

Dear President,  
The Stock Exchange of Thailand

SGF Capital Public Company Limited hereby submits its Management Discussion and Analysis (MD&A) for the first quarter ended 31 March 2026, as follows:

### Overview of Operating Results

During the first quarter of 2026, the overall economic environment continued to face uncertainties arising from global economic factors and elevated household debt levels. Accordingly, the Company conducted its business operations with prudence, placing emphasis on maintaining the quality of its loan portfolio and enhancing risk management efficiency. As a result, the Company adopted a more stringent approach in approving new loan disbursements.

Although the Company's hire purchase loans, leasing loans, and vehicle title loan portfolio decreased by 8.2% to THB 1,062.28 million, and total revenue amounted to THB 75.46 million, representing a decrease of 22.6% compared to the same period of the previous year, the Company was able to effectively manage its financial costs. Consequently, finance costs significantly decreased by 51.4% as a result of the gradual repayment of debentures and borrowings, together with the Company's continued cost control and operating expense management measures.

In addition, the Company was able to reduce expected credit losses by 32.6%, reflecting improved efficiency in debt collection and asset quality management. The Company also recognized a tax benefit of THB 0.38 million resulting from the reversal of deferred income tax liabilities. As a result, the Company reported a net loss of only THB 0.62 million for this quarter, representing a significant improvement compared to the net loss of THB 21.28 million recorded in the same period of the previous year.

### Loan Portfolio Quality

The Company continues to place strong emphasis on maintaining the quality of its loan portfolio amid ongoing economic challenges. The Company has maintained prudent credit approval policies and closely monitored debtor quality on a continuous basis. Although the overall loan portfolio declined, the Company was able to maintain its non-performing loan (NPL) ratio at a manageable level, with signs of stabilization and gradual improvement.

### Financial Position

As of 31 March 2026, the Company's financial position continued to strengthen, supported by a significant reduction in overall liabilities. As a result, the Company's Net Debt to Equity Ratio remained at a low level of 0.23 times. Furthermore, the Company has continuously fulfilled its principal and interest payment obligations as scheduled and, to date, has not experienced any default events.

## Q1/2026 Executive Summary: Statements of Comprehensive Income for 3 months period

### Revenues

Unit : Thousand Baht	Q1-2026	Q1-2025	change	change %
Hire purchase, Leasing and car for cash interest income	62,929.7	85,219.0	(22,289.3)	-26.2%
Loans interest income	6,655.8	7,034.5	(378.7)	-5.4%
Other interest income	731.0	397.6	333.4	83.9%
<b>Total interest income</b>	<b>70,316.5</b>	<b>92,651.1</b>	<b>(22,334.6)</b>	<b>-24.1%</b>
Fee and services income	3,322.2	3,234.5	87.7	2.7%
Other income	1,826.1	1,665.9	160.2	9.6%
<b>Total revenues</b>	<b>75,464.8</b>	<b>97,551.5</b>	<b>(22,086.7)</b>	<b>-22.6%</b>

For the first quarter ended 31 March 2026, the Company reported total revenue of THB 75.46 million, representing a 22.6% decrease compared to THB 97.55 million in the first quarter of 2025. The details are as follows:

1. Revenue from Hire Purchase Loans, Leasing Loans, and Title Loans, which are the Company's core businesses, totaled THB 62.93 million in interest income—a 26.2% decrease. This decline was primarily due to a more stringent approach to new credit approvals, resulting in a reduction of the loan portfolio.
2. Revenue from SME Loans amounted to THB 6.65 million, a decrease of 5.4%, due mainly to an increase in provision for expected credit losses.
3. Revenue from Fees and Services reached THB 3.32 million, marking a 2.7% increase as the Company generated additional income from other service-related activities.

### Operating Expenses

For the first quarter ended 31 March 2026, the Company recorded administrative expenses totaling THB 37.94 million, a decrease from THB 45.45 million in the first quarter of 2025—representing a reduction of THB 7.51 million or -16.5%. The decrease in expenses was primarily attributable to a reduction in headcount and the implementation of cost-saving measures.

### Expected Credit Loss (ECL) under TFRS 9

For the first quarter ended 31 March 2026, the Company recorded an expected credit loss (ECL) provision of THB 31.84 million, representing a decrease of THB 26.3 million or -45.2% compared to THB 58.14 million in the first quarter of 2025.

This ECL provision comprised three key components: a loss on the transfer of receivables to foreclosed assets amounting to THB 5.50 million, bad debt write-offs totaling THB 22.60 million, and a provision for expected credit loss on legacy loan portfolios of THB 10.70 million.

### Finance Costs

For the first quarter ended 31 March 2026, the Company incurred finance costs totaling THB 6.69 million, representing a significant decrease of 51.4% from THB 13.77 million in the first quarter of 2025. This reduction was primarily driven by a decline in outstanding debentures and borrowings from financial institutions.

