



February 16, 2024

Subject Management Discussion and Analysis of the Company's Operating Result for the year 2023 ended 31 December 2023 (Audited)

Attention The President
The Stock Exchange of Thailand

Asia Sermkij Leasing Public Company Limited (“the Company”) would like to submit Management Discussion and Analysis the operating performance for the year 2023 ended 31 December 2023 (Audited) as follows:

Overview of operating performance

For the year 2023, the Company and its subsidiaries had the profit of Baht 1,218.77 million, decreased by Baht 293.37 million or 19.40 percent from the profit of Baht 1,512.14 million in 2022. The new disbursement in 2023 was in the amount of Baht 35,313.94 million. The total revenue in 2023 equaled to Baht 6,498.71 million, increased by Baht 875.11 million or 15.56 percent from total revenue of Baht 5,623.60 million in 2022. The details were as follow:

Revenues

1. Hire purchase interest income

Hire purchase interest income was Baht 4,813.16 million in 2023, increased by Baht 644.27 million or 15.45 percent from Baht 4,168.89 million in 2022. This was mainly due to an increase in hire purchase portfolio.

2. Interest income on financial leases

Interest income on financial leases was Baht 85.69 million in 2023, increased by Baht 5.97 million or 7.49 percent from Baht 79.72 million in 2022. This was mainly due to an increase in financial leases portfolio.

3. Interest income from loan

Interest income from loan was Baht 758.76 million in 2023, increased by Baht 146.95 million or 24.02 percent from Baht 611.81 million in 2022. This was mainly due to an increase in loan disbursement and portfolio.

4. Service income from insurance broker

Service income from insurance broker was Baht 605.48 million in 2023, increased by Baht 19.52 million or 3.33 percent from Baht 585.96 million in 2022. This was mainly due to an increase of revenue from outside customers.

Expenses

1. Selling and administrative expenses

Selling and administrative expenses for the year 2023 was Baht 1,281.32 million, increased by Baht 154.66 million or 13.73 percent from Baht 1,126.66 million in 2022. This increase was due to the Solar power purchase agreement (Solar PPA) business, and employee expense from an increase of staff and the opening of new branches.

2. Expected credit losses and impairment loss on assets foreclosed

Expected credit losses and impairment loss on assets foreclosed for the year 2023 was Baht 1,779.05 million, increased by Baht 514.17 million or 40.65 percent from Baht 1,264.88 million in 2022. This was due to an increase in delinquency and impairment loss on assets foreclosed.

3. Financial cost

Financial cost for the year 2023 was Baht 1,909.51 million, increased by Baht 573.90 million or 42.97 percent from Baht 1,335.61 million in 2022. This was due to an increase of the borrowings amount to support the portfolio expansion and an increase of interest expense rate.

Please be informed accordingly.

Yours sincerely,

Asia Sermkij Leasing Public Company Limited

(Mr. Danai Lapaviwat)

Chief Financial Officer