



## Subject Management Discussion and Analysis for the Year Ended December 31, 2020

To Managing Director  
The Stock Exchange of Thailand

Heng Leasing and Capital Public Company Limited ("the Company"), is the financial statements for the year ended December 31, 2020 per following executive summary:

- Number of branch as of December 31, 2020 is 402 increased by 106 branches from December 31, 2019.
- Account receivables Portfolio as of December 31, 2020 is 7,733 Million Baht increased by 199 Million Baht from December 31, 2019.
- Net profit for the year ended December 31, 2020 is 318 Million Baht or equivalent to net profit margin of 20.00%.
- Credit cost ratio as at December 31, 2020 is 2.20% , ( as at December 31, 2019: 5.00%)
- Debt-to-Equity Ratio (D/E) as at December 31, 2020 is 1.37 times. ( as at December 31, 2019: 1.42 time)

### Overview of Company Operating Results

The operating performance for the year ended December 31, 2020 of the Company has total net profit of 318 Million Baht, increased from the same period in the previous year by 129 Million Baht or 68.57

Income Statement For the Year Ended Unit : Million Baht	Year Ended	Year Ended	Change	
	Dec 31,2020	Dec 31,2019	Amount	%
<b>Revenues</b>				
Hire purchase interest income	1,033	1,337	(303)	(22.70%)
Loan interest income	417	220	197	89.34%
Fee and service income	103	156	(53)	(34.05%)
Other income	37	31	6	20.03%
<b>Total revenues</b>	<b>1,590</b>	<b>1,743</b>	<b>(153)</b>	<b>(8.80%)</b>
Service and administrative expenses	710	715	(4)	(0.63%)
<b>Profit from operating activities</b>	<b>880</b>	<b>1,029</b>	<b>(149)</b>	<b>(14.47%)</b>
Expected credit losses	182	-	182	100.00%
Bad debts and doubtful accounts	-	392	(392)	(100.00%)
Loss on impairment and disposal of assets	87	135	(48)	(35.41%)
<b>Profit before finance cost and income tax expenses</b>	<b>611</b>	<b>502</b>	<b>109</b>	<b>21.74%</b>
Finance cost	(212)	(268)	55	(20.70%)
<b>Profit before income tax expenses</b>	<b>399</b>	<b>234</b>	<b>164</b>	<b>70.26%</b>
Income tax expenses	(80)	(45)	(35)	77.32%
<b>Profit for the period</b>	<b>318</b>	<b>189</b>	<b>129</b>	<b>68.57%</b>
<b>Basic earnings per share (Baht per share)</b>	<b>0.53</b>	<b>0.32</b>	<b>0.21</b>	<b>65.63%</b>

1. Total revenue for the year ended December 31, 2020 is 1,590 Million Baht, reduce from the same period in the previous year by 153 Million Baht or 8.80%

2. Service and administrative expenses for the year ended December 31, 2020 is totaled 710 Million Baht, reduce from the same period in the previous year by more than 4 Million Baht or 0.63%

3. Expected credit loss or Bad debts and doubtful accounts for the year ended December 31, 2020 is 182 Million Baht, reduce from the same period in the previous year by 210 Million Baht or 53.57%

4. Loss on impairment and disposal of assets for the year ended December 31, 2020 is 87 Million Baht, reduce from the same period in the previous year by 48 Million Baht or 35.41%

5. Finance cost for the year ended December 31, 2020 is totaled 212 Million Baht, reduce from the same period in the previous year by 55 Million Baht or 20.70%

6. Net profit for the year ended December 31, 2020 is totaled 318 Million Baht, increased from the same period in the previous year by 129 Million Baht, or 68.63%.

## Overview of Company Financial Position

Statements of financial position Unit : Million Baht	30 Jun 2021	31 Dec 2020	Change	
			Amount	%
Current assets	2,781	2,303	478	20.74%
Non-current assets	5,461	5,681	(219)	(3.86%)
<b>Total assets</b>	<b>8,242</b>	<b>7,984</b>	<b>259</b>	<b>3.24%</b>
Current liabilities	2,884	3,141	(257)	(8.17%)
Non-current liabilities	1,887	1,543	344	22.27%
<b>Total liabilities</b>	<b>4,771</b>	<b>4,684</b>	<b>87</b>	<b>1.86%</b>
<b>Total shareholders' equity</b>	<b>3,471</b>	<b>3,300</b>	<b>171</b>	<b>5.19%</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,242</b>	<b>7,984</b>	<b>259</b>	<b>3.24%</b>

### 1. Total Assets

- As of December 31, 2020, the Company has total assets of 8,242 Million Baht, increased from last year 259 Million Baht or 3.24%, mainly due to the increase of loan receivable.

### 2. Total Liabilities

- As of December 31, 2020, the Company has total liabilities of 4,771 Million Baht, increased from last year 87 Million Baht or 1.86%, mainly due to the increase of funding

### 3. Total Equities

- Total equities as of December 31, 2020 is 3,471 Million Baht, increased from end of last year 171 Million Baht or 5.19%