AC.63/2026 13th August 2026

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 30 June 2026, as follows:

Operating Performance Overview

In the second quarter of 2026, the Thai economy continued to expand at a modest and uneven pace. The household sector remained under pressure from a limited recovery in income, elevated debt burdens, and rising living costs. In addition, volatility in energy prices arising from the conflicts in the Middle East led to higher costs for certain goods and services. Meanwhile, credit growth within the financial system remained subdued, while financial institutions continued to exercise caution in extending credit to vulnerable borrower segments. Accordingly, the Company maintained a prudent approach to the assessment and approval of new loans, closely monitored the quality of its receivables, and maintained an adequate allowance for expected credit losses to mitigate potential risks arising from prevailing economic conditions and possible increases in non-performing loans.

For the six-month period ended 30th June 2026, the Company recorded total revenue of THB 145.9 million, representing a decrease of 23.6% from the corresponding period of the previous year, in line with the contraction of its loan portfolio. Nevertheless, the Company achieved significant reductions in operating expenses, expected credit losses, and finance costs. Together with lower income tax expenses compared with the corresponding period of the previous year, these factors resulted in a net loss of THB 18.08 million, narrowing from a net loss of THB 104.5 million in the previous year, or representing an 82.7% reduction in net loss.

Loan Portfolio Quality

As of 30th June 2026, net receivables under hire-purchase agreements, leasing agreements, and vehicle title loans amounted to THB 965.2 million, representing a decrease of 16.6% from the end of 2025, in line with the Company's prudent loan approval policy. Although the outstanding amount of non-performing loans decreased slightly, the contraction of the overall loan portfolio resulted in an increase in the non-performing loan ratio to 13.29%. The Company therefore continues to closely monitor and actively manage its existing receivables while consistently maintaining prudent underwriting standards for new loans.

Financial Position

As of 30th June 2026, the Company had total assets of THB 1,570.9 million, total liabilities of THB 176.4 million, and shareholders' equity of THB 1,394.5 million. The Company's total liabilities decreased by 58.0% from the end of 2025, following the continued repayment of borrowings and debentures. Consequently, the total debt-to-equity ratio decreased to 0.13 times, reflecting lower leverage and financial risk, as well as a strengthened financial position.

Furthermore, subsequent to the end of the reporting period, the Company redeemed debentures with a principal amount of THB 100.00 million prior to maturity in July 2026, in accordance with its liquidity management and finance cost reduction plan. To date, the Company has duly made all principal and interest payments in accordance with their respective payment schedules, and no event of default has occurred.

**Q2/2026 Executive Summary: Statements of Comprehensive Income for 3 months period**
**Revenues**

| Unit : Thousand Baht | Q2-2026 | Q2-2025 | change | % |
|---|---|---|---|---|
| Hire purchase, Leasing and car for cash interest income | 57,964.3 | 79,443.6 | (21,479.3) | -27.0% |
| Loans interest income | 6,541.4 | 7,164.0 | (622.6) | -8.7% |
| Other interest income | 788.3 | 710.5 | 77.8 | 11.0% |
| **Total interest income** | 65,294.0 | 87,318.1 | (22,024.1) | -25.2% |
| Fee and services income | 3,370.7 | 3,076.5 | 294.2 | 9.6% |
| Other income | 1,779.6 | 2,923.4 | (1,143.8) | -39.1% |
| **Total revenues** | 70,444.3 | 93,318.0 | (22,873.7) | -24.5% |

**As of the end of Q2-2026 (30th June 2026)**, the company had total revenues of 70.4 million baht, a decrease of 24.5% from Q2-2025 with revenue of 93.3 million baht, with details as follows:

1. Revenue from Hire Purchase Loans, Leasing Loans, and Title Loans, totaled THB 58.0 million in interest income a 27.0% 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 6.5 million, a decrease of 8.7%, due mainly to an increase in provision for expected credit losses.
3. Revenue from Fees and Services reached THB 3.4 million, marking a 9.6% increase as the Company generated additional income from other service-related activities.

**Operating cost**

**As of the end of Q2-2026 (30th June 2026)**, the Company recorded administrative expenses totaling THB 45.2 million, a decrease from THB 49.4 million in the second quarter of 2025 - representing a reduction of THB 4.2 million or -8.5%. The decrease in expenses was primarily attributable to a reduction in headcount and the implementation of cost-saving measures.

**Expected Credit Losses According to New Accounting Standards (TFRS9)**

**As of the end of Q2-2026 (30th June 2026)**, the Company recorded an expected credit loss (ECL) provision of THB 39.0 million, representing a decrease of THB 21.3 million or -35.3% compared to THB 60.3 million in Q2-2025.

This ECL provision comprised three key components: a loss on the sale of seized automobiles amounting to THB 7.3 million, bad debt write-offs totaling THB 25.3 million, and a provision for expected credit loss on retail loans THB 2.9 million and legacy loan portfolios of THB 3.5 million

**Finance Costs**

**As of the end of Q2-2026 (30th June 2026)**, the Company incurred finance costs totaling THB 2.7 million, representing a significant decrease of 76.7% from THB 11.7 million in the second quarter of 2025. This reduction was primarily driven by a decline in outstanding debentures and borrowings from financial institutions.

**Income Tax Expenses**

**As of the end of Q2-2026 (30th June 2026)**, the Company recognized income tax expenses of THB 0.9 million, primarily resulted from income tax liabilities exceeding income tax assets.

