

**Enclosure 2****SINGER®****Singer Thailand Public Company Limited**

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**Notice of the Allocation and Subscription Documents of  
Newly Issued Ordinary Shares to the Existing Shareholders  
of the Company (Right Offering), together with Warrants to Purchase  
Ordinary Shares of the Company No.1 (SINGER-W1) and No.2 (SINGER-W2)**

**Subscription Period 4-11 April 2019**

**Part 1- Information Regarding the Allocation of Newly Issued Ordinary Shares together with Warrants to Purchase Ordinary Shares of the Company No.1 (SINGER-W1) and No.2 (SINGER-W2)**

**1. Name and Address of the Company**

Name : Singer Thailand Public Company Limited (“the Company” or “SINGER”)  
Location : CAT Telecom Tower, Floor 17, 72 Charoen Krung, Bangrak, Bangkok  
Website : <http://www.singerthai.co.th>  
Telephone / Fax : 02-352-4777 / 02-352-4799

**2. Date and Number of the Board of Directors’ Meeting and the Shareholders’ Meeting that Approved the Allocation of Newly Issued Ordinary Shares together with Warrants to Purchase Ordinary Shares of the Company**

The Board of Directors’ Meeting : BOD Meeting No. 226 on 8 January 2019  
The Extraordinary General Meeting of Shareholders : EGM No.1/2019 on 27 February 2019  
The Board of Directors’ Meeting to Approve Details : BOD Meeting No. 228 on 27 February 2019 of the Allocation

**3. Details of the Allocation of Newly Issued Ordinary Shares together with Warrants to Purchase Ordinary Shares of the Company**

The Board of Directors’ Meeting No. 226 on 8 January 2019, the Extraordinary General Meeting of Shareholders No.1/2019 on 27 February 2019, and the Board of Directors’ Meeting No. 228 on 27 February 2019 have resolved to approve the issuance and allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholding (Right Offering) and the allocation of newly issued ordinary shares to reserve for the exercise of warrants to purchase ordinary shares of the Company No. 1 and No. 2 which allocated to existing shareholders who subscribed newly issued ordinary shares and received the allocation of newly issued ordinary shares offering to existing shareholders in proportion to their shareholding (Right Issue) and oversubscription (Excess Rights) with details as summarized below.

In this regard, the Board of Directors’ Meeting has resolved to set the date for determining the list of shareholders who entitle to subscribe the newly issued ordinary shares and eligible for the allocation of warrants (Record Date) on 15 March 2019, and the subscription and payment period during 4-11 April 2019 (5 business days).

**3.1 Newly issued ordinary shares**

Type of shares : Ordinary shares  
Current paid-up capital : Baht 270,000,000 divided into 270,000,000 ordinary shares with a par value of Baht 1 per share

Paid-up capital to be increased for : Not exceeding Baht 432,000,000 divided into 432,000,000 shares with a par value of Baht 1 per share with details as summarized below:

- (1) Allocation of not exceeding 216,000,000 shares with a par value of Baht 1.00 per share to the existing shareholders of the Company in proportion to their shareholding (Right Offering)
- (2) Allocation of not exceeding 216,000,000 shares with a par value of Baht 1.00 per share to reserve for the exercise of SINGER-W1 in the amount of not exceeding 108,000,000 shares and SINGER-W2 in the amount of not exceeding 108,000,000 shares. These two warrants will be issued and offered to shareholders who subscribed newly issued ordinary shares and received the allocation of new ordinary shares offering to existing shareholders in proportion to their shareholding ( Right Issue) and oversubscription (Excess Rights)

Paid-up capital after the Right Offering and exercise of warrants in case all of the shares have been fully subscribed and all of the warrants have been exercised : Not exceeding Baht 702,000,000 divided into not exceeding 702,000,000 ordinary shares with a par value of Baht 1 per share

Number of shares allocated : (1) Number of shares allocated to existing shareholders not exceeding 216,000,000 shares  
(2) Number of shares allocated to reserve for the exercise of warrants to purchase ordinary shares No.1 (SINGER-W1) and No.2 (SINGER-W2) not exceeding 216,000,000 shares

Offering price : Baht 4.89 per share

Allocation ratio : 5 existing ordinary shares to 4 newly issued ordinary shares ( or 1.25 existing ordinary shares to 1 newly issued ordinary share), any fraction shall be disregarded. The existing shareholders are entitled to subscribe the newly issued shares in excess of their entitlement (Details are in Allocation method)

Allocation method, related terms and conditions : The Company shall allocate not exceeding 216,000,000 newly issued ordinary shares with a par value of Baht 1

per share to the existing shareholders of the Company in proportion to their respective shareholdings ( Rights Offering) at the offering price of Baht 4.89 per share and at the ratio of 5 existing ordinary shares to 4 newly issued ordinary shares ( or 1.25 existing ordinary shares to 1 newly issued ordinary share) where:

1. During the subscription period, the existing shareholders are entitled to subscribe the newly issued shares in excess of their proportionate entitlement (Excess Rights) with the same offering price. Thus, those existing shareholders shall be allocated such excess rights shares only if there are remaining shares after the allocation to all existing shareholders in proportion to their respective shareholdings. The offering of such remaining shares to each shareholder who subscribe for excess rights shall allot by a pro rata basis based on the shareholding proportion of each shareholder who subscribe for excess rights. The process would be repeated until there are no remaining shares available.
2. In case the number of shares that the existing shareholders subscribe in excess of their rights are less than the number of shares remain from the proportionate allotment, the Company shall allot the remaining shares to the existing shareholders who subscribed for excess rights and pay all the fee of their excess rights shares, the number of shares as specified in the subscription form.
3. In case the number of shares that the existing shareholders subscribe in excess of their rights are greater than the number of shares remain from the proportionate allotment, the Company shall allot the remaining shares to each shareholder subscribe for excess rights on a pro rata basis which shall be based on the shareholding proportion. The process would be repeated until there are no remaining shares available. The Company will return the unallocated shares subscription payments to the shareholders as specified in Clause 7.3

4. If there are any shares remaining after the allocation as aforementioned, the Company shall further propose the Shareholders' Meeting to consider and approve the reduction of registered capital.

5. The allotment of new shares to be subscribed in excess of rights mentioned above, shall not cause the excess rights subscribers hold the Company's shares to reach or exceed the triggered point for Tender Offer, as prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers and in any manner that violates the restrictions on the holding of aliens as specified in the Company's Articles of Association which currently foreigners can hold no more than 49% of the total issued shares of the Company.

Method for fraction of a share

: If there is a fraction of the newly issued ordinary shares resulting from the calculation pursuant to the allocation ratio described above (or from the allocation in excess of their rights), the Company shall disregard such fraction.

### **3.2 Warrants to Purchase Ordinary Shares No. 1 (SINGER-W1)**

Name : Warrant to purchase newly issued ordinary shares of Singer Thailand Public Company Limited No. 1 ("SINGER-W1") offering to shareholders who subscribed newly issued ordinary shares and received the allotment of newly issued ordinary shares offering to existing shareholders in proportion to their shareholdings (Right Issue) and oversubscription (Excess Rights)

Type of Warrant : Named and transferable

Number of Warrant : Not exceeding 108,000,000 units

Allocation ratio : The Company shall allocate warrant to existing shareholders who subscribed newly issued ordinary shares and received the allotment of newly issued ordinary shares offering to existing shareholders in proportion to their shareholdings (Right Issue) and oversubscription (Excess Rights) in the ratio of 2 allocated ordinary shares : 1 unit of warrant

Any fraction of shares remaining from allotment will be

disregarded and all of remaining warrants after the allocation will be cancelled.

Exercise ratio : 1 unit of warrant has the rights to purchase 1 new ordinary share. The exercise ratio is subject to change in accordance with the specified conditions in the adjustment of rights

Exercise price : Baht 7.00 except in case of adjustment of rights

Offering Price : Baht 0.00 per unit

Warrant Issuance Date : Within 1 year from the date that the shareholders' meeting has approved the issuance of warrant and shares accommodated for the exercise of the warrant

Term of warrant : 2 years from the issuance date. The Company shall not extend the term of warrant after the issuance

Offering method : The Company shall allocate warrant to existing shareholders who subscribed newly issued ordinary shares and received the allotment of newly issued ordinary shares offering to existing shareholders in proportion to their shareholdings (Right Issue) and oversubscription (Excess Rights) in the ratio of 2 allocated ordinary shares : 1 unit of warrant

Any fraction of shares remaining from allotment will be disregarded and all of remaining warrants after the allocation will be cancelled.

Shareholders who expressed their intention to oversubscribe (Excess Rights) are eligible to receive additional warrants in accordance with the allocation of newly issued shares in excess of their rights

Exercise period : SINGER-W1 holders can exercise their rights to purchase the company's ordinary shares on the last business day of every quarter (the last business day of March, June, September, or December) (as the case maybe) from the issuance date throughout the terms of warrant (**“Exercise date”**).

The first exercise date shall be on the last business day of March or June or September or December after the warrant issuance date (**the First exercise date**) and the last exercise date shall be on the maturity date of warrant (**the Last exercise date**)

If exercise date falls on a day which is not a business day then that particular exercise date shall be moved up to the business day prior to such exercise date.

Period of Notification of Intention to Exercise the Warrants : Not less than 15 business days prior to the exercise date

Irrevocability of Notification of Intention to Exercise the Warrants : Once the notification of intention to exercise the Warrants is served, the Warrant Holders shall no longer be able to revoke such intention.

Secondary market for the warrant : The Company will list the warrant on the Stock Exchange of Thailand.

Secondary market for the newly issued ordinary shares arising from the exercise of warrants : Ordinary shares arising from the exercise of warrant will be listed on the Stock Exchange of Thailand.

Events that require the issuance of new shares to accommodate the right adjustment : Upon adjustment of the exercise price and the exercise ratio under the conditions of the rights adjustment as stated in the terms and conditions of warrant, which is an event as stated in item 11 (4) (kor) of the Notification of the Capital Market Supervisory Board No. Tor Jor. 34/2551 Re: Application for Permission and Permission to Offer the Warrant representing the Rights to Purchase New Shares and the Newly Issued Shares Reserved for the Accommodation of the Exercise of the Warrant.

