
Total liabilities		1,922,827,732	1,519,000,765	1,888,397,804	1,454,464,668
Shareholders' equity					
Share capital:	23				
Authorised share capital		270,000,000	270,000,000	270,000,000	270,000,000
Issued and paid share capital		270,000,000	270,000,000	270,000,000	270,000,000
Share premium:					
Premium on ordinary shares	23	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	24	27,000,000	27,000,000	27,000,000	27,000,000
Unappropriated		832,028,082	906,495,174	575,507,960	588,092,470
Other components of shareholders' equity	15, 24	223,654,536	197,672,305	223,654,536	197,672,305
Total shareholders' equity		1,577,682,618	1,626,167,479	2,295,280,090	2,281,882,369
Total liabilities and shareholders' equity		3,500,510,350	3,145,168,244	4,183,677,894	3,736,347,037

The accompanying notes are an integral part of these financial statements

Statement of comprehensive income

Singer Thailand Public Company Limited and its Subsidiaries

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016	2017	2016
		(in Baht)			
Income					
Revenue from sale of goods	4	1,375,774,883	1,674,822,588	1,369,589,174	1,599,681,859
Interest income from hire-purchase contract and loans		635,312,167	603,329,958	-	-
Revenue from services	4	205,871,167	215,112,645	192,646,405	192,500,755
Revenue from management fees	4	-	-	63,471,877	201,326,020
Other income	4	146,446,816	52,364,303	133,939,416	115,816,062
Total income		2,363,405,033	2,545,629,494	1,759,646,872	2,109,324,696
Expenses	4				
Cost of sale of goods	12, 37	881,526,353	1,036,890,105	888,131,671	1,034,472,299
Cost of rendering of services	37	128,004,091	166,264,148	91,361,285	119,694,598
Distribution costs	26	669,873,021	738,880,682	476,872,849	621,852,644
Administrative expenses	27, 37	298,820,325	252,860,338	188,790,620	180,185,840
Bad and doubtful debts expenses	37	372,237,521	183,553,437	17,981,362	36,876,340
Finance costs	29	41,085,138	36,972,234	39,547,678	25,958,946
Total expenses		2,391,546,449	2,415,420,944	1,702,685,465	2,019,040,667
Profit (loss) before income tax expense		(28,141,416)	130,208,550	56,961,407	90,284,029
Tax expense (income)	30	(18,384,349)	10,397,242	4,835,967	8,568,474
Profit (loss) for the year		(9,757,067)	119,811,308	52,125,440	81,715,555
Other comprehensive income					
<i>Components of other comprehensive income that will not be reclassified subsequently to profit or loss</i>					
Gains on revaluation of assets	15, 30	28,772,281	-	28,772,281	-
Defined benefit plan actuarial gains	30	-	9,319,687	-	10,324,088
Other comprehensive income for the year, net of tax		28,772,281	9,319,687	28,772,281	10,324,088
Total comprehensive income for the year		19,015,214	129,130,995	80,897,721	92,039,643
Basic earnings (loss) per share	31	(0.04)	0.44	0.19	0.30

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 shareholders' equity
		Issued and paid-up share capital	Share premium	Reserve arising from business combination under common control	Retained earnings	Other components of shareholders' equity	
					Legal reserve (in Baht)	Revaluation of assets	
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
Transactions with shareholders, recorded directly in equity							
Dividends to owners of the Company	32	-	-	-	-	(81,000,090)	-
Total transactions with shareholders, recorded directly in equity		-	-	-	-	(81,000,090)	-
Comprehensive income for the year							
Profit for the year		-	-	-	-	119,811,308	-
Other comprehensive income	30	-	-	-	-	9,319,687	-
Total comprehensive income for the year		-	-	-	-	129,130,995	-
Transfer to retained earnings	15	-	-	-	-	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
Year ended 31 December 2017							
Balance at 1 January 2017		270,000,000	225,000,000	-	27,000,000	906,495,174	197,672,305
Transactions with shareholders, recorded directly in equity							
Dividends to owners of the Company	32	-	-	-	-	(67,500,075)	-
Total transactions with shareholders, recorded directly in equity		-	-	-	-	(67,500,075)	-
Comprehensive income for the year							
Loss for the year		-	-	-	-	(9,757,067)	-
Other comprehensive income	30	-	-	-	-	-	28,772,281
Total comprehensive income for the year		-	-	-	-	(9,757,067)	28,772,281
Transfer to retained earnings	15	-	-	-	-	2,790,050	(2,790,050)
Balance at 31 December 2017		270,000,000	225,000,000	-	27,000,000	832,028,082	223,654,536
Balance at 31 December 2017		270,000,000	225,000,000	-	27,000,000	832,028,082	1,577,682,618

The accompanying notes are an integral part of these financial statements

Statement of changes in equity

Singer Thailand Public Company Limited and its Subsidiaries

Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Reserve arising from business combination under common control	Retained earnings		Total shareholders' equity
					Legal reserve (in Baht)	Unappropriated	
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	2,270,842,726
Transactions with shareholders, recorded directly in equity							
Dividends to owners of the Company	32	-	-	-	-	(81,000,000)	(81,000,000)
Total transactions with shareholders, recorded directly in equity		-	-	-	-	(81,000,000)	(81,000,000)
Comprehensive income for the year							
Profit for the year		-	-	-	-	81,715,555	81,715,555
Other comprehensive income	30	-	-	-	-	10,324,088	10,324,088
Total comprehensive income for the year		-	-	-	-	92,039,643	92,039,643
Transfer to retained earnings	15	-	-	-	-	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	2,281,882,369
Year ended 31 December 2017							
Balance at 1 January 2017		270,000,000	225,000,000	974,117,594	27,000,000	588,092,470	2,281,882,369
Transactions with shareholders, recorded directly in equity							
Dividends to owners of the Company	32	-	-	-	-	(67,500,000)	(67,500,000)
Total transactions with shareholders, recorded directly in equity		-	-	-	-	(67,500,000)	(67,500,000)
Comprehensive income for the year							
Profit for the year		-	-	-	-	52,125,440	52,125,440
Other comprehensive income	30	-	-	-	-	-	28,772,281
Total comprehensive income for the year		-	-	-	-	52,125,440	80,897,721
Transfer to retained earnings	15	-	-	-	-	2,790,050	-
Balance at 31 December 2017		270,000,000	225,000,000	974,117,594	27,000,000	575,507,960	2,295,280,090

