



No. STARM-SET002/2026

14 May 2026

Subject: Management Discussion and Analysis for the three-month period ended 31 March 2026.

To: President

The Stock Exchange of Thailand

1. An overview of business operations, economic conditions, and industry status that affect operations is provided.

Star Money Public Company Limited (the “Company”) sells electrical appliances in cash and installment payment formats. The company also offers a variety of loan options, including title loans, personal loans, land and building loans, and non-life insurance broker services.

In the first quarter of 2026, the Thai economy continued to expand at a moderate pace, pressured by weakened household purchasing power and elevated debt levels. Consequently, overall private consumption grew at a decelerating rate, coinciding with a slowdown in loan demand, particularly among financially vulnerable segments. Furthermore, heightened geopolitical tensions have driven up energy and commodity prices, exerting upward pressure on inflation and escalating operational costs for businesses. Concurrently, consumer behavior continues to shift, with an increasing emphasis on value for money and a heightened preference for digital accessibility in products and services.

In this context, the non-bank business sector plays an increasingly important role in addressing the financial needs of customers who have limited access to credit from the commercial banking system. It expands access to funding, supports liquidity, and helps sustain economic activity across both the household and broader business sectors. The Company remains committed to delivering high-quality, sustainable growth under a prudent risk management framework. Credit approval standards are designed to assess customers’ suitability and repayment capacity, ensuring that indebtedness supports the long-term stability and resilience of their businesses and households.

2. Summary of significant events and developments.

2.1 The Company relocated one of its service branches within Chonburi Province on 13 March 2026, as part of its retail space optimization strategy. As of that date, the Company operates a total of 95 branches.

2.2 The Company is currently in the process of preparing documentation for its second submission to the Thai Private Sector Collective Action Against Corruption (CAC). This initiative aims to strengthen standards and best practices in combating all forms of corruption by promoting transparent, accountable business operations and strong corporate governance principles.

2.3 Management Progress Report

2.3.1 Digital Transformation of Lending Services: The Company is undertaking a strategic transition from traditional lending services to a fully digital platform by 2028, through both Web Services and Mobile Applications. This initiative is designed to support the anticipated significant growth of digital customer segments over the next 3–5 years.

To support this transformation, the Company has adopted cloud computing as its core infrastructure to enhance scalability in line with the continuously increasing user volume. This infrastructure also enables efficient, stable, and real-time data connectivity and exchange among the head office, branches, and service points nationwide.

This strategic direction is expected to deliver a seamless customer experience while strengthening the organization's operational capabilities, agility, and security, thereby ensuring sustainable growth in the long term.

2.3.2 Enhancement of Credit Approval Efficiency through AI and Automation: The Company is focusing on enhancing credit approval efficiency through the implementation of Artificial Intelligence (AI) and automated approval systems. These technologies aim to accelerate service delivery and ensure appropriate product matching in line with customer profiles. Key technological initiatives include:

- Core System – Simplified Product Configuration
- AI-Based Verification and Document Processing
- Intelligent Auto-Approval System

2.3.3 Strategic Roadmap for Digital Lending and Operational Excellence: The Company has established a roadmap to support key performance indicators, including:

- Digital service adoption rate
- Average loan processing and approval time
- Proportion of loans approved via Auto-Approval systems
- Customer Satisfaction Score (CSAT)
- Cost per loan transaction

Phase 1: Infrastructure and Core System Development (2024–2025)

Objectives:

- Establish a robust and scalable digital infrastructure
- Ensure system stability to support high user volumes
- Prepare for AI integration in subsequent phases
- Eliminate legacy infrastructure constraints

Key Initiatives:

- Upgrade Core System to support simplified product configuration
- Implement cloud-based infrastructure to enable scalability and real-time data integration



- Integrate data connectivity across headquarters, branches, and service points
- Establish Cybersecurity and Data Governance standards

Phase 2: Digital Lending Platform and AI Verification (2025–2026)

Objectives:

