

Mitsib 002/2567

 27th February 2024

 Subject: Management Discussion and Analysis for the year ended 31st December 2023

 To: Managing Director
 The Stock Exchange of Thailand

1. Overview of Operations

In the year of 2023, the country's economic outlook, including domestic tourism, is beginning to recover. This is a good trend for future business operations in Thailand, including the 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 year ended on 31st December 2023 which are summarized as follows:

Statement of comprehensive income	12M	12M	Change	
	2023	2022	Thousand Baht	% YOY
Unit:Thousand Baht				
Revenue				
Revenue from sales	408,204	254,709	153,495	60.26%
Finance income on the net investment in hire purchase contract	163,439	147,267	16,172	10.98%
Interest income on factoring	340	1,747	(1,407)	(80.54%)
Interest income on other loan receivables	59,469	45,349	14,120	31.14%
Other income	55,016	36,377	18,639	51.24%
Total Revenue	686,468	485,449	201,019	41.41%
Expenses				
Cost of sales of goods	365,148	235,865	129,283	54.81%
Distribution costs	75,754	35,366	40,388	114.20%
Administrative expenses	83,142	80,138	3,004	3.75%
Expected credit losses	70,427	76,611	(6,184)	(8.07%)
Total expenses	594,471	427,980	166,491	38.90%
Profit from operating activities	91,997	57,469	34,528	60.08%
Finance cost	45,993	33,009	12,984	39.33%
Share of loss of joint venture	-	246	(246)	(100.00%)
Profit (Loss) before income tax expense	46,004	24,214	21,790	89.99%
Tax expense	10,933	2,732	8,201	300.18%
Total comprehensive income for the period	35,071	21,482	13,589	63.26%

For the year ended on 31st December 2023, the Group had a net profit of 35.07 MB (“Million Baht”), an increase by 13.59 MB or 63.26% from the previous year due to the following:

2.1 Total revenue for the year ended 31st December 2023, the Group had a total revenue of 686.47 MB, a increase by 201.02 MB or 41.41% due to the following.

- Revenue from sales of 408.20 MB, an increase of 153.49 MB, or 60.26% due to the increased sales of new and used public vehicles.
- Interest income on hire-purchase contracts of 163.44 MB, an increase of 16.17 MB or 10.98% was due to an increase in lending for public vehicles.
- Interest income of other loan receivables of 59.47 MB, an increase of 14.12 MB or 31.14% due to the increased amount of titles loan by subsidiary companies.
- Other income of 55.02 MB, an increase of 18.64 MB or 51.24% most of this is due to the increase in insurance brokerage income.

2.2 Total expense for the year ended 31st December 2023, the Group had a total expense of 594.47 MB, an increase of 166.49 MB or 38.90% from the previous year because of the following:

- Cost of goods sold of 365.15 MB an increase of 129.28 MB or 54.81% which varied with the increase in revenue from sales.
- Distribution costs of 75.74 MB an increase of 40.39 MB or 114.20% which varied with the increase in revenue from sales.
- Expected credit losses of 70.43 MB, a decrease of 6.18 MB or 8.07% due to decrease in expected credit losses 8.88 MB and increase in loss recognition from repossessions of public vehicles 2.69 MB.



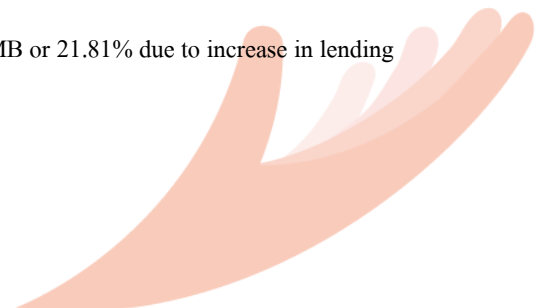
3. Financial Position Analysis

Statement of financial position	As of Dec 31,2023	As of Dec 31,2022	Change	
	Thousand Baht	Thousand Baht	Thousand Baht	%
Assets				
Cash and cash equivalents	21,679	31,999	(10,320)	-32.25%
Hire-purchase receivables, net	1,291,398	1,088,185	203,213	18.67%
Other loan receivables, net	452,708	371,640	81,068	21.81%
Inventories	54,502	38,941	15,561	39.96%
Investment in joint venture	-	2,631	(2,631)	100.00%
Deferred tax assets	12,037	11,730	307	2.62%
Other	57,767	43,292	14,475	33.44%
Total assets	1,890,091	1,588,418	301,673	18.99%
Liabilities and equity				
Liabilities				
Borrowings from financial institutions	780,934	590,460	190,474	32.26%
Borrowings from related parties	150,000	120,000	30,000	25.00%
Borrowings from other parties	145,585	89,417	56,168	62.82%
Other	41,891	49,832	(7,941)	-15.94%
Total liabilities	1,118,410	849,709	268,701	31.62%
Equity	771,681	738,709	32,972	4.46%
Total liabilities and shareholders' equity	1,890,091	1,588,418	301,673	18.99%

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

3.1 Total assets as of 31st December 2023 was 1,890.10 MB, an increase of 301.67 MB or 18.99% due to:

- **Hire-purchase receivables** of 1,291.40 MB, an increase of 203.21 MB or 18.61% due to increase in hire purchase contracts.
- **Other loan receivables** of 452.71 MB, an increase of 81.07 MB or 21.81% due to increase in lending of the subsidiary company.



- **Inventories** of 54.50 MB, an increase of 15.56 MB or 39.96% due to the increase in stock of new public vehicles

3.2 Total liabilities as of 31st December 2023 was 1,118.41 MB, an increase of 268.70 MB or 31.62% due to:

- Borrowings from financial institutions of 780.93 MB an increase of 190.47 MB or 32.26% due to new loan drawdown for lending during the year.
- Borrowings from related parties of 150.00 MB, an increase of 30.00 MB or 25.00% in order to support the increase in lending of the subsidiary company.
- Borrowings from Other parties of 145.59 MB, an increase of 56.17 MB or 62.82% to order to support the increase in lending of the subsidiary company.

3.3. Equity as of 31st December 2023 was 771.68 MB, an increase of 32.97 MB or 4.46% due to increase in registered capital for supporting stock dividend 18.76 MB, and operating profit resulting from this year 35.06 MB.

Yours Sincerely,

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

