AC.13/2026 27 February 2026

Dear President
The Stock Exchange of Thailand

SGF Capital Public Company Limited would like to submit the management discussion and analysis report as of December 31st, 2025.

Overview of business operations, economic conditions, and industry trends affecting the company's performance.

In 2025, the overall automobile market in Thailand began to show signs of gradual improvement compared with the previous year. The recovery was primarily supported by the passenger car segment, particularly electric vehicles (EVs) and hybrid vehicles, which benefited from proactive marketing activities and intensified price competition. As a result, passenger car sales improved and helped support the overall industry's sales performance during certain periods of the year. However, the commercial vehicle and pickup truck segments continued to recover at a limited pace, as purchasing demand remains closely linked to the income levels of small business operators, the trade sector, and the agricultural sector, which have not yet fully recovered. At the same time, the country's high level of household debt has led financial institutions and lenders to exercise greater caution in loan approvals, with increased emphasis on borrowers' repayment capacity and overall credit quality. Consequently, access to auto loans remains constrained for certain consumer segments. In addition, the imposition of interest rate caps by the Bank of Thailand and the Office of the Consumer Protection Board (OCPB) has required operators within the industry to adjust their business strategies and cost structures to align with lower revenue levels.

From the Company's perspective, in addition to maintaining stringent new loan approval criteria, the Company places strong emphasis on effective debt collection and portfolio management, together with providing appropriate and sustainable assistance to borrowers. This approach aims to maintain a prudent balance between business growth and the long-term stability and quality of the Company's loan portfolio.

Summary of Key Events and Developments

In 2025, the Company placed significant emphasis on effective cash flow management. Careful financial planning was undertaken to ensure sufficient liquidity for the redemption of debentures maturing in May. As a result, the Company was able to fully and timely repay its obligations to creditors and debenture holders in accordance with the scheduled terms. At the same time, the Company tightened its credit underwriting standards across all loan products and increased down payment requirements for new motorcycle loans among higher-risk customer segments in order to enhance the overall quality of the loan portfolio. In addition, the Company introduced factoring loan services to expand its customer base to include corporate clients whose debtors are government agencies, which are considered to have relatively low credit risk. This initiative aims to broaden revenue channels and generate additional sources of income for the Company. The Company has consistently made repayments in accordance with contractual terms and has not experienced any event of default.

Summary of the Company's Operating Results

Overall, the Company's total revenue decreased from 474.21 million baht to 367.48 million baht, representing a decline of 22.5%. Operating expenses decreased from 207.99 million baht to 180.27 million baht, or 13.3%, primarily due to internal process improvements aimed at cost control and a reduction in workforce. The Company recorded a decrease in expected credit loss allowance of 95.04 million baht compared to 2024, in line with the reduction in the loan portfolio. Finance costs decreased by 46.51 million baht, or 52.5%, reflecting the gradual repayment of borrowings and debentures. As a result, for the 2025 financial year, the Company reported a loss before income tax of 104.17 million baht, a decrease in loss of 62.53 million baht, or 37.5%, compared to 2024. However, due to the reversal of deferred tax assets in accordance with accounting standards, the Company recognized additional income tax expense of 60.40 million baht. Consequently, the Company reported a net loss of 164.57 million baht, representing a decrease in net loss of 6.28 million baht, or 3.7%, compared to 2024.

With respect to asset quality and the Non-Performing Loan (NPL) ratio, in 2025 the Company reported an NPL ratio of 11.57% for its hire purchase, leasing, and car title loan (car for cash) portfolio. Although this represents an improvement compared to 2024, the Company continues to closely monitor credit quality and maintain prudent and stringent new loan approval criteria. Credit limits are carefully determined to align with collateral values and customers' repayment capacity. This cautious approach remains necessary as borrowers' repayment behavior continues to show delays amid Thailand's ongoing economic slowdown, while overall credit quality in the automobile and motorcycle industries remains fragile. The Company believes that although stricter credit approvals may result in new loan disbursements being lower than loan collections, leading to a reduction in the overall loan portfolio, this strategy will gradually improve the overall asset quality of the portfolio over the long term.