- Improve service efficiency and customer convenience via digital channels
- Utilize automation for document and identity verification to reduce errors and minimize service turnaround time
- Expand access to digital customer segments
- Lower operational cost per transaction

Key Initiatives:

- Develop Web and Mobile Applications for lending services
- Implement AI-Based Verification for identity and document validation
- Transition to an end-to-end digital lending process
- Integrate systems with relevant databases and regulatory authorities

Phase 3: Intelligent Auto-Approval & Data-Driven Growth (2026–2028)

Objectives: Transition from fragmented systems to an integrated data platform. This phase emphasizes the integration of data across all channels, enabling AI-driven operational efficiency, improved business decision-making, and enhanced risk management, ultimately supporting sustainable growth.

- Enhance credit approval processes through AI and data analytics
- Achieve measurable reduction in approval turnaround time
- Improve loan portfolio quality under robust risk management frameworks
- Strengthen long-term competitive capability

Key Initiatives:

- Data Integration & Single Source of Truth: Integrate data from lending, e-commerce, LINE OA, branches, and partners into a real-time unified data ecosystem.
- AI-Augmented Workforce: Leverage AI to summarize customer insights, recommend service strategies, detect risk and fraud, and empower faster, more accurate decision-making.
- AI-Driven Personalization & Next Best Action: Deliver continuous personalized offers and communications, leveraging CRM insights and real-time behavioral data.
- Governance & Capability Building: Establish data governance and security standards while upskilling the workforce in digital, data, and AI.

3. Summary of operating results.

The company wishes to provide clarification on the operating results for the three-month period ended March 31, 2026, with a net profit of THB 25.11 million, an increase of THB 5.76 million, or 29.75%, from the same period last year (YoY), with the following details:

(Unit: Million baht)

Income Statement	Q1/2026	Q1/2025	Change	
			Amount	Percentage
Sales and service income	205.27	214.83	(9.56)	(4.45)
Hire purchase interest income	33.47	37.40	(3.93)	(10.51)
Loan interest income	107.12	119.82	(12.69)	(10.59)
Fee and service income and other income	13.77	12.82	0.95	7.44
Total revenues	359.64	384.87	(25.23)	(6.56)
Cost of sales and services	173.55	180.88	(7.33)	(4.05)
Selling expenses	1.47	3.38	(1.90)	(56.34)
Administrative expenses	106.50	104.00	2.50	2.40
Pre-provision operating profit	78.12	96.61	(18.49)	(19.14)
Expected credit losses	21.77	37.21	(15.43)	(41.48)
Loss on impairment and disposals of assets foreclosed	5.00	12.08	(7.08)	(58.63)
Total expenses	308.29	337.55	(29.26)	(8.67)
Profit before finance cost and income tax expenses	51.35	47.32	4.03	8.51
Finance cost	19.20	23.17	(3.97)	(17.14)
Profit before income tax expenses	32.15	24.15	8.00	33.13
Income tax expenses	7.04	4.80	2.24	46.75
Profit for the period	25.11	19.35	5.76	29.75

3.1 Total revenue for the three-month period ended March 31, 2026, was THB 359.64 million, a decrease of THB 25.23 million, or 6.56%, from the same period last year (YoY). The decrease was primarily attributable to a reduction in hire purchase interest income, mainly due to downward interest rate adjustments for certain product categories to enhance market competitiveness. Additionally, interest income from loan receivables decreased due to a contraction in the loan portfolio, in line with the Company's strategy of delaying the lending of new truck loans. Furthermore, revenue from sales decreased, consistent with softening consumer purchasing power.

3.2 Cost of sales and services, selling expenses, and administrative expenses for the three-month period ended March 31, 2026, were THB 281.52 million, a decrease of THB 6.74 million, or 2.34%, from the same period last year (YoY). The decrease was primarily attributable to a lower cost of sales, in line with the decline in sales revenue.

