



Subject Management Discussion and Analysis for the Three and Six-month Period Ended June 30, 2021

To Managing Director
The Stock Exchange of Thailand

Heng Leasing and Capital Public Company Limited ("the Company"), is the financial statements for the six-month period ended June 30, 2021 per following executive summary:

- Number of branch as of June 30, 2021 is 440 increased by 38 branches from December 31, 2020.
- Account receivables Portfolio as of June 30, 2021 is 7,820 Million Baht increased by 69 Million Baht from December 31, 2020.
- Net profit for the six-month period ended June 30, 2021 is 109 Million Baht or equivalent to net profit margin of 14.25%.
- Credit cost ratio as at June 30, 2021 is 3.43%, (as at June 30, 2020: 1.92% and as at December 31, 2020: 2.20%)
- Debt-to-Equity Ratio (D/E) as at June 30, 2021 is 1.47 times. (as at 30 June 2020: 1.53 time and as at December 31, 2020: 1.37 time)

Overview of Company Operating Results

The operating performance for the three-month period ended June 30, 2021 of the Company has total net profit of 48 Million Baht, reduce from the same period in the previous year by 49 Million Baht or 50.31

Income Statement For the Three-month Unit : Million Baht	Q 2/2021	Q 2/2020	Change	
	periods ended June,31 2021	periods ended June,31 2020	Amount	%
Revenues				
Hire purchase interest income	210	266	(56)	(21.09%)
Loan interest income	148	101	47	46.39%
Fee and service income	23	27	(4)	(15.90%)
Other income	24	9	15	162.89%
Total revenues	405	403	1	0.35%
Service and administrative expenses	193	180	14	7.58%
Profit from operating activities	211	224	(12)	(5.45%)
Expected credit losses	98	19	79	425.83%
Loss on impairment and disposal of assets	10	28	(18)	(65.73%)
Profit before finance cost and income tax expenses	104	177	(73)	(41.11%)
Finance cost	(44)	(56)	11	(20.17%)
Profit before income tax expenses	60	121	(62)	(50.72%)
Income tax expenses	(12)	(24)	13	(52.35%)
Profit for the period	48	97	(49)	(50.31%)
Basic earnings per share (Baht per share)	0.02	0.03	(0.02)	(50.31%)

1. Total revenue for the three-month period ended June 30, 2021 is 405 Million Baht, reduce from the same period in the previous year by more than 1 Million Baht or 0.35%

2. Service and administrative expenses for the three-month period ended June 30, 2021 is totaled 193 Million Baht, increased from the same period in the previous year by 14 Million Baht or 7.58%, due to the increase of depreciation expense from employee's salary as a result of the expansion of branches and employee.

3. Expected credit loss for the three-month period ended June 30, 2021 is 98 Million Baht, increased from the same period in the previous year by 79 Million Baht or 425.83%

4. Loss on impairment and disposal of assets for the three-month period ended June 30, 2021 is 10 Million Baht, reduce from the same period in the previous year by 18 Million Baht or 65.73%

5. Finance cost for the three-month period ended June 30, 2021 is totaled 44 Million Baht, reduce from the same period in the previous year by 10 Million Baht or 20.17%

6. Net profit for the three-month period ended June 30, 2021 is totaled 48 Million Baht, reduce from the same period in the previous year by 49 Million Baht, or 50.31%.

The operating performance for the six-month period ended June 30, 2021 of the Company has total net profit of 109 Million Baht, reduce from the same period in the previous year by 62 Million Baht or 36.23%.

Income Statement For the six-month Unit : Million Baht	Q 2/2021	Q 2/2020	Change	
	periods ended June,31 2021	periods ended June,31 2020	Amount	%
Revenues				
Hire purchase interest income	405	572	(167)	(29.19%)
Loan interest income	281	186	95	51.36%
Fee and service income	43	63	(20)	(31.56%)
Other income	36	19	17	93.91%
Total revenues	765	839	(74)	(8.83%)
Service and administrative expenses	376	367	10	2.66%
Profit from operating activities	389	473	(84)	(17.73%)
Expected credit losses	144	78	65	83.27%
Loss on impairment and disposal of assets	21	66	(45)	(68.13%)
Profit before finance cost and income tax expenses	224	328	(104)	(31.75%)
Finance cost	(88)	(114)	26	(22.96%)
Profit before income tax expenses	136	214	(78)	(36.46%)
Income tax expenses	(27)	(43)	16	(37.38%)
Profit for the period	109	171	(62)	(36.23%)
Basic earnings per share (Baht per share)	0.04	0.06	(0.02)	(36.23%)

1. Total revenue for the six-month period ended June 30, 2021 is 765 Million Baht, reduce from the same period in the previous year by 74 Million Baht or 8.83%

2. Service and administrative expenses for the six-month period ended June 30, 2021 is totaled 376 Million Baht, increased from the same period in the previous year by 10 Million Baht or 2.66%, due to the increase of depreciation expense from employee's salary as a result of the expansion of branches and employee.

3. Expected credit loss for the six-month period ended June 30, 2021 is 144 Million Baht, increased from the same period in the previous year by 65 Million Baht or 83.27%

4. Loss on impairment and disposal of assets for the six-month period ended June 30, 2021 is 21 Million Baht, reduce from the same period in the previous year by 45 Million Baht or 68.13%

5. Finance cost for the six-month period ended June 30, 2021 is totaled 88 Million Baht, reduce from the same period in the previous year by 26 Million Baht or 22.96%

6. Net profit for the six-month period ended June 30, 2021 is totaled 109 Million Baht, reduce from the same period in the previous year by 62 Million Baht, or 36.23%.

Overview of Company Financial Position

Statements of financial position Unit : Million Baht	30 Jun 2021	31 Dec 2020	Change	
			Amount	%
Current assets	2,811	2,781	31	1.10%
Non-current assets	5,520	5,461	59	1.08%
Total assets	8,332	8,242	89	1.09%
Current liabilities	3,564	2,884	680	23.58%
Non-current liabilities	1,392	1,887	(495)	(26.23%)
Total liabilities	4,956	4,771	185	3.88%
Total shareholders' equity	3,375	3,471	(96)	(2.75%)
Total liabilities and shareholders'	8,332	8,242	89	1.09%

1. Total Assets

- As of June 30, 2021, the Company has total assets of 8,332 Million Baht, increased from last year 89 Million Baht or 1.09%, mainly due to the increase of loan receivable.

2. Total Liabilities

- As of June 30, 2021, the Company has total liabilities of 4,956 Million Baht, increased from last year 185 Million Baht or 3.88%, mainly due to the increase of funding

3. Total Equities

- Total equities as of June 30, 2021 is 3,375 Million Baht, reduce from end of last year 96 Million Baht or 2.75%, derived from the increase of profit 109 Million Baht for the six months period and the decrease of dividend payment 205 Million Baht.