Adjustment of Rights : The Company will adjust the exercise price and ratio in order to maintain the benefits of the warrant holders upon the occurrences of any of the following events:

- (1) When there is a change in the par value of the Company's ordinary shares as a result of share split or consolidation.
- (2) When the Company offers to sell its newly issued shares at the offering price lower than 90% of the market price of the Company's share.
- (3) When the Company offers to sell any new securities, i.e. convertible debenture or warrant, at the offering price lower than 90% of the market price of the Company's share
- (4) When the Company makes partial or whole stock dividend payment to its shareholders

(5) When the Company pays out cash dividend higher than 70 percent of the net profit after tax of the Company (the company's consolidated financial statements) for any accounting period

(6) In case that there are other events not mentioned in clauses (1) – (5) that may impair the benefits of the warrant holders.

Allocation method, related terms and conditions : Please see the details in Clause 3.1 Newly issued ordinary shares, the allocation method, related terms and conditions

### **3.3 Warrants to Purchase Ordinary Shares No. 2 (SINGER-W2)**

Name : Warrant to purchase newly issued ordinary shares of Singer Thailand Public Company Limited No. 2 ("SINGER-W2") offering to shareholders who subscribed newly issued ordinary shares and received the allotment of newly issued ordinary shares offering to existing shareholders in proportion to their shareholdings (Right Issue) and oversubscription (Excess Rights)

Type of Warrant : Named and transferable

Number of Warrant : Not exceeding 108,000,000 units

Allocation ratio : The Company shall allocate warrant to existing shareholders who subscribed newly issued ordinary shares and received the allotment of newly issued ordinary shares offering to existing shareholders in proportion to their shareholdings (Right Issue) and oversubscription (Excess Rights) in the ratio of 2 allocated ordinary shares : 1 unit of warrant

Any fraction of shares remaining from allotment will be disregarded and all of remaining warrants after the allocation will be cancelled.

Exercise ratio : 1 unit of warrant has the rights to purchase 1 new ordinary share. The exercise ratio is subject to change in accordance with the specified conditions in the adjustment of rights

Exercise price : Baht 14.00 except in case of adjustment of rights

Offering Price : Baht 0.00 per unit

Warrant Issuance Date : Within 1 year from the date that the shareholders' meeting has approved the issuance of warrant and shares accommodated

for the exercise of the warrant

Term of warrant	: 4 years from the issuance date. The Company shall not extend the term of warrant after the issuance
Offering method	: The Company shall allocate warrant to existing shareholders who subscribed newly issued ordinary shares and received the allotment of newly issued ordinary shares offering to existing shareholders in proportion to their shareholdings (Right Issue) and oversubscription (Excess Rights) in the ratio of 2 allocated ordinary shares : 1 unit of warrant  Any fraction of shares remaining from allotment will be disregarded and all of remaining warrants after the allocation will be cancelled.  Shareholders who expressed their intention to oversubscribe (Excess Rights) are eligible to receive additional warrants in accordance with the allocation of newly issued shares in excess of their rights
Exercise period	: SINGER-W2 holders can exercise their rights to purchase the company's ordinary shares on the last business day of every quarter (the last business day of March, June, September, or December) (as the case maybe) from the issuance date throughout the terms of warrant ( <b>"Exercise date"</b> ).  The first exercise date shall be on the last business day of March or June or September or December after the warrant issuance date ( <b>the First exercise date</b> ) and the last exercise date shall be on the maturity date of warrant ( <b>the Last exercise date</b> )  If exercise date falls on a day which is not a business day then that particular exercise date shall be moved up to the business day prior to such exercise date.
Period of Notification of Intention to Exercise the Warrants	: Not less than 15 business days prior to the exercise date
Irrevocability of Notification of Intention to Exercise the Warrants	: Once the notification of intention to exercise the Warrants is served, the Warrant Holders shall no longer be able to revoke such intention.

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Secondary market for the warrant	: The Company will list the warrant on the Stock Exchange of Thailand.
Secondary market for the newly issued ordinary shares arising from the exercise of warrants	: Ordinary shares arising from the exercise of warrant will be listed on the Stock Exchange of Thailand.
Events that require the issuance of new shares to accommodate the right adjustment	: Upon adjustment of the exercise price and the exercise ratio under the conditions of the rights adjustment as stated in the terms and conditions of warrant, which is an event as stated in item 11 (4) (kor) of the Notification of the Capital Market Supervisory Board No. Tor Jor. 34/2551 Re: Application for Permission and Permission to Offer the Warrant representing the Rights to Purchase New Shares and the Newly Issued Shares Reserved for the Accommodation of the Exercise of the Warrant.
Adjustment of Rights	: The Company will adjust the exercise price and ratio in order to maintain the benefits of the warrant holders upon the occurrences of any of the following events: (1) When there is a change in the par value of the Company's ordinary shares as a result of share split or consolidation. (2) When the Company offers to sell its newly issued shares at the offering price lower than 90% of the market price of the Company's share. (3) When the Company offers to sell any new securities, i.e. convertible debenture or warrant, at the offering price lower than 90% of the market price of the Company's share (4) When the Company makes partial or whole stock dividend payment to its shareholders (5) When the Company pays out cash dividend higher than 70% of the net profit after tax of the Company (the company's consolidated financial statements) for any accounting period (6) In case that there are other events not mentioned in clauses (1) – (5) that may impair the benefits of the warrant holders.
Allocation method, related terms and conditions	: Please see the details in Clause 3.1 Newly issued ordinary shares, the allocation method, related terms and conditions

#### 4. Allocation of the Newly Issued Ordinary Shares

4.1 In the case that a shareholder subscribes for the newly issued ordinary shares pursuant to his/her entitlement or less than his/her entitlement, such shareholder shall be fully allotted of all newly issued ordinary shares for which he/she has subscribed.

4.2 During the subscription period, the existing shareholders are entitled to subscribe the newly issued shares in excess of their proportionate entitlement (Excess Rights) with the same offering price. Thus, those existing shareholders shall be allocated such excess rights shares only if there are remaining shares after the allocation to all existing shareholders in proportion to their respective shareholdings. The offering of such remaining shares to each shareholder who subscribe for excess rights shall allot by a pro rata basis based on the shareholding proportion of each shareholder who subscribe for excess rights. The process would be repeated until there are no remaining shares available.

4.3 In case the number of shares that the existing shareholders subscribe in excess of their rights are less than the number of shares remain from the proportionate allotment, the Company shall allot the remaining shares to the existing shareholders who subscribed for excess rights and pay all the fee of their excess rights shares, the number of shares as specified in the subscription form.

4.4 In case the number of shares that the existing shareholders subscribe in excess of their rights are greater than the number of shares remain from the proportionate allotment, the Company shall allot the remaining shares to each shareholder subscribe for excess rights on a pro rata basis which shall be based on the shareholding proportion. The process would be repeated until there are no remaining shares available. Such calculations are as follows,

(a) *Number of oversubscribed shares to be allocated = Number of remaining newly issued ordinary shares after the allocation pursuant to the rights x Respective shareholding of each oversubscribing shareholder*

#### Example

Total newly issued shares equals 2,000 shares less subscribed shares according to respective rights of each shareholder of 1,400 shares; resulting in 600 remaining shares:

Shareholders	Respective shareholding (%)	Number of shares allotted pursuant to the right (shares)	Number of shares subscribed (shares)		Number of newly issued ordinary shares oversubscribed to be allocated
			Pursuant to the right	In excess of the right	
Shareholder A	20	400	400	300	600 x 20% = 120
Shareholder B	35	700	100	-	-
Shareholder C	35	700	700	400	600 x 35% = 210
Shareholder D	10	200	200	50	600 x 10% = 60*
<b>Total</b>	<b>100</b>	<b>2,000</b>	<b>1,400</b>	<b>750</b>	<b>390</b>

Number of newly issued ordinary shares to be allocated after disregarding the fraction:

Shareholders	Number of newly issued ordinary shares oversubscribed to be allocated (shares)		Total shares allocated
	Pursuant to the right	In excess of the right	
Shareholder A	400	120	520
Shareholder B	100	-	100
Shareholder C	700	210	910
Shareholder D	200	50*	250
<b>Total</b>	<b>1,400</b>	<b>380</b>	<b>1,780</b>

\* Number of newly issued ordinary shares to be allocated shall not exceed the number of shares subscribed by each shareholder

- (b) The number of newly issued ordinary shares to which each oversubscribing shareholder is entitled to be allocated shall not exceed the number of shares subscribed and fully paid for by such shareholder.
- (c) In the case that there are newly issued ordinary shares remaining after the allocation pursuant to (a) above, the remaining shares shall be reallocated to each of the oversubscribing shareholders pursuant to (a)
- (d) The Company shall reallocate newly issued ordinary shares to the oversubscribing shareholders according to the procedure prescribed in (a) until the number of newly issued ordinary shares is inadequately allocable to the existing shareholders in proportion to their respective shareholdings.

4.5 If there are any shares remaining after the allocation as aforementioned, the Company shall further propose the Shareholders' Meeting to consider and approve the reduction of registered capital.

4.6 The allotment of new shares to be subscribed in excess of rights mention above, shall not cause the excess rights subscribers hold the Company's shares to reach or exceed the triggered point for Tender Offer, as prescribed in the Notification of the Capital Market Supervisory Board No. TorChor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers and in any manner that violates the restrictions on the holding of aliens as specified in the Company's Articles of Association which currently foreigners can hold no more than 49% of the total issued shares of the Company.