### Income Tax Expenses

For the first quarter ended 31 March 2026, the Company recorded reversal in income tax expenses of THB 0.38 million, primarily due to a decrease in income tax liabilities.

### Net Profit (Loss)

For the first quarter ended 31 March 2026, the Company reported a net loss of THB 0.62 million, an improvement of THB 21.28 million compared to a net loss of THB 21.90 million in the first quarter of 2025. This improvement was mainly driven by the Company's efforts to implement effective cost control measures and credit quality control.

### Analysis of financial position

Unit : Million Baht	Q1/2025	%Asset	Q4/2025	%Asset	Q1/2025	%Asset
Cash and equivalents	304.0	17.5%	290.9	15.9%	205.5	9.6%
Receivables	1,334.6	76.7%	1,438.0	78.5%	1,818.5	84.6%
Hire purchase, Leasing and Car for cash receivables	1,062.3	61.0%	1,157.3	63.2%	1,546.9	72.0%
Mortgaged loan receivables	6.3	0.4%	7.5	0.4%	7.2	0.3%
Personal loans receivables	5.6	0.3%	8.7	0.5%	0.8	0.0%
Factoring receivables	3.0	0.2%	2.9	0.2%	-	0.0%
Loans receivables	257.4	14.8%	261.6	14.3%	263.7	12.3%
Property, plant and equipment	17.3	1.0%	17.2	0.9%	19.6	0.9%
Property foreclose	44.4	2.6%	47.4	2.6%	46.9	2.2%
Deferred tax asset	-	0.0%	-	0.0%	16.8	0.8%
Other assets	40.3	2.3%	39.1	2.1%	42.5	2.0%
<b>Total assets</b>	<b>1,740.6</b>		<b>1,832.5</b>		<b>2,149.7</b>	
<b>Total Liabilities</b>	<b>328.6</b>	<b>18.9%</b>	<b>419.9</b>	<b>22.9%</b>	<b>593.1</b>	<b>27.6%</b>
<b>Total equity</b>	<b>1,412.0</b>	<b>81.1%</b>	<b>1,412.6</b>	<b>77.1%</b>	<b>1,556.7</b>	<b>72.4%</b>

### Assets

#### Cash and Cash Equivalents

As of 31 March 2026, the Company held cash and cash equivalents totaling THB 304.01 million, representing an increase of THB 13.11 million from the end of 2025. This increase was primarily attributable to improved debt collection and a reduction in new loan disbursements, resulting from the Company's tightened credit screening measures.

#### Hire Purchase, Leasing, and Title Loan (Car for Cash Loan) Receivables

As of 31 March 2026, the Company reported total receivables from hire purchase loans, leasing loans, and title loans of THB 1,062.28 million, representing a decrease of THB 95.00 million or 8.2% from the end of 2025. The decline was primarily due to the Company's more stringent policy on new loan approvals.

#### Land Loan Receivables

As of 31 March 2026, the Company recorded land loan receivables of THB 6.34 million, representing a decrease of THB 1.16 million or -15.4% from the end of 2025 from debt collection.

#### SME Loan Receivables

As of 31 March 2026, the Company reported outstanding SME loan receivables of THB 257.37 million, representing a decrease of THB 4.27 million or -1.6% from the end of 2025. The decrease was primarily due to an increase in provision for expected credit losses.

#### Credit Quality of Hire Purchase, Leasing, and Title Loan (Car for Cash Loan) Receivables

As of 31 March 2026, the Company had hire purchase, leasing, and title loan receivables overdue by more than three installments (over 3 months) totaling THB 146.56 million, a decrease of THB 1.40 million compared to THB 147.97 million at the end of 2025. Although the amount of delinquent receivables over 3 months has declined, the total loan portfolio also decreased. As a result, the Non-Performing Loan (NPL) ratio stood at 12.4% of total net receivables in these categories. The Company has recorded an expected credit loss (ECL)

provision of THB 118.03 million, representing 10.0% of the total outstanding hire purchase, leasing, and title loan receivables.

### **Liabilities**

**As of 31 March 2026**, the Company reported total liabilities of THB 328.64 million, a decrease of THB 91.27 million or -21.7% from the end of 2025. This decline was primarily due to debt repayments. Total liabilities consist mainly of debentures and loans from financial institutions. The Company remains in full compliance with its debt obligations and now continues to service its debts as scheduled. As of the reporting date, the debt-to-equity ratio (D/E Ratio) stood at 0.23 times.

### **Shareholders' Equity**

**As of 31 March 2026**, the Company reported shareholders' equity of THB 1,411.98 million, representing a decrease of THB 0.62 million or 0.04% from the end of 2025. The decline was primarily attributable to the Company's net loss for the period.

Please be informed accordingly.

Sincerely yours,

Mr. Kannanat Boonsunanondha  
Chief Executive Officer