- **Revenues**

Unit : Thousand Baht	Y2025	%	Y2024	%	change	%
Retail loans interest income	307,771.04	83.8%	424,954.21	89.6%	(117,183.17)	(27.6%)
Loans interest income	28,583.01	7.8%	28,153.45	5.9%	429.56	1.5%
Other interest income	2,690.25	0.7%	2,344.37	0.5%	345.88	14.8%
Total interest income	339,044.30	92.3%	455,452.03	96.0%	(116,407.73)	(25.6%)
Fee and services income	11,856.59	3.2%	10,668.70	2.2%	1,187.89	11.1%
Other income	16,578.23	4.5%	8,093.64	1.7%	8,484.59	104.8%
Total revenues	367,479.12	100.0%	474,214.37	100.0%	(106,735.25)	(22.5%)

The Company's revenues for 2025 comprised interest income, fee and service income, and other income, representing 92.3%, 3.2%, and 4.5% of total revenue, respectively. Total revenue amounted to 367.48 million baht, a decrease from 474.21 million baht in 2024, representing a decline of 22.5%. Details are as follows:

1. Interest income from retail lending, consisting of automobile and motorcycle hire purchase loans, car title loan (car for cash), and motorcycle leasing, which represent the Company's core business, accounted for 83.8% of total revenue, amounting to 307.77 million baht. This represented a decrease of 27.6%, primarily due to the reduction in the retail loan portfolio resulting from more stringent credit approval criteria. The Company focused on new motorcycle financing while slowing down new automobile hire purchase lending.
2. Revenue from SME loan business amounted to 28.58 million baht, representing a slight increase of 1.5%, mainly due to revenue recognition in accordance with accounting standards.
3. Other interest income, including factoring loans, land loans, and personal loans, amounted to 2.69 million baht, an increase of 14.8%.
4. Fee and service income totaled 11.86 million baht, an increase of 11.1%, primarily due to higher service fee collection.
5. Other income amounted to 16.58 million baht, an increase of 104.8%, comprising gains on sales of repossessed vehicles of 8.58 million baht, gains on sales of receivables of 6.04 million baht, investment fund returns of 0.92 million baht, and the remainder from rental and other service income.

- **Operating cost**

Unit : Thousand Baht	Y2025	%	Y2024	%	change	%
Administrative expenses	180,272.67	42.0%	207,991.93	37.7%	(27,719.26)	(13.3%)
Expected Credit Loss	249,321.73	58.0%	344,364.68	62.3%	(95,042.95)	(27.6%)
Total Expenses	429,594.40	100.0%	552,356.61	100.0%	(122,762.21)	(22.2%)

Selling and administrative expenses in 2025 amounted to 180.27 million baht, a decrease of 27.72 million baht, or 13.3%, compared to 2024. The reduction was primarily attributable to the Company's cost control measures and workforce rationalization initiatives.

- **Expected Credit Losses (TFRS9)**

In 2025, the Company recorded expected credit losses of 249.32 million baht, representing a decrease of 95.04 million baht, or 27.6%, compared to 2024. The decrease in expected credit losses was primarily attributable to the reduction in the loan portfolio. The expected credit loss recognized during the year also included a loss of 38.85 million baht from the transfer of receivables to assets held for sale.

- **Financial cost**

In 2025, the Company's finance costs amounted to 42.05 million baht, a decrease of 46.51 million baht, or 52.51%, compared to 2024. The decrease was primarily attributable to the gradual repayment of borrowings and debentures during the year, without additional new borrowings.

- **Income tax expenses**

In 2025, the Company recorded income tax expense of 60.40 million baht. This amount primarily resulted from the reversal of deferred tax assets in accordance with financial reporting standards, as it is not considered probable that sufficient future taxable profits will be available to utilize such deferred tax assets.