**5. The Record Date to Determine the List of the Company's Shareholders Entitled to Subscribe for the Newly Issued Ordinary Shares under the Rights Offering together with Warrants to Purchase Ordinary Shares**

The Board of Directors' Meeting No. 228 held on 27 February 2019 has resolved to set the date for determining the list of shareholders who entitle to subscribe for the newly issued ordinary shares and eligible for the allocation of warrants (Record Date) on 15 March 2019

## 6. Subscription Period and Payment Method

### 6.1 Subscription Period

During 4-11 April 2019, from 9.00 A.M. – 3.30 P.M. (only on the business day of the Stock Exchange of Thailand ("SET"))

### 6.2 Place for Subscription and Payment

Asia Plus Securities Company Limited ("Subscription Agent")

9<sup>th</sup> Floor, Sathorn City Tower

175 South Sathorn Road, Thoong Maha Mek, Sathorn, Bangkok 10120

Tel. 0-2680-1327 0-2680-1715 Fax: 0-2680-1733

***\*\* The Company by Subscription Agent shall not accept subscription by fax or mail in all cases\*\****

## 7. Method of Subscription and Payment

The shareholders who wish to subscribe for the newly issued ordinary shares must clearly and correctly complete and sign the Subscription Form for Newly Issued Ordinary Shares by specifying the number of shares to subscribe pursuant to their rights as determined in Certificate of Subscription Entitlement (Enclosure no. 1), and number of shares to oversubscribe in the same Subscription Form. The subscribers shall make full payment by cash transfer, personal cheque, cashier cheque or bank draft for their subscription according to the number of shares subscribed and oversubscribed (if any), and submit the subscription documents at the Place for Subscription and Payment during the Subscription Period (as specified in 6).

### 7.1 Payment Methods

#### (1) Payment by Cash Transfer (Full Payment)

- ▶ Transfer or deposit money into the Subscription Agent's account name "Asia Plus Securities Company Limited For Securities Subscription" as detailed below;

Bank/ Branch	:	Bangkok Bank / Sathorn
Account Type	:	Current Account
Account Number	:	142-310060-9

- ▶ Subscribers are required to submit the original transfer evidence together with the Subscription Form for Newly Issued Ordinary Shares.
- ▶ Specify shareholders' registration number (as indicated in the Certificate of Subscription Entitlement), full name, and contact number on the back of transfer evidence.
- ▶ Subscription period by cash transfer or cash deposit is during 4-11 April 2019 (only on the business day of the SET) from 9.00 A.M. – 3.30 P.M.

(2) Payment by Personal Cheque, Cashier Cheque, or Bank Draft (Full Payment)

- ▶ Shareholders who prefer to make payment by their personal cheque, cashier cheque, or bank draft, please contact the Subscription Agent at the Place for Subscription and Payment. The personal cheque, cashier cheque, or bank draft shall be crossed "A/C Payee Only", payable to "Asia Plus Securities Company Limited For Securities Subscription" and must be dated no later than 5 April 2019 and must be able to collect money by the clearing house located in Bangkok within the next business day.
- ▶ Specify shareholders' registration number (as indicated in the Certificate of Subscription Entitlement), full name, and contact number on the back of personal cheque, cashier cheque, or bank draft.
- ▶ Subscription period by personal cheque, cashier cheque, or bank draft is during 4-5 April 2019 (only on the business day of the SET) from 9.00 A.M. – 3.30 P.M.

**The shareholders who wish to subscribe for the newly issued ordinary shares shall be responsible for any related expenses and bank fees (if any).**

Other Information for Subscription

- ▶ The shareholder who has not exercised his/her right to subscribe for newly issued ordinary shares or failed to make subscription payment in full, or personal cheque or cashier cheque or bank draft cannot be collected on the date written on the cheque, the Company will consider that such shareholder waives his/her right to subscribe for the newly issued ordinary shares.
- ▶ In the case that payment for subscription is made by personal cheque, cashier cheque, or bank draft, the payment of such subscription will deem to be complete only when the bank has cleared the amount specified and when the Company has collected the payment for subscription.
- ▶ The Company by Subscription Agent does not accept subscription payment in cash.
- ▶ The Company hereby reserves the right to change the details of subscription and payment for the subscription or other conditions as it deems appropriate.

## 7.2 Required Documents for Subscription

Shareholders and their proxies will be required to submit the documents for subscription of newly issued ordinary shares, together with the payment for subscription pursuant to their rights and oversubscription, to Subscription Agent (as specified in 6.2), as follows:

- a) Subscription Form for Newly Issued Ordinary Shares (Enclosure No. 3) which is correctly, completely and clearly filled.

Subscriber must specify the number of shares for which each subscriber wishes to subscribe according to his/her right as indicated in the Certificate of Subscription Entitlement and must

clearly specify the number of shares for which each subscriber wish to subscribe in excess of his/her right. In the case that the subscriber is a juristic person, the Subscription Form must be signed by the authorized person(s) of such juristic person and affixed with a company seal (if any).

Shareholder must only submit 1 Subscription Form per 1 Certificate of Subscription Entitlement for Newly Issued Ordinary Shares.

In case of oversubscription, subscriber is required to subscribe in full of his/her entitlement prior to subscription for the excess shares.

b) Certificate of Subscription Entitlement (Enclosure no. 1)

Issued by Thailand Securities Depository Company Limited (“**TSD**”), the Company’s registrar, and sent by registered mail to the shareholders together with this notification, which indicates number of shares allocated to the shareholder pursuant to his/her right.

c) Evidence of Payment

Subscribers are required to submit evidence of full payment for subscription of the newly issued ordinary shares for those pursuant to their rights and oversubscription by attaching all related documents as specified in 7.1.

d) Documents for oversubscription

A certified true copy of the front page of saving account book or a statement of current account or saving account showing the 10-digit account number, in case that the subscriber wishes to receive the refund for all or any unallocated portion of the share subscription in excess of his/her entitlement. The refund shall be credited into his/her bank account via money transfer system.

The name which appears in such bank account shall be the same as that of the oversubscribing shareholders and account shall be either saving account or current account of the following banks;

- 1) Bangkok Bank Public Company Limited
- 2) Krung Thai Bank Public Company Limited
- 3) Bank of Ayudhya Public Company Limited
- 4) KasikornBank Public Company Limited
- 5) CIMB Thai Bank Public Company Limited
- 6) TMB Bank Public Company Limited
- 7) Siam Commercial Bank Public Company Limited
- 8) Thanachart Bank Public Company Limited
- 9) United Oversea Bank (Thai) Public Company Limited

The Company by Subscription Agent shall refund the subscription payment via money transfer to subscriber's bank account within 5 business days after closing of the subscription period. In the case that the subscriber does not have bank account with these banks, the Company by Subscription Agent shall refund the subscription payment by issuing a crossed cheque payable to the subscriber as name appeared in the Company's share register book on the book closure date on 15 March 2019, and delivering such cheque via registered postal mail to the address appeared in the share register book on 15 March 2019 within 10 business days after closing of the subscription period.

e) Additional documents in case of appointment of proxy

A Power of Attorney affixed with a stamp duty of Baht 30, together with certified true copies of identification cards of the subscriber and the attorney-in-fact (Enclosure no. 4)

f) Additional documents in case of share depository in the Issuer Account

For the subscriber who wishes to deposit newly issued ordinary shares into the Issuer Account No. 600 in the name of the subscriber, please fill in the required information in the form "Additional Subscription Documents Only for the Subscriber Wishing to Deposit the Securities into the Issuer Account" (Additional Enclosure 3.1) for further submission to the TSD.

g) Documents for Identification

Thai Individual

A certified true copy of valid identification card or, in the case there is no identification card, a certified true copy of house registration containing the 13-digit identification number or a certified true copy of any other official documents containing the 13-digit identification number may be submitted. In the case that the subscriber is a minor (aged less than 20 years), a consent letter from his/her guardian (Father and/or Mother), certified true copy of the identification card of his/her guardian (Father and/or Mother), and a certified true copy of the minor's house registration are required. The signature on every identification document must be the same as the signature on the documents required for the subscription of the newly issued ordinary shares.

In case of the change of first/last name, which causes the subscriber's first/last name to be differed from his/her name appeared on the share register book as of 15 March 2019 or in the Certificate of Subscription Entitlement for Newly Issued Ordinary Shares, a certified true copy of official documents issued by a government entity, such as marriage certificate, divorce certificate, or certificate of change of first name/last name, must also be attached.

Foreign Individual

A certified true copy of alien identification card or valid passport is required. The signature on every identification document must be the same as the signature on the documents required for the subscription of the newly issued ordinary shares.

Juristic Person Incorporated in Thailand

A copy of the company's affidavit issued by the Ministry of Commerce no more than 6 months prior to the subscription date, certified a true copy by the authorized person(s) and affixed with the seal of such juristic person (if any), together with a certified true copy of identification card, alien certificate or passport (as the case may be) of such authorized person(s) of the juristic person. The signature on every identification document must be the same as the signature on the documents required for the subscription of the newly issued ordinary shares.

Juristic Person Incorporated in foreign country

A copy of certificate of incorporation or memorandum of association or affidavit, certified true copy by the authorized person(s) of such juristic person and affixed with the seal of the juristic person (if any), together with a certified true copy of the alien certificate or passport (as the case may be) of such authorized person(s) of the juristic person. The signature on every identification document must be the same as the signature on the documents required for the subscription of the newly issued ordinary shares.

All certified copies of each of the above documents must be notarized by a notary public and authenticated by official of the Thai Embassy or of the Thai Consulate in the country where the documents are prepared or certified. Such notary public certification and authentication shall be made no more than 6 months prior to the subscription date.

The subscriber must fill in the Suitability Assessment Form (Additional Enclosure 3.2), and Self Declare Form (Additional Enclosure 3.3) and Declaration Form of Status as a U.S. Person or Non-U.S. Person (Additional Enclosure 3.4)

In the event that the subscriber is other Securities companies' customer, who completed Know Your Customer & Customer Due Diligence: KYC/CDD and Suitability Test within the last 2 years prior to the Subscription Period, the subscriber will not be required to fill in the forms of Suitability Assessment and Self Declare, otherwise the subscriber is required to completely and clearly fill and sign the forms of Suitability Assessment (Additional Enclosure no. 3.2) and Self Declare (Additional Enclosure no. 3.3) and submit to Subscription Agent as supplementary documents for the subscription.