- 3.3 Expected credit loss for the three-month period ended March 31, 2026, was THB 21.77 million, a decrease of THB 15.43 million, or 41.48%, from the same period last year (YoY). The decrease was primarily attributable to a decline in the loan receivables portfolio, a slowdown in the extension of high-risk loans, and enhanced credit risk and portfolio management.
- 3.4 Loss on impairment and disposals of assets foreclosed for the three-month period ended March 31, 2026, was THB 5.00 million, a decrease of THB 7.08 million, or 58.63%, from the same period last year (YoY). The decrease was primarily attributable to a reduction in asset reposessions and lower losses from asset sales.
- 3.5 Finance cost for the three-month period ended March 31, 2026, was THB 19.20 million, a decrease of THB 3.97 million, or 17.14%, from the same period last year (YoY). Overall, the decrease was primarily attributable to lower interest-bearing liabilities and reductions in interest rates by financial institutions.

Profitability Ratios

Profitability Ratios	Q1/2026	Q1/2025
Gross profit margin from sales (%)	15.45	15.80
Pre-provision operating profit margin (%)	21.72	25.10

- 3.6 The gross profit margin for the three-month period ended March 31, 2026, decreased from 15.80% to 15.45% from the same period last year (YoY). The decrease was mainly attributable to a higher proportion of sales from lower-margin products, resulting in a decline in the gross profit margin.
- 3.7 Pre-provision operating profit margin for the three-month period ended March 31, 2026, decreased from 25.10% to 21.72% from the same period last year (YoY). The decrease was primarily attributable to a reduction in total revenue, particularly interest income from loan and hire-purchase contracts, and sales revenue. While the Company managed to partially contain selling expenses, the sharper decline in revenue, coupled with an increase in administrative expenses, resulted in a decline in the PPOP margin.

4. Statement of financial position

4.1 Assets

(Unit: Million baht)

Assets	As at		Change	
	March 31, 2026	December 31, 2025	Amount	Percentage
Current assets	1,471.46	1,399.55	71.92	5.14
Non-current assets	1,335.79	1,394.39	(58.60)	(4.20)
Total assets	2,807.25	2,793.94	13.31	0.48

As at March 31, 2026, the company's total assets were THB 2,807.25 million, an increase of THB 13.31 million, or 0.48%, from December 31, 2025. The increase was primarily attributable to a rise in current assets, particularly higher inventories. Meanwhile, non-current assets declined, mainly due to a reduction in net loan receivables. Consequently, this resulted in a slight overall increase in the Company's total assets.

Moreover, the company would like to further explain the assets in terms of hire purchase and loan receivables, with the following details:

(Unit: Million baht)

Type of receivables	As at		Change	
	March 31, 2026	December 31, 2025	Amount	Percentage
Hire purchase receivables	349.63	341.82	7.81	2.29
Allowance for expected credit losses	(11.74)	(11.48)	0.26	2.30
Net hire purchase receivables	337.89	330.34	7.55	2.29
Loan receivables	2,221.91	2,276.91	(55.00)	(2.42)
Allowance for expected credit losses	(151.94)	(156.84)	(4.90)	(3.13)
Net loan receivables	2,069.98	2,120.07	(50.09)	(2.36)
Total net receivables	2,407.87	2,450.41	(42.54)	(1.74)

As at March 31, 2026, the company's total net receivables were THB 2,407.87 million, a decrease of THB 42.54 million, or 1.74%, from December 31, 2025. The decrease was primarily attributable to a reduction in the loan receivables portfolio, in line with the Company's strategy to delay lending on new truck loans. Meanwhile, net hire purchase receivables increased slightly.

4.2 Liabilities

(Unit: Million baht)

Liabilities	As at		Change	
	March 31, 2026	December 31, 2025	Amount	Percentage
Current liabilities	1,477.85	1,481.05	(3.20)	(0.22)
Non-current liabilities	103.15	111.74	(8.59)	(7.69)
Total liabilities	1,581.00	1,592.79	(11.80)	(0.74)

As at March 31, 2026, the company's total liabilities were THB 1,581.00 million, a decrease of THB 11.80 million, or 0.74%, from December 31, 2025. The decrease was primarily attributable to the prepayment of specific long-term loans.

