



23 February 2024

Subject Management Discussion and Analysis for the Year Ending 31 December 2023
To President
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 year ending December 31, 2023 with details as per below.

(Unit : Million Baht)

Statement of comprehensive income For the year ended December 31,2023 and 2022	Consolidated financial statements		Change Increase (Decrease)	
	2023	2022	Amount	%
Interest income from hire purchase	782.86	706.19	76.67	10.86
Interest income from loan receivables	0.97	-	0.97	100
Fees and service revenues	124.69	140.22	(15.53)	(11.08)
Other revenues	10.75	7.33	3.42	46.66
Total revenues	919.27	853.74	65.53	7.68
Selling and administrative expenses	322.14	291.53	30.61	10.50
Expected credit loss	201.36	159.98	41.38	25.87
Loss from assets foreclosed	292.10	173.70	118.40	68.16
Total expenses	815.60	625.21	190.39	30.45
Profit from operating activities	103.67	228.53	(124.86)	(54.64)
Finance cost	(202.01)	(147.00)	55.01	37.42
Income tax (expenses) income	18.28	(16.38)	(34.66)	(211.60)
Profit (loss) for the year	(80.06)	65.15	(145.21)	(222.89)
Profit (loss) for Equity attributable to the Company	(52.54)	79.14	(131.68)	(166.39)
Earnings (loss) per share (Baht per share)	(0.056)	0.07	-	-

1. Total Revenue for the year ended December 31, 2023 was Baht 919.27 million, compared to Baht 853.74 million from the same period of last year, increased by Baht 65.53 million or 7.68%. Main income was interest income from hire purchase by Baht 782.86 million, accounted for 85.2% of total incomes. This follows an increase in the proportion of new motorcycle hire purchases, which have higher interest rates than truck hire purchases. However, service income, fee income from vehicle insurance and MRTA slightly decreased due to strict quality screening of new loans. Micro Fin Company Limited has started lending business resulting in the increasing of interest income from loan receivables.
2. Total operation expenses for the year ended December 31, 2023 was Baht 815.60 million, compared to Baht 625.21 million Baht form the same period of last year, increased by Baht 190.39 million or 30.45% These was due to:
 - Selling and administration expenses for the year ended December 31, 2023 increased by Baht 30.61 million or 10.50% from the prior year. The main result is increased on salary and employee expenses in the year 2023, The main cause came from the increasing number of personnel in various departments to support the business growth of its subsidiaries. In addition, the Company and its subsidiaries have an increasing on debt collection expenses form year 2022 as consistent with the efficient debt tracking and collection policy.
 - Expected credit losses for the year ended December 31, 2023 is Baht 201.36 million, increased by Baht 41.38 million or 25.87% This was due to the additional allowance for expected credit losses of new motorcycles hire purchase receivables with higher provision rates of used trucks. 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 assets foreclosed for the year ended December 31, 2023 is Baht 292.10 million, increased by Baht118.40 million or 68.16%, Mainly result from 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 engage in-house and outsource teams to closely monitor customers.
3. Finance cost for the year ended December 31,2023 is Baht 202.01 million, compared to Baht 147.00 million from the same period of last year, increased by Baht 55.01 million or 37.42% This was due to increase in the policy interest rate continuously which affects the increase in interest rates on bank loans and new debentures.
4. Net loss attributable to the Company for the year ended December 31, 2023 was Baht 52.5 million compared to net profit attributable to the Company of the previous year was Baht 79.14 million from the same period of last year, decreased by Baht 131.68 million or 166.39% This was due to an increase in non-performing loans, debt collection expenses, an quantity of assets foreclosed and financial costs.

Financial position of the Company and its subsidiaries

(Unit: Million Baht)

Statement of financial position	Consolidated financial statements		Change	
	31 December 2023	31 December 2022	Amount	%
Asset	5,374.05	5,511.41	(137.36)	(2.49)
Liabilities	3,242.51	3,363.89	(121.38)	(3.61)
Equity	2,131.54	2,147.52	(15.98)	(0.74)
Debt to Equity Ratio	1.52	1.57	-	-

1. Total Asset

As of December 31, 2023 the Company and its subsidiaries total asset was Baht 5,374.05 million, an decrease of Baht 137.36 million or 2.49%, Resulting from the downsize of the hire purchase account receivable portfolio because of economic slowdown. Therefore, the Company focuses on controlling quality of loans by increase in the strictness of loan approval consideration.

2. Total Liabilities

As of December 31, 2023 the company and its subsidiaries total liabilities was Baht 3,242.51 million, an decrease of Baht 121.38 million or 3.61% This was due to during the year the Company had a mature repayment of debentures and loans from financial institutions.

3. Equity

As of December 31, 2023 the company and its subsidiaries total equity was Baht 2,131,54 million, an decrease of Baht 15.98 million or 0.74% from the year ended 2022 from annual dividend payments and loss for the year.

4. Debt to Equity Ratio

As of December 31, 2023 the company and subsidiaries debt to equity ratio was 1.52 times, compared to 1.57 the year end 2022. An decrease of debt to equity ratio because repayment of mature debentures and maintain the liquidity of the business.

Please be informed accordingly

Regards,

(Mr.Kandanai.Chonsuwat)

Deputy Managing Director of Accounting and Finance