



13 November 2023

Subject Management Discussion and Analysis for the three-month period ended 30 September 2023  
 To Managing Director,  
 The Stock Exchange of Thailand

We, Micro Leasing Public Company Limited (the “Company”), would like to provide an overview of the financial performance for the three-month period ended 30 September 2023 with details as per below.

(Unit: Million Baht)

Statement of comprehensive income For the three-month period ended September 30, 2023 and 2022	Consolidated financial statements		Change Increase (Decrease)	
	2023	2022	Amount	%
Interest income from hire purchase	193.86	188.10	5.76	3.06
Interest income from loan receivables	0.27	-	0.27	100
Fees and service revenues	33.87	33.68	0.19	0.56
Other revenues	3.18	1.63	1.55	95.09
<b>Total revenues</b>	<b>231.18</b>	<b>223.41</b>	<b>7.77</b>	<b>3.48</b>
Selling and administrative expenses	85.13	81.41	3.72	4.57
Expected credit loss	50.43	37.49	12.94	34.52
Loss from assets foreclosed	91.72	60.71	31.01	51.08
<b>Total expenses</b>	<b>227.28</b>	<b>179.61</b>	<b>47.67</b>	<b>26.55</b>
<b>Profit from operating activities</b>	<b>3.90</b>	<b>43.80</b>	<b>(39.90)</b>	<b>(91.10)</b>
Finance cost	(53.24)	(38.62)	14.62	37.86
Income tax (expenses) income	9.37	(2.21)	(11.58)	(523.98)
Profit (loss) for the period	(39.97)	2.97	(42.94)	(1,446.13)
<b>Profit (loss) for Equity attributable to the Company</b>	<b>(33.98)</b>	<b>7.80</b>	<b>(41.78)</b>	<b>(535.64)</b>
Earnings per share (Baht per share)	(0.036)	0.003	-	-

1. Total Revenue for the three-month period ended September 30,2023 was 231.18 million Baht, compared to 223.41 million Baht from the same period of last year, an increase by 7.77 million Baht or 3.48%. The main income of the Company and its subsidiaries were interest income from hire purchase. This follows an increase in the proportion of new motorcycle hire purchases, which have higher interest rates than truck hire purchases. However, service income, vehicle insurance and MRTA decreased slightly due to strict quality screening of new loans and increase in interest income from loan receivables from its subsidiary, Micro Fin Company Limited, which has started lending business.
2. Total Operating expenses for the three-month period ended September 30,2023 was 227.28 million Baht, compared to 179.61 million Baht from the same period of last year, increase of 47.67 million Baht or 26.55%. These was due to:
  - Selling and administration expenses for the three-month period ended September 30,2023 was 85.13 million Baht, increase by 3.72 million Baht or 4.57%. It was mainly an increasing a rise in the costs of debt collection.
  - Expected credit losses for the three-month period ended September 30,2023 was 50.43 million Baht, increase by 12.94 million Baht or 34.52%. This was due to the additional allowance for expected credit losses of new motorcycles hire purchase receivables with higher provision rates. Including the quality of debt deteriorating from the economic situation, decline in the export sector and geopolitical problems that affect oil price rates.
  - Loss from asset foreclosed for the three-month period ended September 30,2023 was 91.72 million Baht, increase by 31.01 million Baht or 51.08%, mostly as a result of a rise in the quantity of vehicles seized as a result of the oil price situation, also an economic slowdown which affect to some hire-purchase debtors who started to default on debt payment and had to contact to return the vehicles. However, the Company has engaged internal and external teams to closely monitor customers and the price of used trucks in the market has decreased.
3. Financial cost for the three-month period ended September 30,2023 was 53.24 million Baht, compared to 38.62 million Baht from the same period of last year, increase of 14.62 million Baht or 37.86%. This was due to the increase in the Company's interest-bearing debt and an increase in the policy interest rate continuously. This affects the increase in interest rates on bank loans and new debentures.
4. Net profit (loss) attributable to the Company for the three-month period ended September 30,2023 was (33.98) million Baht, compared to 7.80 million Baht from the same period of last year, decrease by 41.78 million Baht or 535.64% This was due to the decreased to debt quality, expenses for debt collection, an increase in assets foreclosed and financial costs.

## Statement of financial position

(Unit: Million Baht)

Statement of financial position	Consolidated financial statements		Change Increase (Decrease)	
	30 September 2023	31 December 2022	Amount	%
Asset	5,790.89	5,511.41	279.48	5.07
Liabilities	3,648.53	3,363.89	284.64	8.46
Equity attributable to owners of the company	1,889.13	1,965.50	(76.37)	(3.89)
<b>Debt to Equity Ratio</b>	1.70	1.57	-	-

### 1. Total Asset

As of September 30, 2023 total assets of the Company and its subsidiaries was 5,790.89 Million Baht, an increase of 279.48 Million Baht or 5.07% from the year ended 2022. This was mainly due to an increase in cash and cash equivalents from the Company's liquidity-maintenance policy and an increase in assets foreclosed.

### 2. Total Liabilities

As of September 30, 2023 total liabilities of the company and its subsidiaries was 3,648.53 Million Baht, an increase of 284.64 Million Baht or 8.46% from the year ended 2022. This was in from the increase of debentures, long-term loans from other persons and long-term loans from financial institutions.

### 3. Equity attributable to owners of the company

As of September 30, 2023 the company and its subsidiaries total equity was 1,889.13 Million Baht, an decrease of 76.37 Million Baht or 3.89% from the year ended 2022 which was due to dividend payment during the second quarter and total net profit (loss) for the period attributable to equity holders of the Company

### 4. Debt to Equity Ratio

As of September 30, 2023 the company and its subsidiaries debt to equity ratio was 1.70 times, compared to 1.57 times of the year end 2022. An increase of debt to equity ratio because increase in loans and debentures to as a source of working capital and maintains the liquidity of the business.

Please be informed according

Regards,

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