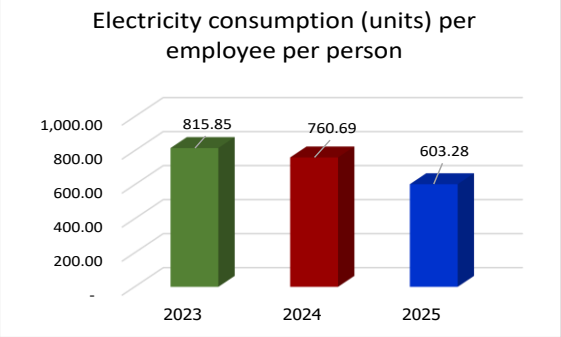
- **Net loss**

In 2025, the Company reported a loss from operations before income tax of 104.17 million baht, representing a decrease in loss of 62.53 million baht, or 37.51%, compared to 2024. The reduction in loss was primarily attributable to lower operating expenses, improved operational efficiency, and workforce rationalization in line with the decline in revenue.

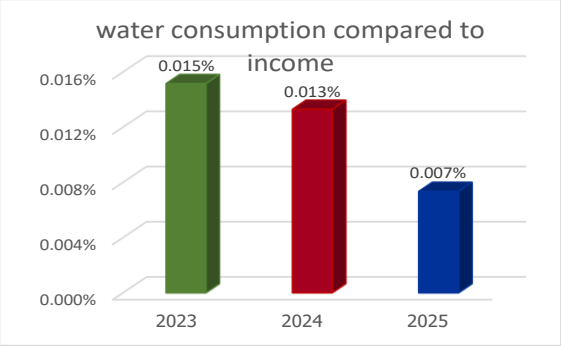
However, the Company recognized income tax expense of 60.40 million baht resulting from the reversal of deferred tax assets. Consequently, the Company reported a net loss for 2025 of 164.57 million baht, representing a decrease in net loss of 6.28 million baht compared to 2024. The loss arising from the reversal of deferred tax assets was an accounting adjustment in accordance with financial reporting standards and did not involve any actual cash outflow.

- **Environmental performance**

Electricity Consumption: In 2025, the Company's electricity expenses represented 0.24% of total revenue. Average electricity consumption was 603.28 units per employee, a decrease from 760.69 units per employee in the previous year. The reduction was primarily attributable to the Company's energy-saving initiatives, including campaigns to reduce electricity usage during lunch breaks and after working hours, as well as regular maintenance of air-conditioning systems.



*Water Consumption :*In 2025, the Company's water expenses represented 0.007% of total revenue, a decrease from 0.013% in 2024. The Company operates as a service business with no water usage in any production process. Water consumption is limited to office cleaning and general personal use within the workplace.



Waste Reduction: The Company has implemented campaigns to reduce waste generated from its business operations, with a focus on minimizing paper usage. In 2025, paper and printing expenses represented 0.262% of total revenue, slightly increased from 0.259% in 2024. The increase was primarily attributable to the Company's shift in focus toward motorcycle lending, which required additional documentation and related forms.

*Greenhouse Gas Management :*In 2025, the Company's greenhouse gas emissions totaled 128.59 tons of carbon dioxide equivalent, representing a decrease of 25.54% compared to 2024. The reduction was primarily attributable to the decrease in the number of branches and employees during the year.

Analysis of financial position

Unit : Million Baht	Q4/2025	%Asset	Q3/2025	%Asset	Q4/2024	%Asset
Cash and equivalents	290.9	15.9%	214.4	11.3%	141.5	6.4%
Receivables	1,438.0	78.5%	1,576.3	82.9%	1,949.6	87.7%
Hire Purchase Receivables, Leasing and Car for cash	1,157.3	63.2%	1,294.4	68.1%	1,683.5	75.7%
Loans receivables	7.5	0.4%	7.5	0.4%	5.4	0.2%
Personal Loan receivables	8.7	0.5%	5.9	0.3%	0.6	0.0%
Factoring receivables	2.9	0.2%	-	0.0%	-	0.0%
SME loans	261.6	14.3%	268.5	14.1%	260.0	11.7%
Property, plant and equipment	17.2	0.9%	18.8	1.0%	21.4	1.0%
Property foreclosed	47.4	2.6%	45.8	2.4%	49.2	2.2%
Deferred tax asset	-	0.0%	-	0.0%	18.8	0.8%
Other assets	39.1	2.1%	46.3	2.4%	42.1	1.9%
Total assets	1,832.5		1,901.5		2,222.6	
Total Liabilities	419.9	22.9%	441.7	23.2%	644.1	29.0%
Total equity	1,412.6	77.1%	1,459.8	76.8%	1,578.6	71.0%