**7.3 Refund of Subscription Payment (if any)**

The Company by Subscription Agent shall refund the subscription payment for unallocated portion to the shareholders by the following methods;

**7.3.1 In case the oversubscribing shareholders do not receive full allocation due to the inadequate newly issued ordinary shares**

The Company by Subscription Agent shall refund the subscription payment for the portion of the newly issued ordinary shares oversubscribed that have not been allocated due to inadequate newly issued ordinary shares, without interest and any compensation, within 10 business days after the closing of subscription period by the following methods:

- 1) Transfer the refund to the bank account of the subscriber, who wishes to receive the refund via bank transfer and indicates in the Subscription Form, within 5 business days from the closing of the subscription period. Such bank account shall be either saving account or current account of the following banks:
  1. Bangkok Bank Public Company Limited
  2. Krung Thai Bank Public Company Limited
  3. Bank of Ayudhya Public Company Limited
  4. KasikornBank Public Company Limited
  5. CIMB Thai Bank Public Company Limited
  6. TMB Bank Public Company Limited
  7. Siam Commercial Bank Public Company Limited
  8. Thanachart Bank Public Company Limited
  9. United Oversea Bank (Thai) Public Company Limited

The name in bank account shall be the same as oversubscribing shareholder as specified in the Subscription Form. The oversubscribing shareholder is required to attach a certified true copy of either the front page of saving passbook or a statement of current account or saving account which indicates account name and 10-digit account number.

- 2) In the case that the Subscription Agent does not receive either a certified true copy of the front page of saving passbook or a statement of current account or saving account which indicates account name and 10-digit account number or the subscriber does not indicate in the Subscription Form that he/she wishes to receive the refund via bank transfer, the Company by Subscription Agent will refund the subscription payment by issuing a crossed cheque payable to the subscriber and delivering such cheque via registered postal mail to the address appeared in the share register book on 15 March 2019 within 10 business days from the closing of subscription period.

In the event that the Company could not make such refund within the said period, the Company shall have a duty to return the said payment to the subscriber with the interest at the rate of 7.5 percent per annum, calculated on the amount of such payment starting from the date after the said 10 business day period until the date on which the payment is refunded. In any cases that the cheque has been deliver or the monies have been

transferred to the subscriber's account as appeared in the share register book on 15 March 2019, it shall be deemed that the subscriber duly receives the refunded subscription payment and the subscriber shall no longer be able to claim interest and/or compensation from the Company or the Subscription Agent.

**7.3.2 In case the subscribing shareholders do not receive the allocation due to failure to comply with subscription conditions and/or to make the subscription payment**

The Subscription Agent will return the cheque to the subscriber who has not been allocated the newly issued ordinary shares due to a breach of any subscription conditions and/or uncollectible payment via cheque. The subscriber must contact the Subscription Agent to request the cheque back within 30 days after closing of the subscription period.

**7.4 Delivery of the Newly Issued Ordinary Shares**

Subscriber can choose one of the following delivery methods to be proceeded by the Company:

**7.4.1 In case the subscriber wishes to receive share certificate in the name of subscriber**

TSD as the Company's registrar shall deliver the share certificate according to the number of allotted shares to the shareholder by registered postal mail to the name and address appeared in the share register book on 15 March 2019 within 15 business days from closing of the subscription period. In this case, the subscriber will not be able to sell the allotted shares in the SET until receipt of share certificate which may be after the newly issued ordinary shares are permitted to trade on the SET.

**7.4.2 In case that the subscriber wishes to deposit the shares in the Issuer's Account No.600**

The Company will deposit the allotted shares to the account "Thailand Securities Depository Company Limited for Depositors", whereby the TSD will record the number of shares deposited in the Issuer's Account no. 600 and issue an evidence of deposit to the subscriber within 7 business days from the closing of the subscription period. When the subscriber wishes to sell newly issued ordinary shares, the subscriber must withdraw the said shares from the Account No. 600, by contacting the securities company, where fees may incur according to the TSD and/or securities company's terms and conditions. In this case, the subscriber can sell the allotted shares in the SET as soon as the newly issued ordinary shares are permitted to trade on the SET and after the subscriber has withdrawn the said shares from the Account No. 600.

**7.4.3 In case that the subscriber wishes to deposit the shares in his/her trading account opened with the securities company**

The Company will deposit the allotted shares to the account "Thailand Securities Depository Company Limited for Depositors" whereby the TSD and the securities company will record the number of shares deposited and issue an evidence of deposit to the subscriber within 7 business days from the closing of the subscription period. In this case, the subscriber can

sell the allotted shares in the SET as soon as the newly issued ordinary shares are permitted to trade on the SET.

For the case of 7.4.3, the name of the subscriber must be the same as the name of the owner of the securities trading account that the subscriber wishes to deposit the allotted shares, otherwise, the Company reserves the rights to deliver to subscriber such shares in form of share certificate in the name of subscriber as described in 7.4.1.

The shareholder who exercises his/her right to subscribe the newly issued ordinary shares must specify the code of the securities company (as listed on the back of the Subscription Form for Newly Issued Ordinary Shares) which the shareholder has the securities trading account with, and the securities trading account number to which the shareholder wishes the allotted shares to be deposited. If the subscriber provides incorrect code of the securities company and/or securities trading account, the Company by Subscription Agent will not be responsible for any loss or delay in retrieving the shares.

In the event that the subscriber does not fully complete those details or fail to specify the method for share delivery in the Subscription Form, the Company hereby reserves the rights to deliver such shares in form of share certificate. In this case, the subscriber may not sell the allotted shares in the SET as soon as the newly issued ordinary shares are permitted to trade on the SET.

## **7.5 Other Information Regarding the Subscription of the Newly Issued Ordinary Shares**

7.5.1 Shareholder who subscribes for the newly issued ordinary shares will receive a receipt for the subscription signed by the subscription officer as an evidence for the subscription. The subscription shall be deemed to complete only when the Company fully collects the subscription payment for the newly issued ordinary shares.

7.5.2 Shareholder who subscribes for the newly issued ordinary shares and already made subscription payment cannot cancel or revoke their subscription, unless prior written consent is obtained from the Company.

7.5.3 If the number of the newly issued ordinary shares indicated by a shareholder in the Subscription Form exceeds the amount of payment received by the Company, the Company reserves the right to allocate the shares according to the subscription payment received.

7.5.4 If the number of the newly issued ordinary shares specified in the Subscription Form is less than the amount of payment received by the Company, the Company reserves the right to allocate the shares to each shareholder as it deems appropriate.

7.5.5 If the shareholder who subscribes for the newly issued ordinary share fails to make the subscription payment or the Company cannot collect the subscription payment in whole or in part, or in any cases not deemed to be the Company's fault, within the subscription period and specified method of payment, or the subscribing shareholder does not fully or clearly fill the Subscription Form, or the shareholder proceeds with subscription method other than

those indicated in this document, the Company shall deem that the shareholder waives his/her right in subscribing for the newly issued ordinary shares, and the Company reserves the right not to allocate any shares to the said shareholder.

Therefore, the shareholder must carefully follow the method of payment and proceed in accordance with the conditions and procedures of subscription described above.

7.5.6 The Company hereby reserves the right not to allocate the newly issued ordinary shares to any shareholder, if such allocation makes the proportion of foreign shareholding to exceed 49 percent of the total issued shares of the Company. The said shareholder may not receive the allocation of the newly issued ordinary shares or may only receive partial allocation thereof.

7.5.7 The Company reserves the right to alter the terms and conditions and methods of payment for the subscription of the newly issued ordinary shares and/or other details relating to the subscription procedures as it deems appropriate and beneficial to the subscription of the newly issued ordinary shares of the Company.

## **8. Objectives of the Capital Increase**

1) To be used as a working capital in the Company's and/or the subsidiaries business and repay debt

Estimated amount of 1,000 - 1,200 Million Baht, the proceeds will be used within Q4/2019

2) To be used for expansion of the secured retail loan, and commercial loan

Estimated amount of 300 Million Baht per year, the proceeds will be used during 2019 – 2021

3) To be used for expansion of the personal loan, and car registration loan

Estimated amount of 500 Million Baht per year, the proceeds will be used during 2019 – 2021

## **9. Benefits which the Company will Receive from the Capital Increase and Share Allocation**

This capital increase will strengthen the Company's financial structure, prepare the Company in terms of capital and financial liquidity in order to support further business expansion which will bring benefits and profits to the Company and/or the subsidiaries and create more value to the shareholders in the long term.

## **10. Benefits which the Shareholders will Receive from the Capital Increase and Share Allocation**

10.1 Dividend policy - The dividend policy of the Company is to pay not more than 60 percent 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.

10.2 Subscribers of new ordinary shares issued in connection with this capital increase will be entitled to receive dividends from the Company's business operations starting from the date that shareholders' name appear on the share registration book.

10.3 Warrant holders will be entitled to receive dividends once those holders exercise their Warrants to purchase the ordinary shares of the Company and the holder's names appear to be Company's shareholders with Department of Business Development, Ministry of Commerce.

## **11. Other Information Necessary for Shareholders in Investing in the Shares of the Company**

### **11.1 Share Price Dilution**

Price dilution can be divided into 2 cases (1) Price dilution from the offering of newly issued ordinary shares to existing shareholders (Right Offering) (2) Price dilution from the offering of newly issued ordinary shares to existing shareholders (Right Offering) and the Warrant issuance or the exercise of warrants.