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	2017	2016	2017	2016
	(in Baht)			
Cash flows from operating activities				
Profit (loss) for the year	(9,757,067)	119,811,308	52,125,440	81,715,555
<i>Adjustments to reconcile profit (loss)</i>				
<i>to cash receipts (payments)</i>				
Tax expense (tax benefit)	(18,384,349)	10,397,242	4,835,967	8,568,474
Finance costs	41,085,138	36,972,234	39,547,678	25,958,946
Depreciation	16,839,956	13,471,277	12,436,150	12,084,977
Amortisation	9,531,011	10,798,204	9,298,252	10,675,562
Dividend received	-	-	(36,249,925)	(43,499,910)
Provision for employee benefit	17,205,951	3,752,735	15,087,864	1,360,218
Provision for provident funds	4,596,222	7,578,597	4,016,339	7,225,552
Unrealised loss (gain) on exchange rate	(5,945)	14,716	(5,945)	14,716
Bad and doubtful debts expenses	372,237,521	183,552,937	17,981,362	36,876,340
(Reversal of) losses on inventories devaluation	7,700,709	(500,000)	7,700,709	(500,000)
(Reversal of) impairment losses on property, plant and equipment and intangible assets	(1,407,944)	309,000	(1,098,944)	-
(Reversal of) losses on disposal of property, plant and equipment and intangible assets	472,565	428,982	253,843	(22,930)
Loss on repossession	69,758,516	59,427,360	-	-
Interest income	(1,427,018)	(2,451,296)	(43,599,458)	(40,153,463)
	508,445,266	443,563,296	82,329,332	100,304,037
Changes in operating assets and liabilities				
Trade accounts receivable	(2,401,008)	7,911,720	135,045,013	(107,939,039)
Hire-purchase contract receivables	(325,276,212)	(205,666,347)	-	-
Loan receivables with vehicle collateral	(207,249,798)	-	-	-
Short-term loan receivables	(57,500,442)	-	-	-
Other receivables	21,885,501	41,982,767	(7,918,761)	(11,909,989)
Accrued income	(39,710,379)	5,545,950	(34,457,441)	18,283,365
Inventories	(18,913,442)	19,474,097	(13,929,481)	20,905,679
Prepayment for outlet leases	(4,842,417)	(4,735,682)	(4,842,417)	(4,735,682)
Other non-current assets	(1,269,957)	1,294,100	906,335	1,459,200
Trade accounts payable	(100,454,939)	67,633,222	(107,892,095)	20,543,096
Other payables	7,922,953	(4,827,183)	(22,798,953)	(166,256,220)
Other current liabilities	(3,000,000)	(1,600,000)	(3,000,000)	(1,600,000)
Employee benefit paid	(8,878,367)	(30,127,096)	(8,156,571)	(27,131,231)
Employee security deposits	(665,656)	931,409	(1,041,429)	862,147
Provident funds paid	(21,003,534)	(13,641,444)	(20,991,259)	(13,619,236)
Net cash generated from (used in) operating	(252,912,431)	327,738,809	(6,747,727)	(170,833,873)
Tax paid	(27,591,626)	(31,356,595)	(6,505,307)	(1,765,658)
Tax received	8,249,050	12,112,745	6,664,874	12,103,014
Net cash from (used in) operating activities	(272,255,007)	308,494,959	(6,588,160)	(160,496,517)

The accompanying notes are an integral part of these financial statements

Statement of cash flows

Singer Thailand Public Company Limited and its Subsidiaries

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Interest received		1,427,018	2,451,296	43,599,458	40,153,463
Dividend received		-	-	36,249,925	43,499,910
Acquisition of plant and equipment		(43,783,248)	(7,902,984)	(32,407,045)	(5,215,096)
Proceeds from sale of property, plant and equipment		1,214,953	1,249,994	-	81,769
Decrease (increase) in short-term loans		500,000	10,000,000	(492,500,000)	(391,000,000)
Proceeds from long-term loan to related party		-	-	-	304,181,000
Acquisition of intangible assets		(8,471,331)	(14,062,496)	(7,869,931)	(10,000,846)
Acquisition of investment in other long-term investment		(1,000,000)	-	-	-
Net cash used in investing activities		(50,112,608)	(8,264,190)	(452,927,593)	(18,299,800)
<i>Cash flows from financing activities</i>					
Finance cost paid		(50,461,423)	(36,858,873)	(46,553,381)	(23,449,922)
Dividends paid to owners of the Company		(67,500,075)	(81,000,090)	(67,500,000)	(81,000,000)
Decrease in bank overdrafts and short-term borrowings from financial institutions		(14,283,940)	(144,883,532)	(14,285,057)	(144,883,532)
Repayment of long-term borrowings from financial institutions	18	(58,140,000)	(100,080,000)	-	-
Proceeds from issue of debentures	18	1,200,000,000	500,000,000	1,200,000,000	500,000,000
Repayment of debentures	18	(600,000,000)	(520,000,000)	(600,000,000)	(200,000,000)
Net cash from (used in) financing activities		409,614,562	(382,822,495)	471,661,562	50,666,546
Net increase (decrease) in cash and cash equivalents		87,246,947	(82,591,726)	12,145,809	(128,129,771)
Cash and cash equivalents at 1 January		189,857,222	272,448,948	127,893,905	256,023,676
Cash and cash equivalents at 31 December	5	277,104,169	189,857,222	140,039,714	127,893,905

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 2017

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Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

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 23 February 2018.

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 electronic appliances, commercial products, mobile phones, loan receivables with vehicle collateral and others.

Details of the Company’s subsidiaries as at 31 December 2017 and 2016 are given in notes 4 and 13.

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 2017. 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 2018 and have not been adopted in the preparation of these financial statements.

The Group has made a preliminary assessment of the potential initial impact on the Company’s financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application

(b) Basis of measurement

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

Items

Land and building
Net defined benefit liability

Measurement bases

Fair value
Present value of the defined benefit obligation,
limited as explained in Note 3 (o)

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

(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
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Note 12	Inventories - allowance for obsolete and damaged inventory
Note 21	Measurement of defined benefit obligation: key actuarial assumptions

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.

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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 15 Property, plant and equipment;

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.

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For the year ended 31 December 2017

(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 ex-salesman receivables

Trade receivables, other accounts receivable and ex-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 ex-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 under electronic appliances and other contract was valued by 50% - 100% of product price at contract date. Hire-purchase receivable with vehicles collateral which overdues more than 3 months were not considered the collateral to calculate the allowance for doubtful accounts. The percentage of allowance for doubtful accounts is as follows;

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	Hire-purchase contract receivables Electronic appliances and others	(%)	Vehicles
Current	1		1
Overdue:			
Less than 3 months	5		2
3-6 months	25		100
6-9 months	35		100
9-12 months	75		100
Over 12 months	100		100

The Group's method 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) *Loan receivables with vehicle collateral and short-term loan receivables*

Loan receivables with vehicle collateral and short-term loan receivables stated at the principal amount included of accrued interest receivable.

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

The allowance for doubtful accounts has been estimated from the arrears of loan receivables with vehicle collateral and short-term loan receivables (included of accrued interest receivable). Only loan receivables with vehicle collateral was considered the collateral to calculate the allowance for doubtful accounts. The overdue of receivables over 3 months will not considered collateral in calculate allowance for doubtful accounts. The percentage of allowance for doubtful accounts is as follows;

	(%)
Within due	1
Overdue :	
Less than 3 months	2
Over 3 months	100

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.

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Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

(g) Inventories

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

Revert inventories are repossessed inventories from the defaulted customers.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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

(h) Investments

Investments in subsidiaries

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

(i) 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.

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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.

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(j) Prepayment for outlet leases

Prepayment for outlet leases is amortised over the lease periods on the straight-line method.

(k) 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 to ten years.

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

(l) 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.

(m) 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.

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Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) 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 22).

(p) 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.

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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.

(q) 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.

(r) 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 from hire-purchase contract.

Service income is consisted of remuneration for the consignment, sale revenue sharing and others which is recognised as services are provided.

Interest income from loan

The group recognised interest income from loans receivable with vehicle collateral and short-term loan receivables as accrual basis by using the effective rate method along the contract period.