4.3 Liquidity

(Unit: Million baht)

Items	Cash for the three-month period ending on		Change	
	March 31, 2026	March 31, 2025	Amount	Percentage
Net cash flows from operating activities	97.79	133.67	(35.88)	(26.84)
Net cash flows used in investing activities	(0.77)	(1.08)	(0.31)	(28.89)
Net cash flows used in financing activities	(103.67)	(131.67)	(28.00)	(21.26)
Net decrease in cash and cash equivalents	(6.65)	0.92	(7.57)	(824.48)

As at March 31, 2026, the company recorded a net decrease in cash and cash equivalents of THB 6.65 million. The details of cash flows by activity are provided below:

- Net cash flow from operating activities amounted to THB 97.79 million, decreased by THB 35.88 million from the same period last year, primarily due to the decrease in installment payments received.
- Net cash flow used in investing activities amounted to THB 0.77 million, decreased by THB 0.31 million from the same period last year, primarily due to the decrease in investments in intangible assets.
- Net cash flow used in financing activities amounted to THB 103.67 million, decreased by THB 28.00 million from the same period last year, primarily due to a reduction in the repayment of loans from financial institutions.

4.4 Shareholders' equity

(Unit: Million baht)

Shareholders' equity	As at		Change	
	March 31, 2026	December 31, 2025	Amount	Percentage
Issued and fully paid-up	550.00	550.00	0.00	0.00
Share premium	466.25	466.25	0.00	0.00
Retained earnings appropriated - statutory reserve	31.83	31.83	0.00	0.00
Retained earnings unappropriated	178.17	153.06	25.11	16.40
Total shareholders' equity	1,226.25	1,201.14	25.11	2.09

As at March 31, 2026, the company's shareholders' equity was THB 1,226.25 million, an increase of THB 25.11 million, or 2.09%, from December 31, 2025. This increase was primarily attributable to the growth in profits for the period.

Key financial ratios

Financial ratios	March 31, 2026	March 31, 2025
Leverage ratios		
Debt to equity ratio (times)	1.29	1.59
Interest coverage ratio (times)	2.67	2.04
Debt service coverage ratio (times)	1.03	0.80
Liquidity ratios		
Current ratio (times)	1.00	0.85
Average Collection Period (Days)	25	3
Average Inventory period (Days)	71	66
Average payment period (Days)	45	44
Cash cycle (Days)	51	25
Efficiency ratios		
Return on asset (%)	6.71	5.32
Return on equity (%)	7.57	4.36
Non-performing loan (NPL) ratio (%)	4.44	4.91

5. Factors that may have an impact on future operations or growth

Key factors anticipated to impact growth and operations in the near future are as follows:

- 5.1 According to a report titled "Modern Consumption Behavior and the Adaptation Challenges for Businesses" by the Bank of Thailand, it has been observed that the consumption behavior of Thai individuals in the low-income or developing income group has shifted. Specifically, consumers are purchasing products more frequently; however, the quantity of items purchased and the spending per transaction have both declined. Concerning online purchasing behavior, it has been observed that Generation Z frequently purchases products and is increasingly inclined to utilize this channel for their acquisitions. However, the products they tend to buy are generally affordable, with a focus on experiences that resonate with their consumer values rather than merely the intrinsic value of the product or service. Consequently, businesses may need to adapt their sales channels to align more effectively with this consumer group in order to achieve sustainable growth.
- 5.2 The emergence of artificial intelligence (AI) and the rapid advancement of technology have played an increasingly important role in the business sector. Organizations are leveraging digital technologies to enhance or transform their operational processes in order to improve efficiency, create new customer experiences, and generate new business opportunities; a transformation commonly referred to as digitalization