#### **(1) Price Dilution from the offering of newly issued ordinary shares to existing shareholders (Right Offering)**

Price Dilution = (Market price before offering – Market price after offering) / Market price before offering

$P_1$  = The market price after offering which is calculated from

$$P_1 = (P_0Q_0 + P_{RO}Q_{RO}) / Q_0 + Q_{RO}$$

$P_0$  = The market price after offering calculated from weighted average market price 15 business days prior to the Board of Directors Meeting No. 228 held on 27 February 2019 (during 5 February 2019 - 26 February 2019) which is equivalent to Baht 5.55 per share

$P_{RO}$  = Offering price of newly-issued ordinary shares determined by the Board of Directors Meeting No. 228 held on 27 February 2019 which is equivalent to Baht 4.89 per share

$Q_0$  = The number of shares prior to the offering of newly-issued ordinary together with warrants which is equivalent to 270,000,000 shares

$Q_{RO}$  = The number of newly-issued ordinary shares offering which is equivalent to 216,000,000 shares

Therefore,

$$P_1 = (5.55 \times 270,000,000) + (4.89 \times 216,000,000) / (270,000,000 + 216,000,000)$$

$$= \text{Baht } 5.26 \text{ per share}$$

and Price dilution = 5.29%

#### **(2) Price Dilution from the offering of newly issued ordinary shares to existing shareholders (Right Offering) and the Warrant issuance or the exercise of warrants**

Price Dilution = (Market price before offering – Market price after offering) / Market price before offering

$P_1$  = The market price after offering which is calculated from

$$P_1 = (P_0 Q_0 + P_{RO} Q_{RO} + P_{WA1} Q_{WA1} + P_{WA2} Q_{WA2}) / (Q_0 + Q_{RO} + Q_{WA1} + Q_{WA2})$$

$P_0$  = The market price after offering calculated from weighted average market price 15 business days prior to the Board of Directors Meeting No. 228 held on 27 February 2019 (during 5 February 2019 - 26 February 2019) which is equivalent to Baht 5.55 per share

$P_{RO}$  = Offering price of newly-issued ordinary shares determined by the Board of Directors Meeting No. 228 held on 27 February 2019 which is equivalent to Baht 4.89 per share

$P_{WA1}$  = Exercise price of SINGER-W1 which is equivalent to Baht 7.00 per share

$P_{WA2}$  = Exercise price of SINGER-W2 which is equivalent to Baht 14.00 per share

$Q_0$  = The number of shares prior to the offering of newly-issued ordinary together with warrants which is equivalent to 270,000,000 shares

$Q_{RO}$  = The number of newly-issued ordinary shares offering which is equivalent to 216,000,000 shares

$Q_{WA1}$  = The number of newly-issued ordinary shares accommodated for the exercise of SINGER-W1 which is equivalent to 108,000,000 shares

$Q_{WA2}$  = The number of newly-issued ordinary shares accommodated for the exercise of SINGER-W2 which is equivalent to 108,000,000 shares

Therefore,

$$P_1 = (5.55 \times 270,000,000) + (4.89 \times 216,000,000) + (7.00 \times 108,000,000) + (14.00 \times 108,000,000) \\ / (270,000,000 + 216,000,000 + 108,000,000 + 108,000,000) \\ = \text{Baht 6.87 per share}$$

and no price dilution as market price after offering is higher than market price before offering

## 11.2 Control Dilution

After the allotment of newly-issued ordinary shares and warrants to existing shareholders together with warrants to purchase ordinary shares of the Company, Control Dilution can be divided into two cases as follows:

(a) Since the new shares shall be offered to the existing shareholders in proportion to their respective shareholdings (Right Offering), the existing shareholders shall not be affected from the Control Dilution if they subscribed the whole amount of new shares they are entitled to.

(b) If the shareholders do not subscribed the whole amount of new shares they are entitled to while others subscribed, the Control Dilution shall be equivalent to:

$$\text{Control Dilution} = \text{New Shares} / (\text{Paid-up Shares} + \text{New Shares})$$

$$\text{Control Dilution} = 432,000,000 / (270,000,000 + 432,000,000)$$

= 61.54 %

### 11.3 Earnings Dilution

No Earnings Dilution since the Company performance is loss.

### 11.4 The Preliminary Features of Ordinary Share-Purchase Warrants of Singer Thailand Public Company Limited No.1 (“SINGER-W1”) and No.2 (“SINGER-W2”) appeared in Clause 3.2 and 3.3

**Part 2 – Preliminary Information of Singer Thailand Public Company Limited****1. Name and Location of the Listed Company**

Name : Singer Thailand Public Company Limited (the "Company")

Business Type : Singer Thailand Public Company Limited 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: online mobile air time vending machines and coin-operated petrol vending machines. All these products offerings are aimed at meeting, in a comprehensive manner, the various and different needs of its customers 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 99.9% equity shareholding.

Address : 72 CAT Telecom Building, 17<sup>th</sup> floor, Charoen Krung, Bangrak, Bangkok 10500

Registration Number : 0107537000050

Telephone : 02-352-4777

Fax : 02-352-4799

Website : <http://www.singerthai.co.th>

Paid-up Capital : Baht 270,000,000 divided into 270,000,000 ordinary shares with a par value of Baht 1 each

**2. Business Type and Nature of Competition**

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, online mobile airtime vending machines, coin-operated petrol vending machines and ice slush machines. These products and appliances are aimed at meeting the needs of household consumers and also small business/commercial operators. Direct sales of these products and appliances, on a hire purchase installments basis, are made through the network of over 3,392 Singer sales representatives, who are dispersed over more than 190 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. The revenue structure of the Company for the year 2016-2018 can be summarized as follows.

#### Revenue Structure

Revenue by products	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Washing machine	208.65	8.20	151.55	6.41	292.7	10.1
2. Refrigerators	181.42	7.13	121.68	5.15	224.0	7.8
3. Coolers	367.04	14.42	221.14	9.36	306.3	10.6
4. Television	196.76	7.73	168.32	7.12	528.6	18.3
5. Sewing machine	118.08	4.64	45.84	1.94	185.0	6.4
6. Air conditioner	382.60	15.03	246.33	10.42	222.0	7.7
7. Online mobile air time vending machines	251.87	9.89	367.50	15.55	230.2	8.0
8. Coin-operated petrol vending machines	322.67	12.68	227.42	9.62	114.1	4.0
9. Mobile phone	51.61	2.03	240.38	10.17	226.7	7.8
10. Other products	197.46	7.76	220.94	9.35	194.0	6.7
<b>Total revenue from sales and interest income</b>	<b>2,278.15</b>	<b>89.49</b>	<b>2,011.09</b>	<b>85.09</b>	<b>2,523.6</b>	<b>87.4</b>
Revenue from service	215.11	8.45	205.87	8.71	98.7	3.4
Others	52.36	2.06	146.45	6.20	265.7	9.2
<b>Total revenue</b>	<b>2,545.63</b>	<b>100.00</b>	<b>2,363.41</b>	<b>100.00</b>	<b>2,888.0</b>	<b>100.00</b>

#### Remark:

<sup>1</sup> The company operates the business of selling products in a single business segment and operates in a single geographic area in Thailand. Therefore, there is no financial information classified by segment.

<sup>2</sup> Revenue by products is revenue from sale and interest received from lease agreement classified by product type

The Company operates the business of hire-purchase of products and providing loans under the operations of its subsidiary, namely SG Capital Company Limited ("SGC"), which provides hire purchase services in various products under the Singer brand. Furthermore, the Company has expanded its hire purchase business to products under other brands for customers both within the Singer business group and general customers, including the expansion of the hire purchase business and various types of loans such as car registration in form of sale and leaseback and automobile title-backed loan, and captive finance which started operation in 2017 and significantly expanded in Year 2018. The interest income classified by product type of the Company for the year 2016-2018 can be summarized as follows.

**Interest Income Structure**

Interest Income by product	2016		2017		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Electric appliances under Singer brand and others	603.33	100.00	610.31	96.06	515.06	79.56
2. Car registration loan	-	-	13.00	2.05	97.28	15.03
3. Captive finance	-	-	12.00	1.89	35.02	5.41
<b>Total interest income</b>	<b>603.33</b>	<b>100.00</b>	<b>635.31</b>	<b>100.00</b>	<b>647.36</b>	<b>100.00</b>

**2.1 Product Details**

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

Home electrical appliances

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

Commercial Appliances

- Coolers: freezers, beverage coolers, wine cooler cabinets, ice cream freezers, bakery freezers and ice slush machines
- Coin-operated vending machines: coin-operated mobile airtime vending machines, coin-operated petrol vending machines, coin-operated drinking water vending machines, coin-operated tire air-filling machines, and coin-operated vending machines for various other consumer products
- 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 sold mobile phone products through the Company's distribution channel, in form of direct sales through Singer shop and Singer sales network whereby the Company changed its products sales and distribution procedures as well as its collections processes, corresponding to and in support of the required the distribution of mobile phones and accessories products, that were different from the procedures used in selling home appliances which was previously the core business of the Company.

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

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

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

The sales of products are distributed by Singer Thailand Pcl. through the Singer branch/outlets network, sales staff and sales representatives, and authorized dealers located throughout Thailand. The majority of products and appliances distributed and sold by Singer Thailand are outsourced for production, on an 'Original Equipment Manufacturer (OEM)' basis, mostly by quality local manufacturers.

The Company offers hire purchase through SG Capital Co., Ltd., a subsidiary company, in which Singer Thailand Pcl. has a 99.99% equity holding. The Company has become a member of National Credit Bureau on 23 January 2013 in order to select quality customers, have good credit measures, and enable customers to check credit for both individual and juristic persons. In addition to provide hire purchase services in various products under the Singer brand, the Company also expanded and divided loan service to retail customers and entrepreneur to 3 products as follows:

#### **2.1.1 SINGER Hire Purchase**

The Company provides hire purchase loans for electrical appliances and household appliances to customers who purchase Singer products and products sold through Singer Thailand Public Company Limited. Customers who wish to purchase installment products must pass the criteria specified by the Company.

#### **2.1.2 Car Registration Loan (in form of Sales and Lease Back and Automobile Title-Backed Loan)**

The Company provides car registration loan service both in form of Sales and Lease Back and Automobile Title-Backed Loan under "Car for Cash" started from June 2017.

### **2.1.3 Captive Finance**

The Company provides hire purchase on new machinery for dealer who are affiliated with the Company and have signed the memorandum of understanding which has the main conditions for buying back the machines in the event that such hire purchase defaulted.

## **2.2 Market situation and Competitive environment**

### **Marketing Policies and Activities**

#### Competitive Strategy

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

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

The Company has competitive strategies and target customers divided by types of loans and product types as follows.

