



Subject Management Discussion and Analysis for the Three and Nine-month Period Ended  
September 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 nine-month period ended September 30, 2021 per following executive summary:

- Number of branch as of September 30, 2021 is 489 increased by 87 branches from December 31, 2020.
- Account receivables Portfolio as of September 30, 2021 is 8,128 Million Baht increased by 395 Million Baht from December 31, 2020.
- Net profit for the nine-month period ended September 30, 2021 is 222 Million Baht or equivalent to net profit margin of 18.64%.
- Credit cost ratio as at September 30, 2021 is 1.99%, (as at December 31, 2020: 2.20%)
- Debt-to-Equity Ratio (D/E) as at September 30, 2021 is 1.73 times. (as at December 31, 2020: 1.37 times)

#### Overview of Company Operating Results

The operating performance for the three-month period ended September 30, 2021 of the Company has total net profit of 113 Million Baht, increased from the same period in the previous year by 71 Million Baht or 167.44%

Income Statement For the Three-month Unit : Million Baht	Q 2/2021	Q 2/2020	Change	
	periods ended Sep ,30 2021	periods ended Sep ,30 2020	Amount	%
<b>Revenues</b>				
Hire purchase interest income	213	232	(19)	(8.01%)
Loan interest income	173	107	66	62.32%
Fee and service income	27	19	8	40.15%
Other income	13	11	2	17.17%
<b>Total revenues</b>	<b>426</b>	<b>369</b>	<b>57</b>	<b>15.58%</b>
Service and administrative expenses	202	181	22	11.98%
<b>Profit from operating activities</b>	<b>224</b>	<b>188</b>	<b>36</b>	<b>19.04%</b>
Expected credit losses	18	74	(56)	(75.89%)
Loss on impairment and disposal of assets	16	11	5	45.23%
<b>Profit before finance cost and income tax expenses</b>	<b>190</b>	<b>103</b>	<b>87</b>	<b>83.82%</b>
Finance cost	(49)	(50)	(2)	(3.46%)
<b>Profit before income tax expenses</b>	<b>141</b>	<b>53</b>	<b>88</b>	<b>166.93%</b>
Income tax expenses	(28)	(11)	18	164.90%
Profit for the period	113	42	71	167.44%
Basic earnings per share (Baht per share)	0.04	0.01	0.03	300.00%

1. Total revenue for the three-month period ended September 30, 2021 is 426 Million Baht, increased from the same period in the previous year by more than 57 Million Baht or 15.58%

2. Service and administrative expenses for the three-month period ended September 30, 2021 is totaled 202 Million Baht, increased from the same period in the previous year by 22 Million Baht or 11.98%, 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 September 30, 2021 is 18 Million Baht, reduce from the same period in the previous year by 56 Million Baht or 75.89%

4. Loss on impairment and disposal of assets for the three-month period ended September 30, 2021 is 16 Million Baht, increased from the same period in the previous year by 5 Million Baht or 45.23%

5. Finance cost for the three-month period ended September 30, 2021 is totaled 49 Million Baht, reduce from the same period in the previous year by 2 Million Baht or 3.46%

6. Net profit for the three-month period ended September 30, 2021 is totaled 113 Million Baht, increased from the same period in the previous year by 71 Million Baht, or 164.44%.

The operating performance for the nine-month period ended September 30, 2021 of the Company has total net profit of 222 Million Baht, increased from the same period in the previous year by 9 Million Baht or 4.11%.

Income Statement For the Nine-month Unit : Million Baht	Q 2/2021	Q 2/2020	Change	
	periods ended Sep ,30 2021	periods ended Sep ,30 2020	Amount	%
<b>Revenues</b>				
Hire purchase interest income	618.42	804.05	(186)	(23.09%)
Loan interest income	454	292	162	55.36%
Fee and service income	70	82	(12)	(14.93%)
Other income	49	30	19	65.12%
<b>Total revenues</b>	<b>1,191</b>	<b>1,208</b>	<b>(17)</b>	<b>(1.38%)</b>
Service and administrative expenses	579	547	31	(5.74%)
<b>Profit from operating activities</b>	<b>613</b>	<b>661</b>	<b>(48)</b>	<b>(7.27%)</b>
Expected credit losses	161	152	10	6.27%
Loss on impairment and disposal of assets	37	77	(40)	(51.63%)
<b>Profit before finance cost and income tax expenses</b>	<b>414</b>	<b>432</b>	<b>(18)</b>	<b>(4.12%)</b>
Finance cost	(137)	(165)	(28)	(17.00%)
<b>Profit before income tax expenses</b>	<b>277</b>	<b>267</b>	<b>10</b>	<b>3.84%</b>
Income tax expenses	(55)	(54)	1	2.75%
<b>Profit for the period</b>	<b>222</b>	<b>213</b>	<b>9</b>	<b>4.11%</b>
Basic earnings per share (Baht per share)	0.07	0.07	-	0.00%

1. Total revenue for the nine-month period ended September 30, 2021 is 1,191 Million Baht, reduce from the same period in the previous year by 17 Million Baht or 1.38%

2. Service and administrative expenses for the nine-month period ended September 30, 2021 is totaled 579 Million Baht, increased from the same period in the previous year by 31 Million Baht or 5.74%, 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 nine-month period ended September 30, 2021 is 161 Million Baht, increased from the same period in the previous year by 10 Million Baht or 6.27%

4. Loss on impairment and disposal of assets for the nine-month period ended September 30, 2021 is 37 Million Baht, reduce from the same period in the previous year by 40 Million Baht or 51.63%

5. Finance cost for the nine-month period ended September 30, 2021 is totaled 137 Million Baht, reduce from the same period in the previous year by 28 Million Baht or 17.00%

6. Net profit for the nine-month period ended September 30, 2021 is totaled 222 Million Baht, increased from the same period in the previous year by 9 Million Baht, or 4.11%.

## Overview of Company Financial Position

Statements of financial position Unit : Million Baht	30 Sep 64	31 Dec 63	Change	
			Amount	%
Current assets	2,999	2,781	218	7.85%
Non-current assets	5,642	5,461	180	3.30%
<b>Total assets</b>	<b>8,641</b>	<b>8,242</b>	<b>398</b>	<b>4.83%</b>
Current liabilities	3,836	2,884	952	33.02%
Non-current liabilities	1,641	1,887	(246)	(13.05%)
<b>Total liabilities</b>	<b>5,477</b>	<b>4,771</b>	<b>706</b>	<b>14.80%</b>
<b>Total shareholders' equity</b>	<b>3,163</b>	<b>3,471</b>	<b>(308)</b>	<b>(8.86%)</b>
<b>Total liabilities and shareholders'</b>	<b>8,641</b>	<b>8,242</b>	<b>398</b>	<b>4.83%</b>

### 1. Total Assets

- As of September 30, 2021, the Company has total assets of 8,641 Million Baht, increased from last year 398 Million Baht or 4.83%, mainly due to the increase of loan receivable.

### 2. Total Liabilities

- As of September 30, 2021, the Company has total liabilities of 5,477 Million Baht, increased from last year 706 Million Baht or 14.80%, mainly due to the increase of funding

### 3. Total Equities

- Total equities as of September 30, 2021 is 3,163 Million Baht, reduce from end of last year 308 Million Baht or 8.56%, derived from the increase of profit 222 Million Baht for the nine months period and the decrease of dividend payment 530 Million Baht.