

Mitsib 012/2565

November 11,2022

Subject : Management Discussion and Analysis for the three-month period ended September 30,2022

To: Managing Director
The Stock Exchange of Thailand

1. Overview of Operations

The spread of the COVID-19 virus over the past two years has affected the country's tourism sector and the economy, but in the 3rd quarter of 2022, the epidemic situation has begun to decline. The number of infected individuals are likely to continue to decrease. As a result, the country's economic outlook, including domestic tourism, is beginning to recover. This is a good trend for the future business operations of Mitsub Leasing PLC and its subsidiary companies ("the Group").

Continuously from the last quarters, the Group has helped debtors who qualified for the criteria to alleviate their repayment via debt restructuring, refinancing, and installments grace periods, which also includes granting the right to suspend installment payments for debtors who are patients infected with COVID-19. However, the Group also managed and reduced the number of contracts that receive these measures in order to gradually adjust them to the normal installment payment in the 4th quarter, which will be beneficial and increase the cash inflow of the Group in the future.

2. Performance Analysis

The Group would like to clarify the overall operating results for the three-month period ended on September 30, 2022 which are summarized as follows:



Statement of comprehensive income	2021	2022	Change	
For the three-month period ended 30 September	Thousand Baht	Thousand Baht	Thousand Baht	%
Revenue				
Revenue from sales	46,355	76,060	29,705	64.08%
Finance income on the net investment in hire purchase contract	36,544	37,998	1,454	3.98%
Interest income on factoring	490	423	(67)	(13.67)%
Other income	12,401	28,701	16,300	131.44%
Total Revenue	95,790	143,182	47,392	49.47%
Expenses				
Cost of sales of goods	53,552	68,670	15,118	28.23%
Distribution costs	6,512	9,346	2,834	43.52%
Administrative expenses	30,149	34,207	4,058	13.46%
Total expenses	90,213	112,223	22,010	24.40%
Profit from operating activities	5,577	30,959	25,382	455.12%

Statement of comprehensive income	2021	2022	Change	
For the three-month period ended 30 September	Thousand Baht	Thousand Baht	Thousand Baht	%
Loss arising from derecognition of receivable under hire purchase contracts	(375)	(2,669)	2,294	(611.73)%
Finance cost	(7,697)	(7,726)	29	(0.38)%
Gains and reversal (loss) of expected credit loss	9,913	(1,996)	11,909	120.14%
Share of loss of joint venture	(68)	(61)	(7)	10.29%
Profit (Loss) before income tax expense	7,350	18,507	11,157	151.80%
Tax expense	(785)	(1,111)	(326)	41.53%
Profit (Loss) for the period	6,565	17,396	10,831	164.98%
Basic earnings (Loss) per share	0.009	0.023	0.014	164.98%

For the three-month period ended on September 30, 2022, the Group had a net profit of 17.40 MB, an increase by 10.83 MB or 165.98% from the same period of last year of 6.56 MB due to the following:

2.1 Total revenue for the three-month period ended September 30, 2022, the Group had a total revenue of 143.18 MB, an increase by 47.39 MB or 49.47% due to the following.

- Revenue from sales of 76.06 MB an increase of 29.70 MB or 64.08% because the sales of new taxi and second-hand taxi increased from customer demand as a result of the easing of the coronavirus situation.
- Other income of 28.70 MB an increase of 16.30 MB or 131.45% due to increasing in lending of subsidiary company of 22.89 MB, an increase of 15.57 MB or 246.44%.

2.2 Total expense for the three-month period ended September 30, 2022, the Group had a total expense of 112.22 MB, an increase of 22.01 MB or 24.40% from the same period of last year because of:

- Cost of goods sold of 68.67 MB an increase of 15.12 MB or 28.23% due to increasing of sales.
- Distribution costs of 9.34 MB an increase of 2.83 MB or 43.52% due to increasing of sales.

- Administrative expenses of 34.21 MB an increase of 4.06 MB or 13.46% mainly due to loss recognition from the repossession of taxis and other vehicles.

3. Financial Position Analysis

Statement of financial position	31 December 2021	30 September 2022	Change	
As at 30 September 2022	Thousand Baht	Thousand Baht	Thousand Baht	%
Current asset	763,712	846,179	82,467	10.80%
Non-Current asset	809,846	743,364	(66,482)	(8.21)%
Total asset	1,573,558	1,589,543	15,985	1.02%
Current Liabilities	465,728	519,579	53,851	11.56%
Non-Current Liabilities	379,349	329,925	(49,424)	(13.03)%
Total Liabilities	845,077	849,504	4,427	0.52%
Equity	728,481	740,039	11,558	1.59%
Total Liabilities and Equity	1,573,558	1,589,543	15,985	1.02%

Statement of financial position as of September 30, 2022 changed from December 31, 2021 because of:

3.1 Total assets as of September 30, 2022 was 1,589.54 MB, an increase of 15.99 MB or 1.02% due to:

- Cash and cash equivalents of 39.14 MB, a decrease of 37.03 MB or 48.62% due to increase in lending of the subsidiary company.
- Other receivables of 341.86 MB. an increase of 170.72 MB or 99.76% due to increase in lending of the subsidiary company.
- Receivables under hire purchase contracts of 1,089.12 MB, a decrease of 111.46 MB or 9.28% due to a decrease in outstanding balance of hire purchase contracts, due to normal terminations or expiration of hire purchase contracts.

3.2 Total liabilities as of September 30, 2022 was 849.50 MB, an increase of 4.43 MB or 0.52% due to:

- Short-term borrowings from financial institutions of 100.00 MB a decrease of 10.00 MB or 9.09%
- Short-term borrowings from other parties of 91.00 MB, an increase of 55.00 MB or 152.78% in order to support the lending of the subsidiary company.
- Long-term borrowings from financial institutions of 501.98 MB, a decrease of 19.39 MB or 3.72% due to borrowing of 103.20 MB and payment of 122.97 MB during the same period.

3.3. Equity as of September 30, 2022 was 740.04 MB, an increase of 11.56 MB or 1.59% due to:

- Operating profit resulting from this period of 22.81 MB and
- Dividend payment of the year 2021 of 11.26 MB

Yours Sincerely,

Mr. Nitipat Yongsanguanchai
 Chief Executive Officer
 Mitsub Leasing Public Company Limited