### 2.2.1 SINGER Hire Purchase

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

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

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

#### Target Customers

- Target customers of home appliances and mobile products are retail customers nationwide who want to buy electrical appliances and mobile phones with payment in installment and friendly service. Most customers are low-income or farmers who do not have financial documents and may not have access to credit from financial institutions.
- Get rich are entrepreneurs in the community such as grocery stores, restaurants, dormitories and large entrepreneurs who need facilities for employees and employees.

#### Distribution/Sales Channels Strategy

The Company sells its products and appliances through its network of 190 own branch outlets, located throughout the country, together with its network of Company more than 3,393 sales representatives. The Company undertakes the training of its sales force, so that they have a solid understanding of all products and associated features; whereby this nationwide sales force network is a vital driving force in expanding the Company's market and customers base.

Approximately 90% of its sales are made on a hire purchase installment payment basis through the SG Capital Co. Ltd.

Since March 2018, the Company has adjusted the sales process into a system in which the seller is the administrator and responsible for the collection of accounts sold or called Farmer Model. Under this new sales system, the seller is responsible for tracking and collecting installments payment from customer accounts that they sell or follow and allow customers to pay installments according to various payment channels. The seller who collects the installments from customer must send money to the center via the mobile banking application and reports of remittances via the Company's application by the end of the day. Return to seller under the new system will vary according to the quality of account receivables that they are responsible for which is different from the previous sales system that the seller receives only return on sales without having to consider the quality of the debtor.

#### **2.2.2 Car Registration Loan (in form of Sales and Lease Back and Automobile Title-Backed Loan)**

The main policy of car for cash is to be the first in the hearts of SMEs entrepreneurs needed loan service that truly meets their businesses together with the team with expertise in credit products focuses on providing excellent and fast service.

##### Target Customer and Competitive Strategy

###### 1. Large size enterprises both individual and juristic person

The main product offered is Automobile Title-Backed Loan with credit line Baht 10-30 Million

###### Competitive Strategy

- Consider the provision of credit to suit and meet the needs of each customer (Customization)
- Speed of service, approval and transfer processes
- Provide service by district manager and the business relationship manager team with specific expertise in providing services for large operators emphasized on clarity, offering products, and providing straightforward information to build confidence for customers

###### 2. Medium size enterprises both individual and juristic person

The main product offered is car registration loan in form of sales and lease back as well as automobile title-backed loan with credit line Baht 3-10 Million

###### Competitive Strategy

- Consider the provision of credit to suit and meet the needs of each customer (Customization)
- Speed of service, approval and transfer processes

- Provide service by district manager and the business relationship manager team who specialized in loan, and can provide clear and straightforward suggestion about products that are suitable for customers
- 3. Small size enterprises and individual retail customer

The main product offered is car registration loan in form of sales and lease back as well as automobile title-backed loan with credit line Baht 50,000 – 3,000,000

#### Competitive Strategy

- Speed of service, approval and transfer processes
- Provide service by business relationship manager team who specialized in loan, and can provide clear and straightforward suggestion about products that are suitable for customers
- Push marketing by providing service to customers at home

#### Distribution Channel and Sale Process

The business relations manager team of the car for cash will be based on 15 offices throughout the country in order to be able to serve customers through all provinces except the 3 southern border provinces.

### **2.2.3 Captive Finance**

#### Target Customer

##### 1. Dealer

Target customer of SGC is the manufacturer and importer of leading machinery in various industries such as metal industry, large embroidery machinery industry, car and electric car industry etc

##### 2. Lessee

Target customer is individual and juristic person that have been selected from the Dealer that have the potential to operate the business using the machinery of such Dealer. SGC will consider the loan according to the Company's criteria once again.

#### **Market and Competition**

The outlook for the economy in 2019 is expected to continue to grow from 2018, despite a slight slowdown, with the GDP growth of 3.7% - 4.0% (according to published articles from financial institutions and the Bank of Thailand). Supporting factors for the main growth came from the continued recovery of tourism sector. Private investment that began to expand from the policy of investment promotion and infrastructure of the Eastern Economic Corridor (EEC) that still attracts foreign investment. However, the export sector, which is expected to slow down as a result of the wars that continue to prolong and remain uncertain, may affect the economic growth. Also, the national election is another factor that should be aware of which

may affect the driving of the Mega-project investment policy for both railway project and the EEC project.

Private and household consumption is expected to continue to grow gradually due to low unemployment rate, concentration and recovery of revenue, government spending stimulus measures, higher financial cost trends due to an expectation of the increase in policy rate from 1.75% in 2018 to 2.0% in 2019 and the high level of household debt, as well as the consumption of farmers whose income has not yet fully recovered from the volatility of agricultural crop prices.

Although it is expected that the consumption of private and household sectors will continue to slow down, the Company still has supporting factors from the car registration and personal loan businesses. According to the announcement of the Bank of Thailand Re: Supervision of credit with car registration as collateral, the scope of personal loans, the interest ceiling, fines, service fees or any fees related with personal loans has been expanded, in total, not more than 28% per year (effective rate).

From the trend and external factors that affect the overall operation of the Company in 2019, the Company still has potential to compete and grow from the distribution of customer base from the household to the private sector, the expansion of the credit business which is not only hire purchase business for electrical products and appliances but also car registration and personal loans, distribution of the main branches and sub-branches covering the community level which helps the Company to gain advantage from tracking and accessing the customer base , together with a more stringent audit system, customer assessment and credit approval.

#### Hire purchase business for electrical products and appliances

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

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), where provide the hire purchase loan and purposed loan services at all their dealer shops.

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

Given that household electrical appliances (such as, TVs and refrigerators) already have high rate of ownership or market penetration, and, thereby, a low potential market growth, the Company's Management view that market growth can be achieved through implementing a 'replacement market' and associated 'trade-in' marketing strategies by offering that all types

and brands of used home appliances can be traded-in for new SINGER brand products or appliances, together with a possible 'cash back' payment of up to Baht 1,000 – 3,000 per appliance, as well as being able to purchase the new appliance on an easily affordable hire-purchase installment plan together with benefiting from the Singer Thailand quality after-sales services through its nationwide network of branch outlets. This approach is aimed at the Company being able to achieve increased sales of all the products and appliances that are sold and distributed by the Company.

#### Sewing Machines

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

The sewing machines market consists of 2 segments: industrial sewing machines used to manufacture everyday consumer products on an industrial scale, and also well-known brands of sewing machines that are used for sewing clothes in the home (such as Singer, Janoma, Elvira, Brother, and Juki) together with various low-end brands and inexpensive machines imported from China to compete in this market.

Sewing machines are very durable appliances, with a considerably long life cycle depending on the proper usage and upkeep. Currently, there is a growing demand for sewing machines - especially those using new technology and modern applications, making them into a 'computerized' sewing machine that are more efficient and productive, and also modern and compact. These modern appliances can be used at home to make uniquely designed or handcrafted sewn products, as well as are popular and appropriate in the age of "Do it Yourself" trends.

#### Car Registration Loan

The main operators in this business are divided into banks and non-banks, with different product offerings depending on customers and types of cars, supported by Notification of the Bank of Thailand Re: Supervision of credit with car registration as an insurance and determination of interest ceiling, fees, service fees or any personal loans under supervision, thereby enhancing the competitiveness of this industry. Nonetheless, the Company believes in the competitiveness and profitability of this business due to growth potential of the industry, the Company's strategy based on customer centric, understanding the needs of customers, offering loans with conditions that truly meet the needs of customers, focusing on the quality of personnel, creating a team with service minds in order to provide customers with the best experience and no price competition policy.

### Important Changes in the Competitive Environment

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

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

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

### **2.3 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:

- Haier Electronic Pcl. : refrigerators, washing machines and air conditioners
- Panasonic Appliance Cold Chain (Thailand) Co. Ltd. : freezers, beverage coolers and wine cooler cabinets
- Thai Samsung Electronics Co. Ltd. : air conditioners and washing machines
- Changhong Electronics Co. Ltd. : LCD/LED TVs
- Lucky Flame Co. Ltd. : gas stoves
- ADT On-Line Co. Ltd. : online mobile airtime vending machines and coin-operated petrol vending machines
- S Safe Oil Co. Ltd. : coin-operated petrol vending machines
- Lucky Star Universal Co. Ltd. : beverage cooler cabinets
- Media Center Co., Ltd. : online mobile airtime vending machines

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

### 3. Assets for Operation

As of 31 December 2018, the Company's assets for operation are as follows:

#### 3.1 Land and land improvement

Item	Net Book Value (Million Baht)	Obligation
Land and land improvement	301.75	None
<b>Total</b>	<b>301.75</b>	

#### 3.2 Leasehold

Item	Net Book Value (Million Baht)
Leasehold 49 Branches	7.27
<b>Total</b>	<b>7.27</b>

#### 3.3 Buildings and building improvements

Item	Net Book Value (Million Baht)	Obligation
Buildings	82.35	None
Building improvements	9.41	None
<b>Total</b>	<b>91.76</b>	

#### 3.4 Intangible assets

Item	Net Book Value (Million Baht)
Software license fee	48.59
Software during installation	1.40
<b>Total</b>	<b>49.99</b>

### 3.5 Other important 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). Details are as follows:

Parties	1. Trade name agreement: Singer Company Limited S.a.r.1 and 2. Trademark license agreement: Singer Asia Limited
Fee	1. The payment of trade name license fee is US Dollar 0.25 million per year to Singer Company Limited S.a.r.l 2. Trademark license fee is 0.5% of consideration revenue to Singer Asia Limited
Period	10 years (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.

### 4. Details of Directors, Management, and Top 10 Major Shareholders

As of 28 February 2019, the management structure comprises Board of Directors and 3 sub-committees which are Executive Committee, Audit Committee, and Nomination and Remuneration Committee. The details of which are as follows:

#### **The Board of Directors**

As of 28 February 2019, the Board of Directors is comprised of the following 8 members:

No.	Name	Position
1	Mr. Adisak Sukumvitaya	Chairman of the Board of Directors
2	Mr. Kittipong Kanokvilairat	Director / Chief Executive Officer
3	Mrs. Nonglak Laksanapokin	Director
4	Mr. Piya Pong-acha	Director
5	Mr. Peeranart Chokwattana	Director
6	Mr. Lucksananoi Punkrasamee	Chairman of Audit Committee / Independent Director
7	Mr. Bibit Bijaisoradat	Member of Audit Committee / Independent Director
8	Mr. Preecha Prakobkit	Member of Audit Committee / Independent Director

#### Authorized Director of the Company

Mr. Adisak Sukumvitaya, Mrs. Nonglak Laksanapokin, and Mr. Kittipong Kanokvilairat two of these three sign jointly with company seal.