- **Assets**

As of 31 December 2024 and 2025, the Company's total assets amounted to 2,222.62 million baht and 1,832.51 million baht, respectively. The majority of the Company's assets comprised loan receivables, representing 87.7% and 78.5% of total assets, respectively. Details of each loan category are presented as follows:

1. Hire purchase, leasing and car title loan (car for cash) receivables

As of 31 December 2025, the Company's hire purchase, leasing, and car title loan (car for cash) receivables totaled 1,157.28 million baht, representing a decrease of 526.26 million baht, or 31.3%, compared to 2024. The decrease was primarily attributable to the slowdown in used car financing and more stringent new loan approval criteria. The Company has focused on expanding new motorcycle financing to partially offset the decline.

2. Mortgage loan receivables

As of 31 December 2025, the Company's mortgage loan receivables amounted to 7.50 million baht, representing an increase of 2.11 million baht, or 39.1%, compared to 2024. The increase was attributable to additional extensions of this type of loan.

3. Personal loan receivables

As of 31 December 2025, personal loan receivables amounted to 8.66 million baht, representing an increase of 8.01 million baht, or 1,245.7%, compared to the end of 2024. The increase resulted from the Company's expansion of lending in this segment to enhance diversification of its loan portfolio.

4. Factoring receivables

As of 31 December 2025, factoring receivables amounted to 2.92 million baht, resulting from additional factoring loans extended to broaden the Company's business portfolio.

5. SME loan receivables

As of 31 December 2025, outstanding SME loan receivables amounted to 261.64 million baht, representing an increase of 1.62 million baht, or 0.6%, compared to 2024. The increase was primarily due to interest recognition in accordance with accounting standards.

Asset Quality of Hire Purchase, Leasing and Car title loan (car for cash) Receivables

As of 31 December 2025, hire purchase, leasing, and car title loan (car for cash) receivables with installments overdue for more than three months totaled 147.97 million baht, representing 11.57% of total net hire purchase, leasing, and car title loan (car for cash) receivables. This represented a decrease of 88.59 million baht from 2024, when such overdue receivables amounted to 236.56 million baht. The decrease was primarily attributable to stricter new loan approval criteria and the gradual repayments and account closures by existing customers, which also contributed to the reduction in the overall loan portfolio. The Company recorded an expected credit loss allowance of 121.97 million baht, representing 9.53% of total hire purchase, leasing, and car title loan (car for cash) receivables.

- **Liabilities**

The company's funding source can be classified into 2 types:

1. **Borrowings from Financial Institutions**

Under the loan agreements with financial institutions, the Company is required to comply with certain financial covenants, including:

- Debt-to-equity ratio: The Company is required to maintain a debt-to-equity ratio of not more than 2.5 times. The Company has complied with this covenant under all loan agreements. As of 31 December 2025, the Company's debt-to-equity ratio was 0.30 times.
- Non-performing loan ratio covenant: The Company is required to maintain the ratio of non-performing hire purchase, leasing, and car title loan (car for cash) receivables (Stage 3) to total net receivables within the specified threshold. As of 31 December 2025, this ratio was 11.57% of total net hire purchase, leasing, and car title loan (car for cash) receivables, which exceeded the specified threshold under agreements with two financial institutions. The Company has already informed the relevant financial institutions of this matter and will submit formal waiver requests in writing following the submission of its financial statements. The Company has consistently made repayments in accordance with contractual terms and has not experienced any event of default.

