

Mitsib 008/2566

May 15, 2023

Subject: Management Discussion and Analysis for the three-month period ended on March 31,2023

 To: Managing Director
 The Stock Exchange of Thailand

1. Overview of Operations

The spread of the COVID-19 virus over the past three years has affected the country's tourism sector and the economy, but in the first quarter of 2023, 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 Mitsib Leasing PLC and its subsidiary companies ("the Group").

2. Performance Analysis

The Group would like to clarify the overall operating results for the three-month period ended on March 31,2023 which are summarized as follows:

Statement of comprehensive income	2022	2023	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	% QoQ
For the three-month period ended 31 March				
Revenue				
Revenue from sales	48,986	111,436	62,450	127.49%
Finance income on the net investment in hire purchase contract	39,221	37,240	(1,981)	(5.05%)
Interest income on factoring	544	239	(305)	(56.07%)
Other income	19,470	30,695	11,225	57.65%
Total Revenue	108,221	179,610	71,389	65.97%
Expenses				
Cost of sales of goods	50,019	98,034	48,015	95.99%
Distribution costs	8,048	18,971	10,923	135.72%
Administrative expenses	19,367	20,893	1,526	7.88%
Expected credit losses	24,502	13,453	(11,049)	(45.09%)
Total expenses	101,936	151,351	49,415	48.48%
Profit from operating activities	6,285	28,259	21,974	349.63%
Finance cost	8,016	9,248	1,232	15.37%
Share of loss of joint venture	64	-	(64)	(100.00%)
Profit (Loss) before income tax expense	(1,795)	19,011	20,806	(1,159.11%)
Tax expense	228	4,584	4,356	1,910.53%
Total comprehensive income for the period	(2,023)	14,427	16,450	813.15%

For the three-month period ended on March 31, 2023, the Group had a net profit of 14.43 MB (“Million Baht”), an increase by 16.45 MB or 814.36% due to the following:

2.1 Total revenue for the three-month period ended March 31, 2023, the Group had a total revenue of 179.61 MB, an increase by 71.39 MB or 65.97% due to the following.

- Revenue from sales of 111.44 MB an increase of 62.45 MB or 127.47% was because the sales of new and used public vehicles increased.
- Other income of 30.69 MB, an increase of 11.22 MB or 57.63% was because due to the increase in lending of the subsidiary company compared to the same period of last year.

2.2 Total expense for the three-month period ended on March 31, 2023, the Group had a total expense of 165.18 MB, an increase of 55.00 MB or 49.92% f because of the following:

- Cost of goods sold of 98.03 MB, an increase of 48.02 MB or 95.99% varied with increasing in sales.
- Distribution costs of 18.97 MB an increase of 10.92 MB or 135.72% varied with increasing in revenue from sales.
- Expected credit losses of 13.45 MB, a decrease of 11.05 MB or 45.09% was mainly due to the reversal of expected credit losses 6.53 MB and the decrease in recognition of loss from repossession of public vehicles 4.52 MB.

3. Financial Position Analysis

Statement of financial position	2022	2023	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	%
As at 31 March 2023				
Current asset	848,646	862,469	13,823	1.63%
Non-Current asset	739,772	840,094	100,322	13.56%
Total asset	1,588,418	1,702,563	114,145	7.19%
Current Liabilities	521,057	652,709	131,652	25.27%
Non-Current Liabilities	328,652	296,718	(31,934)	(9.72%)
Total Liabilities	849,709	949,427	99,718	11.74%
Equity	738,709	753,136	14,427	1.95%
Total Liabilities and Equity	1,588,418	1,702,563	114,145	7.19%

Statement of financial position as of March 31, 2023 changed from December 31, 2022 because of the following:

3.1 Total assets as of March 31, 2023 was 1,702.56 MB, an increase of 114.15 MB or 7.19% due to:

- Cash and cash equivalents of 12.02 MB, a decrease of 19.98 MB or 62.43% due to an increase in the lending of the Group
- Receivables under hire purchase contracts of 1,190.48 MB, an increase of 102.29 MB or 9.40% due to the increase in hire purchase contracts.
- Other receivables of 377.50 MB, an increase of 29.39 MB or 8.44% due to increase in lending of the subsidiary company.

3.2 Total liabilities as of March 31, 2023 was 949.43 MB, an increase of 99.72 MB or 11.74% due to:

- Short-term borrowings from financial institutions of 123.51 MB an increase of 55.51 MB or 81.63% was due to the drawdown during the quarter.

- Short-term borrowings from other parties of 161.00 MB, an increase of 78.00 MB or 93.98% was in order to support the lending of the subsidiary company.
- Long-term borrowings from financial institutions of 485.29 MB, a decrease of 37.17 MB or 7.11% was due to borrowing of 18.91 MB and repayment of 56.08 MB.

3.3. Equity as of March 31, 2023 was 753.14 MB, an increase of 14.43 MB or 1.95% was due to operating profit of the three-month period ended on March 31, 2023 of 14.43 MB

4. Analysis of Sources and uses of cash flow

Statement of cash flows	2023
For the three-month period ended on March 31,	Thousand Baht
Net cash provided (used in) operating activities	(108,768)
Net cash (used in) from in investing activities	(285)
Net cash provided from financing activities	89,077
Net (decrease) increase in cash and cash equivalents	(19,976)
Cash and cash equivalents at 1 January	31,999
Cash and cash equivalents at 31 March	12,023

Cash and cash equivalents as at March 31, 2023 of 12.02 MB, decreased from cash and cash equivalents as at December 31, 2022 of 19.98 MB was due to :

- **Net cash flow used in operating activities** 108.77 MB was because the increase in lending of the group in this quarter.
- **Net cash flow used in investing activities** of 0.29 MB was because the investment in equipment in the quarter.
- **Net cash flow provided from financing activities** of 89.08 MB was because the increase in borrowing from financial institutions for lending purposes.

Yours Sincerely,

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