#### **Executive Committee**

As of 28 February 2019, the Executive Committee is comprised of the following 7 members:

No.	Name	Position
1	Mr. Piya Pong-acha	Chairman of the Executive Committee

No.	Name	Position
2	Mrs. Nonglak Laksanapokin	Deputy Chairman of the Executive Committee
3	Mr. Kittipong Kanokvilairat	Member of Executive Committee
4	Miss Antikorn Pichatekorn	Member of Executive Committee
5	Miss Rapeepan Kantayaporn	Member of Executive Committee
6	Mr. Boonkiat Chartudomdech	Member of Executive Committee
7	Miss Wanwisa Ongpaisarnrasamee	Member of Executive Committee
	Miss Chanthornjira Kongtongsmut	Secretary to Executive Committee

Remark The company is in the process of recruiting another executive director to replace Miss Peeraya Rodkorn, Chief Financial Officer / Executive Director who resigned

### **Audit Committee**

As of 28 February 2019, the Audit Committee is comprised of the following 3 members:

No.	Name	Position
1	Mr. Lucksananoi Punkrasamee	Chairman of the Audit Committee
2	Mr. Bibit Bijaisoradat	Member of Audit Committee
3	Mr. Preecha Prakobkit	Member of Audit Committee
	Miss Kanokwan Bupawate	Secretary to Audit Committee

### **Nomination and Remuneration Committee**

As of 28 February 2019, the Nomination and Remuneration Committee is comprised of the following 3 members:

No.	Name	Position
1	Mr. Bibit Bijaisoradat	Chairman of Nomination and Remuneration Committee
2	Mr. Adisak Sukumvitaya	Member of Nomination and Remuneration Committee
3	Mr. Lucksananoi Punkrasamee	Member of Nomination and Remuneration Committee

### **The Management**

As 28 February 2019, the Management is comprised of the following 7 members:

No.	Name	Position
1	Mr. Kittipong Kanokvilairat	Chief Executive Officer
2	Miss. Rapeepan Kantayaporn	Chief Information Officer
3	Miss Chanthornjira Kongtongsmut	Chief Operating Officer
4	Mr. Boonkiat Chartudomdech	Chief Business Development Officer
5	Miss Antikorn Pichatekorn	Chief Lending Officer
6	- <i>in the process of recruiting-</i>	Chief Marketing Officer
7	- <i>in the process of recruiting-</i> <sup>1</sup>	Chief Finance Officer

Remark The company is in the process of recruiting Chief Financial Officer to replace Miss Peeraya Rodkorn, Chief Financial Officer / Executive Director who resigned

### **Top Ten Major Shareholders**

Major shareholders of the Company as of 24 January 2019 are as follows:

No.	Name of Shareholders	Amount of Shares held (Shares)	Percentage of Paid-up Capital
1	Jay Mart Public Company Limited	67,499,900	25.000
2	Mr. Sirisak Sonsophon	16,018,200	5.933
3	Kasikorn Bank Public Company Limited	13,469,000	4.989
4	Mr. Chao Gara	8,400,000	3.111
5	Miss Patcharee Kowitchindachai	8,000,000	2.963
6	Thai NVDR Company Limited	7,962,011	2.949
7	Saha Pathana Inter-Holding Public Company Limited	5,637,200	2.088
8	Miss Kulisara Gara	5,469,500	2.026
9	Muang Thai Life Assurance Public Company Limited	5,400,000	2.000
10	Mr. Anucha Arweelasakul	4,018,500	1.488
<b>Total</b>		141,874,311	52.547

## 5. History of Capital Increase and Dividend Payment of the Previous 3 Years

### 5.1 Capital Increase

Unit: Million Baht

Year	Registered Capital before Changes	Changes	Registered Capital after Changes	Paid-up Capital before Changes	Changes	Paid-up Capital after Changes
2016	270.00	-	270.00	270.00	-	270.00
2017	270.00	-	270.00	270.00	-	270.00
2018	270.00	-	270.00	270.00	-	270.00
2019 <sup>1</sup>	270.00	432.00 <sup>2</sup>	702.00	270.00	432.00 <sup>2</sup>	702.00

Remark:

<sup>1</sup> It is depended on the result of the offering of newly issued ordinary shares to existing shareholders and the exercise of warrants. In this regard, the paid-up capital of the Company in the amount of Baht 432,000,000 in the table above is based on the assumption that the Company can offer the whole amount of newly issued ordinary shares to shareholders and the warrant holders exercise all their rights to purchase ordinary shares.

<sup>2</sup> The Extraordinary General Meeting of Shareholders No. 1/2019 held on 27 February 2019 has resolved and approved to increase the Company's capital in the amount of Baht 432,000,000 from Baht 270,000,000 to Baht 702,000,000 by issuing 432,000,000 new ordinary shares with a par value of Baht 1.00 each in order to offer to existing shareholders in proportion to their shareholdings and the exercise of warrant to purchase ordinary shares no.1 ("SINGER-W1") and no.2 ("SINGER-W2") divided into:

(1) The allocation of 216,000,000 shares with a par value of Baht 1.00 each to existing shareholders in proportion to their shareholdings (Right Offering) in the ratio of 5 existing shares to 4 newly issued shares

(2) The allocation of 216,000,000 shares with a par value of Baht 1.00 each to reserve for the exercise of warrant to purchase ordinary shares no.1 ("SINGER-W1") in the amount of 108,000,000 shares and reserve for the exercise of warrant to purchase ordinary shares no.2 ("SINGER-W2") in the amount of 108,000,000 shares. These 2 warrants shall be issued and offered to shareholders who subscribed newly issued ordinary shares and received the allocation of new ordinary shares offering to existing shareholders in proportion to their shareholding (Right Issue) and oversubscription (Excess Rights).

## 5.2 Dividend Payment

The Company has policy to pay dividend at the rate of not more than 60 percent 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 3-year historical dividend payment is as follows:

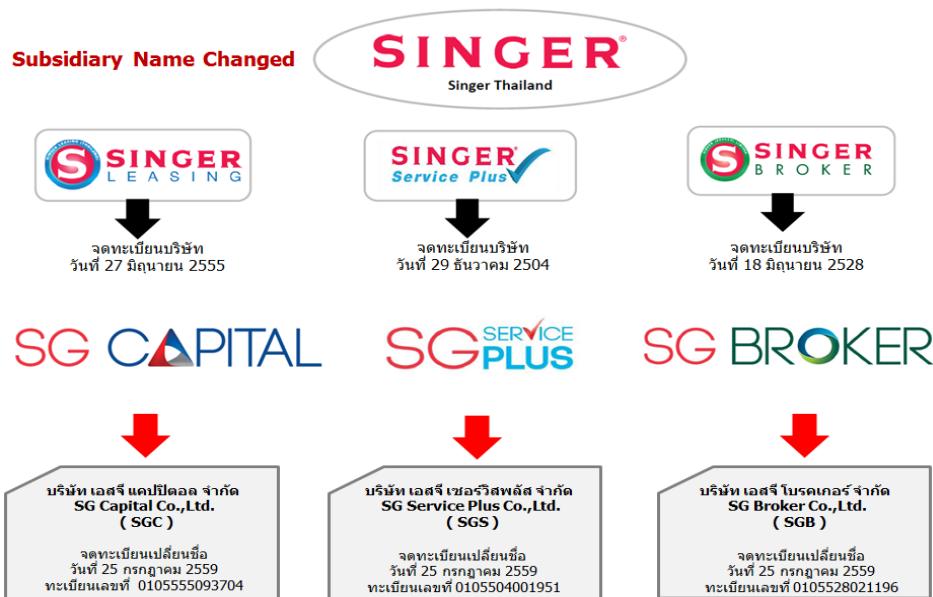
Year	2016	2017	2018
Earnings per share (Baht)	0.44	(0.04)	(0.30)
Dividend per share (Baht)	0.25	-	-

## 6. Company Organization and its Subsidiaries

Details of investment in subsidiaries, affiliates, associates, and related companies are as follows:

Company Name	Business Type	Paid-up Capital (Million Baht)	Share Holding (%)	Investment Value (Million Baht)
<b>Subsidiaries</b>				
SG Capital Co., Ltd.	Hire purchase of electrical appliances, sewing machines, commercial products, and other products	1,450,000	99.99	1,449,997,000
SG Service Plus Co., Ltd.	Services	5,000,000	99.88	4,994,000
SG Broker Co., Ltd.	Life insurance broker	4,000,000	99.99	3,999,400
<b>Affiliates</b>				
-None-	-	-	-	-

As of 31 December 2018, the Company's investment in these subsidiaries remain the same proportion of shareholding. In this regard, the Board of Directors and the management of the subsidiaries are appointed by the management team from the internal management to supervise the operations of the subsidiaries in order to be in line with the core policies of the business operations of the Company. The Company has a total investment in subsidiaries of Baht 1,458.99 million, accounting for 28.65% of total assets.



## 6.1 SG Capital Co., Ltd. ("SGC")

SG Capital Company Limited ("SGC"), formerly known as "Singer Leasing (Thailand) Co., Ltd.", is a subsidiary which the Company holds 99.99% of shares. Currently, the registered and paid-up capital is Baht 1,450 million. SGC established on 27 June 2012 to provide hire purchase loans in various products under the brand "Singer" and further expand the hire purchase business to products under other brands for customers under Singer products and other brands, as well as enlarge into various lending businesses in the future for sustainable growth.