**Net Profit (Loss)**

**As of the end of Q2-2026 (30th June 2026)**, the Company reported a loss before income tax of THB 16.5 million, representing a decrease in loss of THB 11.6 million, or 41.3%, compared with the same period of the previous year. After recognizing income tax expense of THB 0.9 million, the Company recorded a net loss of

THB 17.5 million, representing a significant improvement from the net loss of the second quarter of 2025, which decreased by THB 65.2 million, or 78.9%.

**1H/2026 Executive Summary: Statement of Comprehensive Income 6 months**

- 1H, at the end of 30th June 2026, the Company has a total revenue of 145.9 million baht, a fall of 45.0 million baht from 1H/2025 at 23.6% which is equivalent to 190.9 million baht. The company stated interest on loans lowered by 44.4 million baht due to the reduced loan portfolio.

- SG&A reduced by 12.3% to 83.1 million baht from 94.8 million baht in 1H/2025, owing to expense management measures.

- The Company recorded an expected credit loss (ECL) under the Accounting Standard (TFRS9) of 70.9 million baht, a decrease from 1H/2025 which equals 118.4 million baht or a decrease of 40.2% This was mainly due to a decrease in losses from the sale of repossessed vehicles and a smaller loan portfolio.

- Finance costs amounted to THB 9.4 million, a decrease from THB 25.5 million in the six-month period of 2025, representing a reduction of 63.0%, due to lower debt obligations.

- The Company reported a loss before income tax of THB 17.5 million. After accounting for income tax amounting to THB 0.6 million, the Company posted a net loss of THB 18.1 million, compared to a net loss of THB 104.6 million in the six-month period of 2025, representing a decrease in loss of THB 86.5 million.

**Analysis of financial position**

| Unit : Million Baht | Q2/2026 | % Asset | Q1/2026 | % Asset | Q4/2025 | % Asset |
|---|---|---|---|---|---|---|
| Cash and equivalents | 234.5 | 14.9% | 304.0 | 17.5% | 290.9 | 15.9% |
| Receivables | 1,239.0 | 78.9% | 1,334.6 | 76.7% | 1,438.0 | 78.5% |
| *Retail loan receivables (Hire purchase, Leasing and Car for cash)* | *965.3* | *61.4%* | *1,062.3* | *61.0%* | *1,157.3* | *63.2%* |
| *Mortgaged loan receivables* | *6.3* | *0.4%* | *6.3* | *0.4%* | *7.5* | *0.4%* |
| *Personal loans receivables* | *2.2* | *0.1%* | *5.6* | *0.3%* | *8.7* | *0.5%* |
| *Factoring receivables* | *5.0* | *0.3%* | *3.0* | *0.2%* | *2.9* | *0.2%* |
| *Loans receivables* | *260.2* | *16.6%* | *257.4* | *14.8%* | *261.6* | *14.3%* |
| Property, plant and equipment | 16.2 | 1.0% | 17.3 | 1.0% | 17.2 | 0.9% |
| Foreclosed assets | 42.1 | 2.7% | 44.4 | 2.6% | 47.4 | 2.6% |
| Other assets | 39.2 | 2.5% | 40.3 | 2.3% | 39.1 | 2.1% |
| Total assets | 1,570.9 | | 1,740.6 | | 1,832.5 | |
| Total Liabilities | 176.4 | 11.2% | 328.6 | 18.9% | 419.9 | 22.9% |
| Total equity | 1,394.5 | 88.8% | 1,412.0 | 81.1% | 1,412.6 | 77.1% |

**Assets**

**Cash and Cash Equivalents**

**As of 30th June 2026**, the Company had cash and cash equivalents of THB 234.5 million, representing a decrease of THB 69.5 million from the first quarter of 2026. The decrease was primarily attributable to the repayment of debentures and the disbursement of loans.

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

**As of 30th June 2026**, the Company reported total receivables from hire purchase loans, leasing loans, and title loans of THB 965.3 million, representing a decrease of THB 97.0 million or 9.1% from the first quarter of 2026. The decline was primarily due to the Company's more stringent policy on new loan approvals.

**SME Loan Receivables**

**As of 30th June 2026**, the Company reported outstanding SME loan receivables of THB 260.2 million, representing an increase of THB 2.8 million from the first quarter of 2026. The increase was primarily attributable to the recognition of revenue in accordance with IFRS 9.

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

**As of 30th June 2026**, the Company had hire purchase, leasing, and title loan receivables overdue by more than three installments (over 3 months) totaling THB 144.2 million, a decrease of THB 2.4 million compared to THB 146.6 million at the first quarter of 2026. 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 13.3% of total net receivables in these categories. The Company has recorded an expected credit loss (ECL) including management overlay provision of THB 119.6 million, representing 11.0% of the total outstanding hire purchase, leasing, and title loan receivables.

**Liabilities**

**As of 30th June 2026**, the Company reported total liabilities of THB 176.4 million, a decrease of THB 243.5 million or -58.0% from the end of 2025. This decline was primarily due to debt repayments. The Company's remaining liabilities currently consist of debentures amounting to Baht 100.0 million. The Company plans to fully redeem the debentures prior to their maturity in July 2026. The Company's debt-to-equity ratio (D/E Ratio) was 0.13 times.

**Shareholders' Equity**

**As of 30th June 2026**, the Company reported shareholders' equity of THB 1,394.5 million, representing a decrease of THB 18.1 million 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