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

Dividend income

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

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For the year ended 31 December 2017

Interest income

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

(s) 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.

(t) 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.

(u) 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.

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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.

(v) Earnings (loss) per share

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

(w) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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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 13. 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 and common director
Jaymart Mobile Co., Ltd.	Thailand	Subsidiary of major shareholder
JMT Network Services Public Company Limited	Thailand	Subsidiary of major shareholder
JAS Asset Public Company Limited	Thailand	Subsidiary of major shareholder
J Fintech Company Limited	Thailand	Subsidiary of major shareholder
I.C.C. International Public Company Limited	Thailand	Shareholder, 1.30% shareholding
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
Revenue from marketing support	Price as agreed
Revenue from sales of rights in receivable	Price as agreed
Purchase of goods	Market price
Purchase of fixed assets	Price as agreed
Cost of services	Fixed price determine by product
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
Other expense	Price as agreed

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For the year ended 31 December 2017

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

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Major shareholder				
Service income	-	63,709	-	63,709
Purchase of goods	-	18,229	-	18,229
Commission income	-	235	-	235
Other expense	209	59	209	-
Subsidiaries				
Sale of goods	-	-	1,012,090	1,114,531
Management fee income	-	-	63,472	201,326
Dividend income	-	-	36,250	43,500
Interest income	-	-	42,311	37,838
Revenue from sales of rights in receivable	-	-	2,707	-
Purchase of goods	-	-	232,485	235,370
Purchase of equipment	-	-	1,578	-
Cost of services	-	-	32,872	53,780
Interest expense	-	-	-	29
Other related parties				
Sale of goods	389	398	398	398
Service income	81,087	-	81,087	-
Marketing support income	25,084	-	25,084	-
Revenue from sales of rights in receivable	11,027	-	-	-
Other income	321	205	321	205
Purchase of goods	68,640	146,484	68,640	146,484
Purchase of property, plant and equipment	1,804	-	-	-
Debt collecting fee	59,705	14,735	331	666
Other expense	214	56	214	-
Key management personnel				
Key management personnel compensation				
Short-term benefit	24,561	35,964	23,315	31,823
Post-employment benefits	2,284	1,778	2,185	1,592
Total	26,845	37,742	25,500	33,415

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Trade accounts receivable from related parties				
Subsidiaries	-	-	255,572	393,163
Other related parties	188	108	188	108
Total	188	108	255,760	393,271
Other receivables from related parties				
Major shareholder	300	1,568	300	1,568
Subsidiaries	-	-	5,709	3,310
Other related parties	5,144	5,845	5,144	5,845
Total	5,444	7,413	11,153	10,723
Accrued income from related parties				
Subsidiaries	-	-	7,438	9,887
Other related parties	23,059	-	23,059	-
Total	23,059	-	30,497	9,887

	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	(% per annum)		(in thousand Baht)			
Short-term loans to related parties						
Subsidiaries	4.01 - 5.08	4.13 - 4.27	-	-	1,345,000	852,000
Total			-	-	1,345,000	852,000

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Loans to related party				
Short-term loans				
Subsidiary				
At 1 January	-	-	852,000	451,000
Increase	-	-	1,761,000	945,020
Decrease	-	-	(1,268,000)	(544,020)
At 31 December	-	-	1,345,000	852,000
Long-term loans				
Subsidiary				
At 1 January	-	-	-	304,181
Decrease	-	-	-	(304,181)
At 31 December	-	-	-	-

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For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Trade accounts payables to related parties</i>				
Major shareholder	-	123,913	-	123,913
Subsidiaries	-	-	7,646	18,557
Other related parties	46,393	177	46,393	177
Total	46,393	124,090	54,039	142,647
<i>Other payables to related parties</i>				
Major shareholder	-	4	-	-
Subsidiaries	-	-	23,472	34,583
Other related parties	14,013	9,747	2	-
Total	14,013	9,751	23,474	34,583

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.

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 agreement with JMT Network Services Public Company Limited (JMT) for certain receivable management and collection services to be provided by JMT to the Company and SG Capital Co., Ltd. in return for fees at rates specified in the agreement. The term of 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.

On 1 April 2017, SG Capital Co., Ltd. entered into agreement with SG Service Plus Co., Ltd. whereby SG Service Plus Co., Ltd. provides debt collection service to SG Capital Co., Ltd. SG Capital Co., Ltd. agreed to pay fees based on success performance at rate specified in the agreement by 45 days after verify the billing document complete. The term of this agreement is effective on 1 April 2017 until 31 March 2018 and will 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 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 2017

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.

On 1 January 2017, Jay Mart Public Company Limited transferred a partial of the business to Jaymart Mobile Company Limited which is a subsidiary of Jay Mart Public Company Limited and transferred its right and duty according to the consignment agreement as mentioned above.

Service area agreement

On 1 June 2017, 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 2017 until 31 May 2018 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. However, JMT Network Services Public Company Limited gave SG Service Plus Co., Ltd. a written notice to terminate this agreement effective on 1 January 2017 onwards.

On 1 June 2017, 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 2017 until 31 May 2018 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.

Supporting insurance business service agreement

On 1 January 2017, SG Capital Co., Ltd. entered into service agreement with SG Broker Co., Ltd. whereby SG Capital Co., Ltd. agreed to render the supporting insurance business service for SG Broker Co., Ltd. In consideration thereof, SG Broker Co., Ltd. agreed to pay the service fees based on the percentage of revenue from commission and service income that SG Broker Co., Ltd. has received from the insurer. 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 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 2017

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	91	98	80	80
Cash at banks - current accounts	146,391	92,592	45,581	44,458
Cash at banks - saving accounts	122,350	87,411	86,107	73,604
Cash in transit - current / saving accounts	8,272	9,756	8,272	9,752
Total	277,104	189,857	140,040	127,894

Cash and cash equivalents of the Group and the Company as at 31 December 2017 and 2016 were denominated entirely in Thai Baht.

6 Trade accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	188	108	255,760	393,271
Other parties		14,465	11,961	13,260	10,611
Total		14,653	12,069	269,020	403,882
Less allowance for doubtful accounts		(1,255)	(587)	(1,255)	(587)
Net		13,398	11,482	267,765	403,295
Bad and doubtful debts expenses (reversal) for the year					
		485	(410)	485	(410)

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within credit terms	8,276	5,518	262,643	397,331
Overdue:				
Less than 3 months	4,498	5,723	4,498	5,723
3-6 months	918	329	918	329
6-9 months	238	39	238	39
9-12 months	7	38	7	38
Over 12 months	716	422	716	422
	14,653	12,069	269,020	403,882
Less allowance for doubtful accounts	(1,255)	(587)	(1,255)	(587)
Net	13,398	11,482	267,765	403,295

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

Trade accounts receivable of the Group and the Company as at 31 December 2017 and 2016 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 2017

7 Hire-purchase contract receivables

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
Hire-purchase contract receivables	2,019,314	2,008,840	715,039	753,054	2,734,353	2,761,894
Less unearned interest income	(478,228)	(567,757)	(129,278)	(120,262)	(607,506)	(688,019)
	1,541,086	1,441,083	585,761	632,792	2,126,847	2,073,875
Less allowance for doubtful accounts	(238,271)	(72,372)	(35,863)	(51,406)	(274,134)	(123,778)
Net	1,302,815	1,368,711	549,898	581,386	1,852,713	1,950,097

**Consolidated
financial statements**
2017 2016
(in thousand Baht)

Bad and doubtful debts expenses (net of bad debt recovery) for the year **347,211** **143,035**

As at 31 December 2017 the Group has write off allowance for doubtful debt for the year ended total amount for Baht 161.92 million.