As of 31 December 2025, outstanding borrowings from financial institutions totaled 34.79 million baht. The Company continues to service its debt in accordance with the agreed terms and has no history of default.

2. **Debentures**

Under the terms and conditions of the debentures, the Company is required to comply with certain covenants, including maintaining collateral value from hire purchase, leasing, and car title loan (car for cash) receivables at not less than 1.5 times the outstanding debenture value throughout the tenor of the debentures, and maintaining a debt-to-equity ratio not exceeding 2.5 times. The Company has complied with all such covenants.

As of 31 December 2025, outstanding debentures totaled 306.40 million baht. Of this amount, 156.40 million baht was early redeemed in January 2026, leaving 150.00 million baht due for repayment in April 2026. The Company plans to repay the remaining debentures as scheduled using its existing cash flow.

Total Liabilities as of 31 December 2024 and 2025, the Company's total liabilities amounted to 644.06 million baht and 419.91 million baht, respectively. The majority of the Company's liabilities comprised borrowings from financial institutions and debentures. The decrease in total liabilities was primarily attributable to the repayment of debentures and bank borrowings during the year.

- **Liquidity**

In 2025, the Company obtained borrowings from financial institutions totaling 60.00 million baht and did not issue any new debentures. Together with cash inflows from operations, these funds were used to repay debentures amounting to 171.36 million baht upon maturity in May. The Company has continued to make repayments of its bank borrowings in accordance with contractual terms, resulting in a reduction in total liabilities. The Company currently maintains normal liquidity.

With respect to debt instruments, the terms and conditions require the Company to maintain a financial covenant whereby the Net Debt to Equity Ratio must not exceed 2.5:1 as of the end of each quarterly accounting period or fiscal year-end throughout the term of the debentures. As of 31 December 2025, the

Company's Net Debt to Equity Ratio was 0.30. The Company remains in compliance with such covenant and there has been no event of default.

- **Equity**

As of 31 December 2025, the Company's shareholders' equity amounted to 1,412.60 million baht, representing a decrease of 165.96 million baht, or 10.5%, from the end of 2024, primarily due to the net loss for the year. The Company reported retained losses of 243.48 million baht and a statutory reserve of 19.05 million baht, which remained unchanged from 2024.

Key Factors That May Affect Future Operations or Growth

Thailand's economy in 2026 is expected to expand at a slower pace, with projected growth of below 2%, which is considered low compared with historical averages. Key pressures include the potential contraction in exports following a high base in the previous year, trade and tariff measures imposed by major trading partners, slowing global demand, and intensified competition in export markets. These factors are expected to create continued uncertainty for Thailand's export sector. In addition, competition from lower-priced imports, particularly from China, in both the domestic and export markets continues to exert pressure on Thai businesses, while the tourism sector is expected to recover gradually.

Domestically, the persistently high level of household debt and the slowdown in lending by commercial banks have affected consumer purchasing power, particularly for durable goods such as housing and vehicles, which are key drivers of the retail lending business. Such conditions may result in continued tight liquidity within the financial system. At the same time, inflation is expected to remain at a low level, which may increase deflationary pressures and weigh on the overall economic recovery.

With respect to funding sources, which represent a key driver of the Company's operations, the Company continues to closely monitor developments and manage its financial planning on an ongoing basis. The Company focuses on maintaining adequate liquidity and diversifying funding sources through borrowings from financial institutions and the issuance of debt instruments, in order to support its financial obligations and long-term business operations. The Company also places importance on efficient capital structure and finance cost management to mitigate risks arising from volatility in financial markets.

The Company will continue to closely monitor economic and industry developments and will adjust its business strategies as appropriate in response to changing conditions. The Company conducts its business with prudence and operates within the framework of applicable policies, regulations, and requirements prescribed by regulatory authorities to ensure that its operations adhere to good corporate governance principles and maintain financial stability and asset quality over the long term.

Please acknowledge the above matters.
Sincerely yours,

Mr.Kannanat Boonsunanondha
Chief Executive Officer