- 5.3 Geopolitical tensions and warfare may adversely impact the overall economic environment, supply chains, and consumer confidence. Such conditions contribute to rising costs of goods driven by fluctuations in energy prices and freight charges, which could potentially pressure the company's profit margins. Meanwhile, the economic slowdown may dampen consumer purchasing power and debt serviceability, potentially leading to a contraction in loan demand. In response, the company is closely monitoring the situation and implementing appropriate risk management measures to mitigate potential impacts on its future operating performance and financial position.
- 5.4 The shifting mindset of the new generation reflects a trend toward extreme polarization, in which individuals with shared beliefs and collective knowledge form communities that actively exchange information. This phenomenon has given rise to user innovation, or innovation driven by end users, indicating that future generations are likely to move away from the traditional notion of being corporate employees. Therefore, from a business perspective, organizations may need to develop strategies to effectively manage both internal and external personnel, engage in continuous learning with the younger workforce, and adapt by rethinking business operations. This adaptation is essential in response to the rapidly changing global environment driven by the accelerating trend of digitization, which marks the full transition from the analog era to the digital age.
- 5.5 Thai household debt remains relatively high, which affects the ability to take on new loans and manage existing debt burdens. Additionally, the slow economic recovery in Thailand and the lingering effects of the COVID-19 pandemic continue to constrain the recovery of household incomes.
- 5.6 According to both international and Thai standards, loan approval criteria must take into account the appropriateness of the customer's debt in order to ensure that borrowing supports the sustainable stability of the business or household. Financial institutions will assess the borrowing capacity and repayment capability of the customer. Furthermore, the increased credit risk arising from environmental factors affecting various industries has led to a broader impact on the amounts approved for loans.

6. Sustainable development

6.1 Environmental Dimension

The Company is committed to reducing greenhouse gas emissions through a range of structured initiatives, including:

- Enhancing the efficiency of company vehicle usage by ensuring regular inspection and maintenance of both automobiles and motorcycles
- Selecting electrical appliances that comply with recognized industrial standards, whilst ensuring appropriate usage, together with regular inspection and preventive maintenance
- Reducing paper consumption by progressively adopting digital technologies to replace conventional processes

6.2 Socio-Economic Dimension

The Company is dedicated to sustainable socio-economic development through the following commitments:

- Upholding human rights principles and ensuring fair labor practices
- Continuously improving business processes to enhance operational efficiency
- Demonstrating responsibility towards the environment, surrounding communities, and society as a whole
- Promoting corporate social responsibility in a consistent and sustainable manner

6.3 Corporate Governance Dimension

- The company is committed to conducting its business with integrity, transparency, and accountability. The board of directors, management, and employees at all levels strictly adhere to the company's corporate governance policies, which are aligned with seven internationally recognized principles of good corporate governance, as follows:

Accountability:	Acceptance of responsibility for duties performed, with clear roles and the ability to be held answerable for decisions and actions.
Responsibility:	Execution of duties with competence, prudence, and effectiveness to achieve the company's objectives.
Equitable Treatment:	Fair and equal treatment of all shareholders and stakeholders, regardless of status or interests.
Transparency:	Business operations are conducted with openness and integrity. The company emphasizes timely, accurate, and verifiable disclosure of relevant information.
Value Creation:	Commitment to generating sustainable short-term and long-term value for the Company, shareholders, and stakeholders.
Ethics:	Promotion of ethical behavior and integrity across all business operations, fostering a strong ethical culture within the organization.
Social Awareness:	Having a sense of social responsibility in operations.

- The Company conducts its business with fairness.
- The Company has implemented concrete and continuous anti-corruption measures.

6.4 Sustainability Materiality Assessment and Analysis

- The Company places significant importance on sustainable development by promoting a balanced integration of environmental, social, and governance (ESG) considerations throughout its value chain. The Company aligns its operations with internationally recognized frameworks, including:

- Global Reporting Initiative (GRI)
- United Nations Sustainable Development Goals (SDGs), as applicable to its business activities

- The Company implements comprehensive risk management and cost optimization practices in compliance with relevant laws, regulations, and global ESG standards. These efforts are aligned with Thailand's commitments announced at COP26 to achieve:

- Carbon Neutrality by 2050
- Net Zero Greenhouse Gas Emissions by 2065

Furthermore, the Company is committed to promoting financial inclusion by enhancing access to financial services for the wider public.

