

Mitsib 002/2567

 27<sup>th</sup> February 2024

 Subject: Management Discussion and Analysis for the year ended 31<sup>st</sup> 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 31<sup>st</sup> December 2023 which are summarized as follows:

| Statement of comprehensive income                              | 12M            | 12M            | Change         |               |
|--|----------------|----------------|----------------|---------------|
|  | 2023           | 2022           | Thousand Baht  | % YOY         |
| Unit:Thousand Baht   |                |                |                |               |
| <b>Revenue</b>   |                |                |                |               |
| 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%        |
| <b>Total Revenue</b>   | <b>686,468</b> | <b>485,449</b> | <b>201,019</b> | <b>41.41%</b> |
| <b>Expenses</b>  |                |                |                |               |
| 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%)       |
| <b>Total expenses</b>  | <b>594,471</b> | <b>427,980</b> | <b>166,491</b> | <b>38.90%</b> |
| <b>Profit from operating activities</b>                        | <b>91,997</b>  | <b>57,469</b>  | <b>34,528</b>  | <b>60.08%</b> |
| Finance cost   | 45,993         | 33,009         | 12,984         | 39.33%        |
| Share of loss of joint venture                                 | -              | 246            | (246)          | (100.00%)     |
| <b>Profit (Loss) before income tax expense</b>                 | <b>46,004</b>  | <b>24,214</b>  | <b>21,790</b>  | <b>89.99%</b> |
| Tax expense  | 10,933         | 2,732          | 8,201          | 300.18%       |
| <b>Total comprehensive income for the period</b>               | <b>35,071</b>  | <b>21,482</b>  | <b>13,589</b>  | <b>63.26%</b> |

For the year ended on 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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.



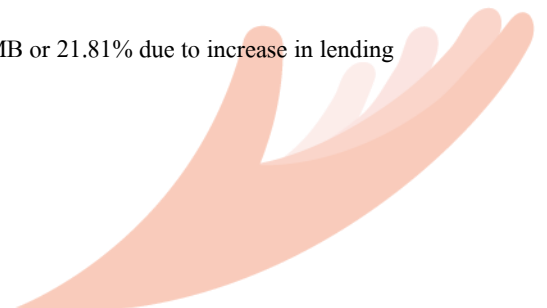
**3. Financial Position Analysis**

| Statement of financial position                   | As of Dec<br>31,2023 | As of Dec<br>31,2022 | Change           |               |
|---|----------------------|----------------------|------------------|---------------|
|   | Thousand Baht        | Thousand Baht        | Thousand<br>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%        |
| <b>Total assets</b>                               | <b>1,890,091</b>     | <b>1,588,418</b>     | <b>301,673</b>   | <b>18.99%</b> |
| 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%       |
| <b>Total liabilities</b>                          | <b>1,118,410</b>     | <b>849,709</b>       | <b>268,701</b>   | <b>31.62%</b> |
| Equity  | 771,681              | 738,709              | 32,972           | 4.46%         |
| <b>Total liabilities and shareholders' equity</b> | <b>1,890,091</b>     | <b>1,588,418</b>     | <b>301,673</b>   | <b>18.99%</b> |

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

**3.1 Total assets** as of 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 35.07 MB.

Yours Sincerely,

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