Aging analyses for electronic appliances 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 ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
	<i>(in thousand Baht)</i>		<i>(%)</i>	<i>(in thousand Baht)</i>
31 December 2017				
Within credit terms ⁽²⁾	1,264,532	482,769	1	4,828
Overdue:				
Less than 3 months ⁽²⁾	436,095	255,907	5	12,795
3-6 months ⁽²⁾	163,768	121,445	25	30,361
6-9 months ⁽²⁾	79,242	61,184	35	21,414
9-12 months ⁽²⁾	29,285	29,285	75	21,964
Over 12 months ⁽²⁾	5,656	5,656	100	5,656
Additional allowance for doubtful debt ⁽³⁾				176,000
Total	1,978,578	956,246		273,018

⁽¹⁾ Net of collateral (products)

⁽²⁾ Consisted of receivables agreed with the Group to change repayment conditions by renewal of contract or used the current contract and starting new aging once they change the repayment conditions.

⁽³⁾ Additional allowance for doubtful debt for the change of repayment conditions of receivables of the Group. In order to manage credit risk of such receivables, the Group has set up allowance for doubtful debt by significantly consider of historically overdue of the receivables. The Group is monitoring the practices and ability of the receivables by considering repayment of installments consecutively.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

Aging analyses for vehicles 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 ⁽⁴⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2017	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms	114,928	11,987	1	120
Overdue:				
Less than 3 months	32,430	4,281	2	86
Over 3 months	910	910	100	910
Total	148,268	17,178		1,116

⁽⁴⁾ Net of collateral (vehicles)

	Consolidated financial statements			
	Hire-purchase contract receivables net of unearned interest income	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2016	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms ⁽²⁾	1,185,735	390,936	1	3,909
Overdue:				
Less than 3 months ⁽²⁾	467,523	163,927	5	8,196
3-6 months ⁽²⁾	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	2,073,875	812,097		123,778

⁽¹⁾ Net of collateral (products)

⁽²⁾ Consisted of receivables agreed with the Group to change repayment conditions by renewal of contract or used the current contract and starting new aging once they change the repayment conditions.

Hire-purchase contract receivables of the Group and the Company as at 31 December 2017 and 2016 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 2017

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			
	2017		2016	
	Gross investment under the hire purchase contracts	Present value of minimum payments of hire-purchase contract receivables	Gross investment Under the hire purchase contracts	Present value of minimum payments of hire-purchase contract receivables
		(in thousand Baht)		
Portion due within one year	2,019,314	1,541,086	2,008,840	1,441,083
Portion due over one year but within five years	715,039	585,761	753,054	632,792
	<u>2,734,353</u>	<u>2,126,847</u>	<u>2,761,894</u>	<u>2,073,875</u>
Less unearned interest income	(607,506)		(688,019)	
Net investment under hire purchase contracts	<u>2,126,847</u>		<u>2,073,875</u>	

Changing of repayment conditions of hire-purchase contract receivables

The financial statements for the year ended 31 December includes the following changes through various types of debt rescheduling:

	Consolidated financial statements		Consolidated financial statements	
	2017		2016	
	Before debt rescheduling	After debt rescheduling	Before debt rescheduling	After debt rescheduling
		(in thousand Baht)		
Changes of repayment conditions of hire-purchase contract receivables	707,965	715,953	46,290	46,290

Cash collection under debt rescheduling of hire-purchase contract receivables for the year ended 31 December as follows:

	Consolidated financial statements	
	2017	2016
	(in thousand Baht)	
Cash collection under debt rescheduling	102,567	4,546

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

As at 31 December debt rescheduling of hire-purchase contract receivables have remaining balances as follows:

	Consolidated financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Hire-purchase contract receivables after debt rescheduling ⁽¹⁾	512,215	43,821

- ⁽¹⁾ As at 31 December 2017 the Group has set up additional allowance for doubtful debt of such receivables in amount Baht 176 million. In order to manage credit risk of such receivables, the Group has set up allowance for doubtful debt by significantly consider of historically overdue of the receivables. The Group is monitoring the practices and ability of the receivables by considering repayment of installments consecutively.

8 Loan receivables with vehicle collateral

Loan receivables with vehicle collateral as at 31 December 2017 as follows:

	Consolidated financial statement		
	Portion due within one year	Portion due after one year	Total
	<i>(in thousand Baht)</i>		
Loan receivables with vehicle collateral	115,597	90,783	206,380
Add accrued interest receivable	870	-	870
	116,467	90,783	207,250
Less allowance for doubtful accounts	(250)	(201)	(451)
Net	116,217	90,582	206,799

	Consolidated financial statements 2017
	<i>(in thousand Baht)</i>
Bad and doubtful debts expense for the year ended 31 December	451

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

Aging analyses for loan receivables with vehicle collateral as at 31 December 2017 as follows:

	Consolidated financial statements			
	Loan receivables with vehicle collateral and accrued interest receivable	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2017	<i>(in thousand Baht)</i>		<i>(%)</i>	<i>(in thousand Baht)</i>
Within credit terms	203,820	43,257	1	433
overdue:				
Less than 3 months	3,430	902	2	18
Total	207,250	44,159		451

⁽¹⁾ Net of collateral (vehicles)

Loan receivables with vehicle collateral of the Group and the Company as at 31 December 2017 was denominated entirely in Thai Baht.

9 Short-term loan receivables

Short-term loan receivables as at 31 December 2017 were as follows:

	Consolidated financial statements <i>(in thousand Baht)</i>
Short-term loan receivables	56,192
Add accrued interest receivable	1,308
	57,500
Less allowance for doubtful accounts	(904)
Net	56,596

	Consolidated financial statements 2017 <i>(in thousand Baht)</i>
Bad and doubtful debts expense for the year ended 31 December	904

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

Aging analyses for short-term loan receivables as at 31 December 2017 were as follows:

	Consolidated financial statements			
	Long-term loan receivables and accrued interest receivable	Net receivables for set up allowance for doubtful account ⁽¹⁾	Percentage of allowance for doubtful	Allowance for doubtful accounts
31 December 2017	(in thousand Baht)		(%)	(in thousand Baht)
Within credit terms	24,580	24,580	1	246
overdue:				
Less than 3 months	32,920	32,920	2	658
Total	57,500	57,500		904

Short-term loan receivables of the Group as at 31 December 2017 was denominated entirely in Thai Baht.