Organizational Development for Sustainability

- The Company has strengthened its operational framework by restructuring working committees and redefining their authorities and responsibilities to align with current corporate policies. Sustainability initiatives are driven through a systematic framework supported by the PDCA (Plan-Do-Check-Act) methodology, ensuring continuous improvement and operational effectiveness.

Material Sustainability Issues and Risk Management

- The Company regularly reviews key sustainability issues associated with its operations, covering the following key areas:

Environmental (E)

The Company proactively manages climate-related risks through:

- Assessment and management of greenhouse gas emissions
- Management of waste, water, and energy consumption
- Flood risk mitigation measures, particularly for branches located in the eastern region
- Annual insurance coverage to safeguard corporate assets
- Investment in renewable energy projects (e.g., Solar Rooftop systems)
- Implementation of energy efficiency and conservation initiatives

Social (S)

The Company places strong emphasis on Human Rights Due Diligence (HRDD) and enforces strict adherence to internal policies, including:

- Compensation and remuneration policy
- Recruitment and selection policy
- Employee training and development policy
- Welfare and benefits policy
- Workplace environment policy
- Employee engagement and motivation policy
- Organizational structure and roles
- Occupational health, safety, and environmental policy
- Human rights policy

Governance (G)

The Company maintains robust governance practices by:

- Ensuring compliance with applicable laws, regulations, and industry standards
- Promoting transparency and implementing anti-corruption measures
- Designing organizational structures to minimize conflicts of interest
- Prioritizing stakeholder engagement across the entire value chain
- Establishing effective internal control systems and a comprehensive code of conduct

Key strategic priorities include:

- Transition towards a low-carbon economy
- Promotion of human rights and diversity
- Enhancing employee career development and equal opportunities
- Advancing financial innovation and digital transformation to improve accessibility to financial services
- Strengthening cybersecurity and personal data protection
- Ensuring fair and responsible customer service
- Maintaining effective risk management practices

Sustainability Action Plan (2026)

- Recognizing the long-term impact of climate change on business operations, the Company has established a structured climate management framework comprising:

- **Greenhouse Gas Assessment (CFO):** Development of emissions inventories covering Scope 1, 2, and 3
- **Commitment:** Declaration of executive commitment towards achieving Net Zero
- **Risk and Opportunity Assessment:** Evaluation of climate-related business risks and opportunities
- **Target Setting:** Establishment of short-term (5-year) and long-term (by 2050) targets aligned with international standards
- **Strategic Planning:** Formulation of carbon reduction strategies, including adoption of clean energy and technological improvements
- **Implementation and Monitoring:** Execution of plans, annual monitoring of emissions reduction, and third-party verification
- **Reporting:** Disclosure of targets and performance to stakeholders
- **Action Plan:** Identification of projects, responsible parties, budgets, and key performance indicators (KPIs)



Corporate Social Responsibility (CSR) Activities – Q1 2026

- The Company has implemented CSR initiatives aligned with ESG principles as follows:

- Activity 1: STARM Green Office

Encouraging employees to reduce the use of plastic bags within the organization and promoting proper waste segregation to minimize environmental impact and foster an environmentally friendly workplace culture.

- Activity 2: STARM Farm

Promoting the planting of potted vegetables within office premises to increase green space, enhance workplace atmosphere, and improve air quality, while fostering teamwork and employee well-being.

- Activity 3: STARM Good Deeds Policy

Encouraging employees across all branches to participate in community service and social contribution activities. Participants are rewarded with recognition points as incentives to promote continued engagement and positive societal impact.

Please be informed according.

Sincerely yours,

Star Money Public Company Limited

(MR. Chusak Vivatwongskasem)

Managing Director

Authorized Person to Disclose Information