SGC provides hire-purchase services through the Company's direct sales network by providing hire-purchase services for household electrical appliances and commercial products. Additionally, SGC has a policy to expand the business of hire purchase services with a focus on commercial products both under the Singer brand and under other brands to meet the needs of the Singer customer group and general customers such as beverage freezer, coin-operated vending machines, coin-operated petrol vending machines, etc. which are used in commercial operations. Furthermore, the Company has also operated the business of providing all types of car loan services started operation in the first quarter of 2017 under the slogan "Car for Cash" which will be sold through Singer's sales staff and through various outlets / branches of Singer with existing more than 190 branches covering all over the country.

SGC has started to manage the payment system directly from customers through the bank along with the management of the collection of operating fees and fines with customers who have delayed payment in order to reduce tracking and collection costs as well as reduce the amount of fraud from employees. To ensure that the new hire purchase account from the increase of sales is a qualified hire purchase account and can be managed immediately when problem arise, SGC strictly control and closely supervise these hire purchase account loans.

## **6.2 SG Service Plus Co., Ltd. ("SGS")**

SG Service Plus Company Limited ("SGS"), formerly known as Singer Service Plus Company Limited, is a subsidiary of which the Company holds 99.88 percent of the shares. Currently, the registered capital is Baht 5 million. SGS operates the business of installation and maintenance of all types of electrical appliances of all brands, as well as distributing spare parts by expanding the business potential to be proactive, focusing on fast service under the new system which can check every status immediately (Real Time). In addition, the system can support the service and spare parts in order to comply with the work, and also control and monitor the performance effectively with the barcode system. SGS will expand the service network to large projects, government auction, factories, hotels and resorts, including the sale of spare parts for Singer and for all types of electrical appliances.

In the development of personnel, SGS has developed technicians to meet the labor standards in order to be complied with the laws enforced by the Ministry of Labor and continuously training new products, including creating new technicians to replace old technicians. In this regard, SGS has a cooperation agreement in the teaching and learning of bilateral vocational education system (MOU) and educational institutions in the south, the North East, and the North of the country.

## **6.3 SG Broker Co., Ltd. ("SGB")**

SG Broker Company Limited ("SGB"), formerly known as Singer (Broker) Company Limited, is a subsidiary of which the Company holds 99.99% of shares. Currently, the registered capital is Baht 5 million. SGB operates a brokerage business, selling life insurance policies for insurance companies, namely Muang Thai Life Assurance Public Company Limited, by allowing the sales staff of SGB that has a life insurance agent's license to be a policy seller to customers.

## Part 3

## Summary of Financial Statement of Singer Thailand Public Company Limited

Statement of Financial Position	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht		Million Baht	%
<b>Assets</b>						
Cash and cash equivalents	189.86	6.04	277.10	7.92	289.26	5.68
Trade accounts and other receivable	11.48	0.37	13.40	0.38	12.73	0.25
Advance and short-term loans	5.50	0.17	5.00	0.14	-	-
Current portion of long-term receivables	1,368.71	43.52	1,419.03	40.54	1,322.62	25.97
Inventories	300.50	9.55	311.71	8.90	640.45	12.58
Other short-term account receivables-net	189.56	6.03	204.22	5.83	253.25	4.97
Other current assets	15.97	0.51	55.68	1.59	10.81	0.21
<b>Total current assets</b>	<b>2,081.58</b>	<b>66.18</b>	<b>2,286.15</b>	<b>65.31</b>	<b>2,529.13</b>	<b>49.66</b>
Investment accounted for using cost method	1.00	0.03	2.00	0.06	2.00	0.04
Net current portion of long-term receivables	581.39	18.49	640.48	18.30	1,971.72	38.72
Property, Plant, and Equipment	376.32	11.97	438.95	12.54	429.81	8.44
Intangible assets	22.93	0.73	26.71	0.76	54.87	1.08
Deferred tax assets	63.82	2.03	86.82	2.48	83.87	1.65
Other non-current assets	18.13	0.58	19.41	0.55	21.15	0.42
<b>Total non-current assets</b>	<b>1,063.59</b>	<b>33.82</b>	<b>1,214.36</b>	<b>34.69</b>	<b>2,563.41</b>	<b>50.34</b>
<b>Total assets</b>	<b>3,145.17</b>	<b>100.00</b>	<b>3,500.51</b>	<b>100.00</b>	<b>5,092.54</b>	<b>100.00</b>
<b>Liabilities</b>						
Bank overdrafts and short-term borrowings from financial institution	100.43	3.19	86.15	2.46	364.00	7.15
Trade accounts and other payable	235.36	7.48	134.90	3.85	348.07	6.83
Other short-term account payables – net	254.46	8.09	253.00	7.23	189.13	3.71
Current portion of long-term liabilities	158.14	5.03	-	-	1,087.02	21.35
Other current liabilities	16.82	0.53	3.73	0.11	33.11	0.65
<b>Total current liabilities</b>	<b>765.21</b>	<b>24.33</b>	<b>477.79</b>	<b>13.65</b>	<b>2,021.34</b>	<b>39.69</b>
Net of current portion of long-term liabilities	500.00	15.90	1,200.00	34.28	1,350.00	26.51
Net of current portion of post employee benefit obligations	250.32	7.96	242.24	6.92	195.72	3.84
Other non-current liabilities	3.47	0.11	2.81	0.08	1.71	0.03
<b>Total non-current liabilities</b>	<b>753.79</b>	<b>23.97</b>	<b>1,445.04</b>	<b>41.28</b>	<b>1,547.44</b>	<b>30.39</b>
<b>Total liabilities</b>	<b>1,519.00</b>	<b>48.30</b>	<b>1,922.83</b>	<b>54.93</b>	<b>3,568.77</b>	<b>70.08</b>
<b>Shareholders' equity</b>						
Authorized share capital	270.00		270.00		270.00	
Issued and fully paid-up share capital	270.00	8.58	270.00	7.71	270.00	5.30
Share premium	225.00	7.15	225.00	6.43	225.00	4.42
Retained earnings						
- Appropriated - legal reserve	27.00	0.86	27.00	0.77	27.00	0.53
- Unappropriated	906.50	28.82	832.03	23.77	781.30	15.34
Other components of equity	197.67	6.28	223.65	6.39	220.47	4.33
<b>Total shareholders' equity</b>	<b>1,626.17</b>	<b>51.70</b>	<b>1,577.68</b>	<b>45.07</b>	<b>1,523.76</b>	<b>29.92</b>
<b>Total liabilities and shareholders'</b>	<b>3,145.17</b>	<b>100.00</b>	<b>3,500.51</b>	<b>100.00</b>	<b>5,092.54</b>	<b>100.00</b>

Statement of Financial Position	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht		Million Baht	%
<b>equity</b>						

Source: Financial Statements of the Company

Statement of Comprehensive Income	Audited Statement					
	31 December 2016		31 December 2017		31 December 2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sale of goods and rendering of services	1,889.94	74.24	1,581.65	66.92	1,975.01	68.39
Other revenue	655.69	25.76	781.76	33.08	913.01	31.61
<b>Total revenues</b>	<b>2,545.63</b>	<b>100.00</b>	<b>2,363.41</b>	<b>100.00</b>	<b>2,888.02</b>	<b>100.00</b>
Cost of sale of goods and rendering of services	(1,203.15)	(47.26)	(1,009.53)	(42.71)	(1,219.22)	(42.22)
Selling and administrative expenses	(1,175.29)	(46.17)	(968.69)	(40.99)	(1,164.50)	(40.32)
Other expenses	-	-	(372.24)	(15.75)	(446.22)	(15.45)
<b>Total expenses</b>	<b>(2,378.44)</b>	<b>(93.43)</b>	<b>(2,350.46)</b>	<b>(99.45)</b>	<b>(2,829.94)</b>	<b>(97.99)</b>
<b>Profit (loss) before finance costs and income tax expenses</b>	<b>167.18</b>	<b>6.57</b>	<b>12.94</b>	<b>0.55</b>	<b>58.09</b>	<b>2.01</b>
Finance costs	(36.97)	(1.45)	(41.09)	(1.74)	(107.45)	(3.72)
Income tax expenses	(10.40)	(0.41)	18.38	0.78	(31.40)	(1.09)
<b>Net profit (loss)</b>	<b>119.81</b>	<b>4.71</b>	<b>(9.76)</b>	<b>(0.41)</b>	<b>(80.77)</b>	<b>(2.80)</b>
Profit (loss) attributable to equity holders of the parent	119.81	4.71	(9.76)	(0.41)	(80.77)	(2.80)
<b>Basic Earnings per Share (Unit: Baht)</b>	<b>0.44</b>	<b>0.02</b>	<b>(0.04)</b>	<b>&lt;0.01</b>	<b>(0.30)</b>	<b>(0.01)</b>
<b>Net profit (loss)</b>	<b>119.81</b>	<b>4.71</b>	<b>(9.76)</b>	<b>(0.41)</b>	<b>(80.77)</b>	<b>(2.80)</b>
Actuarial gains (losses) on employee benefit plans	9.32	0.37	-	-	26.85	0.93
<b>Total other comprehensive income</b>	<b>129.13</b>	<b>5.07</b>	<b>19.02</b>	<b>0.80</b>	<b>(53.92)</b>	<b>(1.87)</b>
Total comprehensive income attributable to equity holders of the parent	129.13	5.07	19.02	0.80	(53.92)	(1.87)

Source: Financial Statements of the Company

Statements of Cash Flows (Unit: Million Baht)	31 December 2016	31 December 2017	31 December 2018
Net cash generated from (used in) operating activities	308.49	(272.26)	(1,343.36)
Net cash generated from (used in) investing activities	(8.26)	(50.11)	(52.97)
Net cash generated from (used in) financing activities	(382.82)	409.61	1,408.49
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(82.59)</b>	<b>87.25</b>	<b>12.16</b>

Source: Financial Statements of the Company

Financial Ratios	Unit	31 December 2016	31 December 2017	31 December 2018
Net profit margin	%	4.71	(0.41)	(2.80)
Return on equity	%	7.48	(0.61)	(5.21)
Return on assets	%	5.15	0.39	1.35
Debt to equity ratio	Times	0.93	1.22	2.34
Basic Earnings per Share	Baht/Share	0.44	(0.04)	(0.30)