10 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Related parties	4	5,444	7,413	11,153	10,723
Ex-salesman		183,527	201,872	183,527	201,872
Other parties					
- Advance payment for goods		762	18,105	762	18,105
- Advance payment for employee		7,217	10,054	6,652	9,533
- Value added tax		25,752	58,351	2,845	2
- Advance payment for rendering service		28,112	32,473	28,112	32,473
- Others		65,300	47,239	57,459	46,939
Total		316,114	375,507	290,510	319,647
Less allowance for doubtful accounts - ex-salesman and others		(168,488)	(185,944)	(168,488)	(185,944)
Net		147,626	189,563	122,022	133,703
Bad and doubtful debts expenses for the year		17,497	37,286	17,497	37,286

Other receivables of the Group and the Company as at 31 December 2017 and 2016 was denominated entirely in Thai Baht.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

11 Short-term loans

	Note	Interest Rate		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016	2017	2016
		(% per annum)		(in thousand Baht)			
Related parties	4	4.01 - 5.08	4.13 - 4.27	-	-	1,345,000	852,000
Others		9.00	9.00	5,000	5,500	5,000	5,500
Total				5,000	5,500	1,350,000	857,500

The Group and the Company's short-term loans as at 31 December 2017 and 2016 were denominated entirely in Thai Baht.

As at 31 December 2017, short-term loans to other party amount Baht 5.0 million (2016: Baht 5.0 million) has a guarantee deposit amount Baht 7.0 million for offset debt as specified in the agreement dated 28 December 2016.

12 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Finished goods	205,320	242,779	200,119	241,624
Revert inventories	123,770	65,719	123,770	65,719
Service parts	15,722	17,400	12,989	15,606
	<u>344,812</u>	<u>325,898</u>	<u>336,878</u>	<u>322,949</u>
Less allowance for loss on decline in value	(33,101)	(25,400)	(33,101)	(25,400)
Net	311,711	300,498	303,777	297,549
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	873,825	1,037,390	880,431	1,034,972
- Reversal of write-down	-	(500)	-	(500)
- Write-down to net realisable value	7,701	-	7,701	-
Net	881,526	1,036,890	888,132	1,034,472

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

13 Investments in subsidiaries

Investments in subsidiaries as at 31 December were as follows:

Separate financial statements						
	Type of business	Country of incorporation	Ownership 2017	Interest 2016	Paid share capital 2017	Cost method 2016
			(%)		(in thousand Baht)	
SG Broker Co., Ltd.	Life and non-life insurance broker	Thailand	99.99	99.99	4,000	3,999
SG Capital Co., Ltd.	Hire-purchase of home appliance, commercial products, hire- purchase of vehicle, loan receivables with vehicle collateral and others	Thailand	99.99	99.99	1,450,000	1,449,997
SG Service Plus Co., Ltd.	Repair and maintenance service of electronic appliances, provide debt collection service to a related company	Thailand	99.88	99.88	5,000	4,994
Total					1,458,990	1,458,990

In 2017, the Company had dividend income from SG Capital Co., Ltd. amount of Baht 36.2 million (2016: Baht 43.5 million).

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

14 Other long-term investment

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Fixed deposit - TISCO Bank Public Company Limited	2,000	1,000	-	-
Total	2,000	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 2017

15 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 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 and 1 January 2017	286,949	132,208	42,914	72,352	3,762	13,384	-	551,569
Additions	-	-	10,770	23,159	843	-	9,011	43,783
Surplus on revaluation	16,563	2,648	-	-	-	-	-	19,211
Transfer	-	-	7,270	891	-	-	(8,161)	-
Disposals	-	-	-	(338)	-	(1,955)	-	(2,293)
At 31 December 2017	303,512	134,856	60,954	96,064	4,605	11,429	850	612,270
Depreciation and impairment loss								
At 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 and 1 January 2017	1,763	62,616	39,496	59,668	1,332	10,373	-	175,248
Depreciation charge for the year	-	3,749	4,237	7,607	728	519	-	16,840
Reversal of accumulated depreciation on building revaluation	-	(17,854)	-	-	-	-	-	(17,854)
Reversal of impairment losses	-	-	-	-	-	(309)	-	(309)
Disposals	-	-	-	(232)	-	(373)	-	(605)
At 31 December 2017	1,763	48,511	43,733	67,043	2,060	10,210	-	173,320

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

Consolidated financial statements

	Land and land improvement	Buildings	Leasehold improvement	Office furniture and equipment	Tools and equipment	Vehicle	Construction in progress	Total
<i>Net book value</i>								
At 1 January 2016	285,186	72,998	5,374	11,568	2,482	6,125	-	383,733
At 31 December 2016 and 1 January 2017	285,186	69,592	3,418	12,684	2,430	3,011	-	376,321
At 31 December 2017	301,749	86,345	17,221	29,012	2,545	1,219	850	438,950

Singer Thailand Public Company Limited and its Subsidiaries

Separate financial statements
Office
furniture
and
equipment
Ve
(in thousand Baht)

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Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounted to Baht 219.98 million and 219.23 million respectively (2016: Baht 210.75 million and Baht 210.03 million respectively).

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 2017, 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 301.75 million and Baht 86.35 million Baht, respectively.

As at 31 December 2017, fair value measurement for lands and buildings, net of Baht 388.10 million Baht (2016: Baht 354.78 million) have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of land and 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 2017 and 2016 were as follows:

	Consolidated and Separate financial statements	
	2017	2016
	(in thousand Baht)	
Balance at 1 January	197,672	200,292
Revaluation of land	15,463	-
Revaluation of building	20,502	-
Increase in deferred tax liabilities - revaluation	(7,193)	-
	<u>28,772</u>	<u>-</u>
Depreciation	(3,689)	(3,275)
Decrease in deferred tax liabilities - depreciation	899	655
	<u>(2,790)</u>	<u>(2,620)</u>
Balance at 31 December	223,654	197,672

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

16 Intangible assets

Consolidated financial statements

	Software licences	Software licences under installment (in thousand Baht)	Total
Cost			
At 1 January 2016	45,388	-	45,388
Additions	5,422	8,640	14,062
Disposals	(120)	-	(120)
At 31 December 2016 and 1 January 2017	50,690	8,640	59,330
Additions	5,395	3,076	8,471
Transfer	6,386	(6,386)	-
At 31 December 2017	62,471	5,330	67,801
Amortisation			
At 1 January 2016	32,029	-	32,029
Amortisation for the year	4,383	-	4,383
Disposals	(15)	-	(15)
At 31 December 2016 and 1 January 2017	36,397	-	36,397
Amortisation for the year	4,695	-	4,695
At 31 December 2017	41,092	-	41,092
Net book value			
At 1 January 2016	13,359	-	13,359
At 31 December 2016 and 1 January 2017	14,293	8,640	22,933
At 31 December 2017	21,379	5,330	26,709

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

	Separate financial statements		
	Software licences	Software licences under installment (in thousand Baht)	Total
Cost			
At 1 January 2016	44,531	-	44,531
Additions	5,201	4,800	10,001
At 31 December 2016 and 1 January 2017	49,732	4,800	54,532
Additions	5,174	2,696	7,870
Transfer	6,386	(6,386)	-
At 31 December 2017	61,292	1,110	62,402
Amortisation			
At 1 January 2016	31,927	-	31,927
Amortisation for the year	4,223	-	4,223
At 31 December 2016 and 1 January 2017	36,150	-	36,150
Amortisation for the year	4,462	-	4,462
At 31 December 2017	40,612	-	40,612
Net book value			
At 1 January 2016	12,604	-	12,604
At 31 December 2016 and 1 January 2017	13,582	4,800	18,382
At 31 December 2017	20,680	1,110	21,790

17 Deferred tax

Deferred tax assets and liabilities as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Deferred tax assets	146,350	116,839	79,695	83,263
Deferred tax liabilities	(59,531)	(53,020)	(59,531)	(53,020)
Net	86,819	63,819	20,164	30,243

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

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

	At 1 January 2017	Consolidated financial statements (Charged) / credited to:		At 31 December 2017
		Profit or loss (note 30) (in thousand Baht)	Other comprehensive income (note 15)	
Deferred tax assets				
Allowance for doubtful accounts	52,886	26,983	-	79,869
Allowance for decline in value of inventories	5,080	1,540	-	6,620
Interest income from hire-purchase contract	16,198	2,506	-	18,704
Provision for employee benefit	27,866	1,666	-	29,532
Provision for provident funds	13,194	(2,304)	-	10,890
Provision for warranty	1,200	(600)	-	600
Impairment loss on property, plant and equipment and intangible assets	415	(281)	-	134
Total	116,839	29,510	-	146,349
Deferred tax liabilities				
Property, plant and equipment	(53,020)	682	(7,193)	(59,531)
Net	63,819	30,192	(7,193)	86,818
	At 1 January 2016	Consolidated financial statements (Charged) / credited to:		At 31 December 2016
		Profit or loss (note 30) (in thousand Baht)	Other comprehensive income (note 21)	
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
Provision for employee benefit	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)
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 2017

Separate financial statements

	(Charged) / credited to:			
	At 1 January 2017	Profit or loss (note 30) (in thousand Baht)	Other comprehensive income (note 15)	At 31 December 2017
Deferred tax assets				
Allowance for doubtful accounts	37,306	(3,357)	-	33,949
Allowance for decline in value of inventories	5,080	1,540	-	6,620
Provision for employee benefit	26,170	1,386	-	27,556
Provision for provident funds	13,154	(2,317)	-	10,837
Provision for warranty	1,200	(600)	-	600
Impairment loss on property, plant and equipment and intangible assets	353	(220)	-	133
Total	83,263	(3,568)	-	79,695
Deferred tax liabilities				
Property, plant and equipment	(53,020)	682	(7,193)	(59,531)
Net	30,243	(2,886)	(7,193)	20,164

Separate financial statements

	(Charged) / credited to:			
	At 1 January 2016	Profit or loss (note 30) (in thousand Baht)	Other comprehensive income (note 21)	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
Provision for employee benefit	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)
Net	38,207	(5,383)	(2,581)	30,243

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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	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Reserve arising from business combination under common control	97,412	116,894	-	-
Total	97,412	116,894	-	-

18 Interest-bearing liabilities

	Consolidated Financial statements		Separate Financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts and short-term borrowings from financial institution				
- unsecured	86,149	100,433	86,148	100,433
Current portion of debentures				
- unsecured	-	100,000	-	100,000
Current portion of long-term borrowings from financial institution				
- secured	-	33,280	-	-
- unsecured	-	24,860	-	-
	86,149	258,573	86,148	200,433
Non-current				
Debentures - unsecured	1,200,000	500,000	1,200,000	500,000
	1,200,000	500,000	1,200,000	500,000
Total	1,286,149	758,573	1,286,148	700,433

As at 31 December 2017 the Company had bank overdrafts bearing interest at MOR rates which are 6.87% to 7.50% per annum (2016: 7.12% to 7.68% per annum).

As at 31 December 2017 the Group and the Company had unutilised credit facilities totalling Baht 1,601 million (2016: Baht 796 million).

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Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

Debentures

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

	Consolidated Financial statements		Separate Financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Balance at the end of year	1,200,000	600,000	1,200,000	600,000
Less Current portion of debentures	-	(100,000)	-	(100,000)
Debentures - net of current portion	1,200,000	500,000	1,200,000	500,000

Debenture issued by Singer Thailand Public Company Limited.

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. During 2017, the Company redeemed these debentures in total amount.

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.

On 10 August 2017, The Board of Directors meeting passed a resolution approving the issuance of debentures detailed as follows:

1. The first series of 2 years, the amount of Baht 300 million at par value of Baht 1,000, interest rate at 5.30% per annum, unsecured, unsubordinated debentures, debenture holders' representative and mature in 2019
2. The second series of 3 years, the amount of Baht 400 million at par value of Baht 1,000, interest rate at 5.50% per annum, unsecured, unsubordinated debentures, debenture holders' representative, mature in 2020 and the issuer is enable to redeem before maturity date of debenture

The Company issues debentures as mentioned above on 20 October 2017.

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. In 2017 the subsidiary has made repayment the last installment of long-term loans from financial institution in total amount.

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. In 2017

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the subsidiary has made repayment the last instalment of long-term loans from financial institution in total amount.

Long-term loans from financial institutions 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.

During 2017, the Group did not comply with a delinquency ratio as prescribed in the loan agreements from two financial institutions. The Group sent the written consents to 2 financial institutions for waiver of the financial covenant breached. The Group received a written consent from both of the financial institutions.

Interest-bearing liabilities of the Group and the Company as at 31 December 2017 and 2016 were denominated entirely in Thai Baht.

19 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	4	46,393	124,090	54,039	142,647
Other parties		88,511	111,269	82,817	102,101
Total		134,904	235,359	136,856	244,748

Trade accounts payable of the Group and the Company as at 31 December 2017 and 2016 were denominated entirely in Thai Baht.

20 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Other payables - related parties	4	14,013	9,751	23,474	34,583
Advance received		44,737	57,383	44,737	57,383
Accrued commission		55,914	71,999	55,914	71,997
Accrued advertising and sales promotion		35,178	30,594	34,359	29,059
Value added tax payable		6,951	9,063	6,911	8,919
Accrued tradename and trademark expenses		13,599	13,836	13,599	13,836
Retention for goods		22,464	14,777	22,464	14,777
Others		60,148	47,054	42,008	42,717
Total		253,004	254,457	243,466	273,271

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Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

21 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Statement of financial position obligations for:				
Defined benefit obligations	<u>160,571</u>	<u>152,243</u>	<u>137,781</u>	<u>130,850</u>
Statement of comprehensive income Recognised in profit or loss				
Post-employment benefits	<u>17,479</u>	<u>3,753</u>	<u>15,088</u>	<u>1,360</u>
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	<u>-</u>	<u>11,650</u>	<u>-</u>	<u>12,905</u>
Cumulative actuarial gains recognised	<u>-</u>	<u>9,583</u>	<u>-</u>	<u>13,987</u>

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.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements		Separate Financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	152,243	190,267	130,850	169,526
Include in profit or loss:				
Current service cost	13,705	19,320	11,877	17,413
Curtailment gain	-	(20,139)	-	(20,139)
Interest on obligation	<u>3,774</u>	<u>4,572</u>	<u>3,211</u>	<u>4,086</u>
	<u>17,479</u>	<u>3,753</u>	<u>15,088</u>	<u>1,360</u>
Included in other comprehensive income				
Actuarial gains	-	(11,650)	-	(12,905)
Benefit paid	<u>(9,151)</u>	<u>(30,127)</u>	<u>(8,157)</u>	<u>(27,131)</u>
At 31 December	<u>160,571</u>	<u>152,243</u>	<u>137,781</u>	<u>130,850</u>

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

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

	Consolidated financial statements		Separate Financial statements	
	2017	2016	2017	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)

Actuarial assumptions

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

	Consolidated and Separate financial statements	
	2017	2016
Discount rate	2.70%	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.

At 31 December 2017 and 2016, the weighted-average duration of the defined benefit obligations was 8 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

	Consolidated financial statements		Separate Financial statements	
	<i>(in thousand Baht)</i>			
At 31 December 2017	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11,202)	12,758	(9,482)	10,809
Future salary growth (1% movement)	12,008	(10,770)	10,122	(9,070)

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

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.

22 Provident funds

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
At 1 January	98,073	104,136	96,945	103,339
Provision used				
- Company and interest	(15,361)	(9,537)	(15,358)	(9,533)
- Employee	(5,642)	(4,105)	(5,633)	(4,087)
Provision setup				
- Company and interest	3,438	5,612	2,904	5,299
- Employee	1,158	1,967	1,113	1,927
At 31 December	81,666	98,073	79,971	96,945

The provident funds for staff are established and managed by the Group. Membership of the funds is on a voluntary basis. Contributions are made monthly by the staff at the rates fixed by the fund criteria and by the Group at the same amount deducted from salesmen and shop managers whose remuneration, being commission based, is variable and not fixed as with basic salaries. Consequently, the funds do not qualify to be registered with the Ministry of Finance as juristic entities nor can the funds be managed by a licensed Fund Manager. Therefore the funds have been established on a voluntary basis and managed by the Group based on the relevant criteria set-down by the Group governing the fund contributions and benefits. The contributions are based on the number of years of membership and at rates fixed by the fund criteria.

23 Share capital

	Par value per share (in Baht)	2017		2016	
		Number	Baht	Number	Baht
		(thousand share/thousand Baht)			
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

Notes to the financial statements

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Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

24 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.

25 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 and loans
- Segment 3 Service and others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (loss) before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

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Singer Thailand Public Company Limited and its Subsidiaries

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Consolidated financial statements

	Trade sales	Hire- purchase and loans	Service and others (in thousand Baht)	Eliminations	Total
For the year ended 31 December 2017					
Revenue from sale of goods					
- External revenue	357,499	1,014,417	3,859	-	1,375,775
- Inter-segment revenue	1,012,090	232,485	-	(1,244,575)	-
Other income					
- External revenue	166,469	719,942	101,219	-	987,630
- Inter-segment revenue	105,783	-	60,135	(165,918)	-
Total segment revenue	1,641,841	1,966,844	165,213	(1,410,493)	2,363,405
Finance costs	39,548	43,687	161	(42,311)	41,085
Segment profit (loss) before income tax	20,711	(46,781)	(2,071)	-	(28,141)
Segment assets as at 31 December 2017	1,379,687	2,381,510	55,598	(316,285)	3,500,510

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	46,784	79,190	4,235	-	130,209
Segment assets as at 31 December 2016	1,425,357	2,140,176	39,191	(459,556)	3,145,168

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

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26 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Employee benefit expenses	370,194	462,758	346,318	449,474
Loss on repossession	69,758	59,427	-	-
Debt collecting fee	62,432	14,068	-	-
Travel expenses	38,311	49,977	38,311	49,977
Rental expense	29,530	35,218	29,530	35,218
Management service fee	20,032	23,658	20,032	23,658
Local freight	17,996	19,660	17,901	19,607
Product warranty	16,819	23,402	12,957	25,215
Trade discounts	6,819	29,901	-	-
Advertising	5,957	5,395	4,674	5,368
Others	32,025	15,417	7,150	13,336
Total	669,873	738,881	476,873	621,853

27 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Employee benefit expenses	182,691	146,960	119,589	105,702
Travel expenses	49,342	36,624	25,750	22,221
Rental expense	25,972	21,729	22,023	21,669
Depreciation and amortisation	21,136	17,273	16,899	16,307
Professional fee	19,661	15,931	10,219	11,081
Stationery	11,382	14,411	8,243	10,162
Bad debt recovery	(39,403)	(25,890)	(29,654)	(22,249)
Others	28,039	25,823	15,722	15,293
Total	298,820	252,861	188,791	180,186

Notes to the financial statements

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28 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Wages and salaries	211,522	183,865	120,819	112,196
Commission	164,306	323,168	164,240	308,760
Sales incentive	150,515	107,724	143,310	104,144
Defined benefit plans	17,479	5,008	15,088	1,360
Defined contribution plans	19,272	23,665	14,283	20,501
Others	11,250	9,615	8,167	8,215
Total	574,344	653,045	465,907	555,176

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.

29 Finance costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finance costs:				
Debentures	29,690	27,064	29,690	21,138
Bank loans and overdrafts	9,839	7,578	8,318	2,475
Others	1,556	2,330	1,540	2,346
Total	41,085	36,972	39,548	25,959

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30 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		11,808	22,018	1,950	3,185
Deferred tax expense	17				
Movements in temporary differences		<u>(30,192)</u>	<u>(11,621)</u>	<u>2,886</u>	<u>5,383</u>
Total tax expense (income)		<u>(18,384)</u>	<u>10,397</u>	<u>4,836</u>	<u>8,568</u>

Income tax recognised in other comprehensive income

	Before tax	2017 Tax expense (note 15)	Net of tax	Before tax	2016 Tax expense (note 15)	Net of tax
			<i>(in thousand Baht)</i>			
Consolidated financial statements						
Revaluation of property, plant and equipment	35,965	(7,193)	28,772	-	-	-
Actuarial gains	-	-	-	11,650	(2,330)	9,320
Total	<u>35,965</u>	<u>(7,193)</u>	<u>28,772</u>	<u>11,650</u>	<u>(2,330)</u>	<u>9,320</u>
	Before tax	2017 Tax expense (note 15)	Net of tax	Before tax	2016 Tax expense (note 15)	Net of tax
			<i>(in thousand Baht)</i>			
Separate financial statements						
Revaluation of property, plant and equipment	35,965	(7,193)	28,772	-	-	-
Actuarial gains	-	-	-	12,905	(2,581)	10,324
Total	<u>35,965</u>	<u>(7,193)</u>	<u>28,772</u>	<u>12,905</u>	<u>(2,581)</u>	<u>10,324</u>

Notes to the financial statements

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Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		(28,141)		130,209
Income tax using the Thai corporation tax rate	20	(5,628)	20	26,042
Effect of income tax from subsidiaries		(174)		71
Expense difference between accounting and tax		(19,482)		(19,482)
Expenses not deductible for tax purposes		7,739		5,786
Double deduction expense for tax purposes		(918)		(1,647)
Under (over) provided in prior years		79		(373)
Total	65.33	(18,384)	7.98	10,397

Reconciliation of effective tax rate

	Separate financial statements			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		56,961		90,284
Income tax using the Thai corporation tax rate	20	11,392	20	18,057
Income not subject to tax		(7,250)		(8,700)
Expenses not deductible for tax purposes		1,525		374
Double deduction expense for tax purposes		(831)		(745)
Over provided in prior years		-		(418)
Total	8.49	4,836	9.46	8,568

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 2017

31 Earnings (loss) per share

Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2017 and 2016 were based on the profit (loss) 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	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to equity holders of the Company (basic)	<u>(9,757)</u>	<u>119,811</u>	<u>52,125</u>	<u>81,716</u>
Number of ordinary shares outstanding	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>
Basic earnings (loss) per share <i>(in Baht)</i>	<u>(0.04)</u>	<u>0.44</u>	<u>0.19</u>	<u>0.30</u>

32 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2017, the shareholders approved the appropriation of dividend of Baht 0.25 per share, amounting to Baht 67.5 million. The dividend was paid to shareholders during 2017.

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.

33 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. Borrowing interest rates are mainly fix from debentures (Note 18).

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

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
2017				
Current				
Bank overdrafts and short-term borrowings from financial institutions	2.87 - 5.00	86,149	-	86,149
Non - Current				
Debentures	4.00 - 5.50	-	1,200,000	1,200,000
Total		86,149	1,200,000	1,286,149
Separate financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
2017				
Current				
Bank overdrafts and short-term borrowings from financial institutions	2.87 - 5.00	86,148	-	86,148
Non - Current				
Debentures	4.00 - 5.50	-	1,200,000	1,200,000
Total		86,148	1,200,000	1,286,148

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

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 borrowings from financial institutions	2.87 - 7.50	100,433	-	100,433
Debentures	3.65	100,000	-	100,000
Long-term borrowings 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 borrowings 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

Foreign currency risk

The Group and the Company was not exposed to foreign currency risk in respect of financial assets and liabilities denominated in foreign currencies.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

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, loan receivables with vehicle collateral and short-term loans. Management has a credit policy in place and the exposure to credit risk is properly monitored. Therefore, the Company expect that there were no significant concentrations of credit risk. Moreover, credit approval of the Company was not concentration due to the Company has 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, loan receivables with vehicle collateral 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 (in thousand Baht)	Carrying amount	Fair value
31 December 2017				
Debenture	1,200,000	1,199,619	1,200,000	1,199,619

	Consolidated financial statements		Separate financial statements	
	Carrying amount	Fair value (in thousand Baht)	Carrying amount	Fair value
31 December 2016				
Debenture	600,000	597,996	600,000	597,996

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

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

34 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Capital commitments				
Contracted but not provided for:				
Software	15,569	5,184	12,695	2,880
Leasehold improvement	360	-	360	-
Total	15,929	5,184	13,055	2,880

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Non-cancellable operating lease commitments				
Within one year	29,055	37,801	25,807	36,846
After one year but within five years	31,803	15,520	27,743	15,189
After five years	1,352	562	1,352	562
Total	62,210	53,883	54,902	52,597

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	
	2017	2016
	(in thousand Baht)	
Other commitments		
Bank guarantees	1,030	1,030
Total	1,030	1,030

The Company has committed with the local banks for letters of guarantee issued in favor of a local company and a state enterprise for guarantee the payment of goods and postage service that are their requirement for every customers to deal with them.

Significant agreements

Trade name and trademark license agreement

On 1 August 2015, the Company entered into trade name agreement with Singer Company Limited S.a.r.l and trademark license agreement with Singer Asia Limited. These new agreements are based on a Master License Agreement between Singer Asia Limited and The Singer Company Limited (Isle of Man). The payment of trade name license fee is US Dollar 0.25 million per year to Singer Company Limited S.a.r.l and trademark license fee is 0.5% of consideration revenue to Singer Asia Limited. The term of these agreements are effective on 1 August 2015 to 31 July 2025 unless either party gives to the other parties a written notice of termination of the agreement at least 12 months at any time from 31 July 2020 for the trademark license agreement and 31 July 2025 for the trade name agreement.

Notes to the financial statements

Singer Thailand Public Company Limited and its Subsidiaries

For the year ended 31 December 2017

35 Contingent liabilities

As at 31 December 2017 and 2016, the Company has litigation cases as follow:

Labour court

In 2016, the Company was sued by its employee regarding the employment termination approximately Baht 5.25 million. The case had been considering by the Civil Court and waiting for a judgment. Based on a legal advice, the Company believed that it would be successfully able to defend the claim. Accordingly, the Company did not record the provision for the lawsuit case in its financial statements.

In 2017, this case is final by the Civil Court passed its judgment for the Company to pay a compensation totalling Baht 1.67 million and interest rate 7.5% per annum since the termination date. However, the Company appealed the case to the Appeal Court and deposited such amount as collateral and waiting for the judgment. Based on legal advice, the Company believes that it will be successfully able to defend the claim. Accordingly, the Company did not record the provision for the lawsuit case in its financial statements.

36 Event after the reporting period

Debenture issuance by Singer Thailand Public Company Limited

On 22 December 2017, the Board of Directors meeting of the Company approved plan of debenture issuance for the year 2018 with the issuance size limit shall be not exceed Baht 950 million. The Board of Directors appointed the chief financial officer to determine any terms and conditions and other details necessary, such as the name, type, offering price per unit, interest rate, etc. This debenture is planned to be issued within the first quarter of the year 2018.

37 Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)					
Statement of comprehensive income						
Cost of sale of goods and rendering of service	1,203,154	(1,203,154)	-	1,154,167	(1,154,167)	-
Cost of sale of goods	-	1,036,890	1,036,890	-	1,034,472	1,034,472
Cost of rendering of services	-	166,264	166,264	-	119,695	119,695
Administrative expenses	436,413	(183,553)	252,860	217,062	(36,876)	180,186
Bad and doubtful debts expenses	-	183,553	183,553	-	36,876	36,876
		<u>-</u>			<u>-</u>	

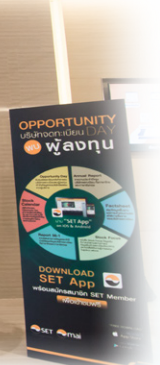
The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

Annual General Shareholders Meeting (AGM) No.50th

“The 50th Annual General Meeting of Shareholders of Singer Thailand PCL., was held on April 21, 2017 at the Conference Room, CAT Telecom Tower, 30th Fl., Charoenkrung road, Bangrak, Bangkok. The meeting was presided over by Mr. Adisak Sukumvitaya, Vice Chairman of the Board acted as the Chairman of this Meeting with attendees from all Singer’s Board of Directors, Management, 200 shareholders and proxies to consider and approve various agenda items by the Shareholders.



Opportunity Day



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.singerthai.co.th



Singer Thailand held a ceremony to bless 120 replicas of the Royal Garuda Emblem

In that Singer (Thailand) Public Co. Ltd. had the special honor to be graciously granted the Royal Warrant (Royal Garuda Emblem) on Monday, May 24, 2004 (BE 2547) and held the ceremony to install the Royal Garuda Emblem at its Head Offices on Friday, July 30, 2004; in which ceremony the Management and all Staff of the Company took an oath that: We, Members of the Singer Thailand community, all swear to reciprocate His Majesty's gracious benevolence in granting the Company the Royal Warrant, through closely cooperating, with all our hearts, in discharging our respective duties and responsibilities in a fully honest manner, in maintaining good moral standards; as well as to participate in helping society and the under privileged, together with creating an ongoing developing organization that will result in the further development of the nation's economy. From that day onward, the Royal Garuda Emblem has been considered by the Management and all Staff throughout Singer Thailand to be a symbol of the highest auspiciousness and prosperity.

In 2017, the Company also held a major Brahmin ceremony to bless and to "open the eyes" of 120 replicas of the Royal Garuda Emblem", which will then be installed at the offices of all Singer Thailand branch outlets located throughout Thailand so as to be a symbol of auspiciousness and good prosperity for their respective activities; as well as to further reinforce the highest degree of pride in the hearts of all the Members of Singer Thailand community, so that it remains forever strong on a sustainable basis.



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