



**ကြေး ဂိတ်**

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**Management Discussion and Analysis (MD&A)**

**Yearly Ending December 31, 2021**

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## Subject Management Discussion and Analysis for the Yearly Ending December 31, 2021

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, 2021 per following executive summary:

- Number of branch as of December 31, 2021 is 529 increased by 127 branches or 31.6% from December 31, 2020.
- Loan portfolio (Gross) as of December 31, 2021 is 9,180.5 Million Baht increased by 903.7 Million Baht or 10.9% from December 31, 2020.
- Net profit for the year ended December 31, 2021 is 353.8 Million Baht or 21.5%.
- Credit cost ratio as of December 31, 2021 is 1.9%, (as at December 31, 2020: 2.20%)
- Debt to Equity Ratio (D/E) as at December 31, 2021 is 1.0 time. (as of December 31, 2020: 1.4 times)

### Company's performance

The operating performance for the year ended December 31, 2021 of the Company has total net profit of 353.8 Million Baht, increased from last year by 35.7 Million Baht or 11.2%

Unit : Million Baht

Income Statement For the year ended December 31,	2021	2020	Change	
			Amount	%
<b>Revenues</b>				
Hire purchase interest income	825.9	1,033.2	(207.2)	(20.1)
Loan interest income	645.4	417.1	228.3	54.7
Fee and service income	105.0	102.6	2.4	2.3
Other income	68.1	37.1	31.0	83.7
<b>Total revenues</b>	<b>1,644.4</b>	<b>1,590.0</b>	<b>54.5</b>	<b>3.4</b>
Service and administrative expenses	(790.8)	(710.3)	80.5	11.3
<b>Profit from operating activities</b>	<b>853.6</b>	<b>879.7</b>	<b>(26.1)</b>	<b>(3.0)</b>
Expected credit losses	(177.6)	(182.0)	(4.4)	(2.4)
Loss on impairment and disposal of assets	(50.8)	(87.0)	(36.2)	(41.6)
Profit before finance cost and income tax expenses	625.2	610.7	14.5	2.4
Finance cost	(184.8)	(212.2)	(27.4)	(12.9)
<b>Profit before income tax expenses</b>	<b>440.4</b>	<b>398.5</b>	<b>41.9</b>	<b>10.5</b>
Income tax expenses	(86.6)	(80.4)	6.2	7.7
Profit for the period	<b>353.8</b>	<b>318.1</b>	<b>35.7</b>	<b>11.2</b>
<b>Basic earnings per share (Baht per share)</b>	0.11	0.11	0.0	0.0

1. Total revenue for the year ended December 31, 2021 is 1,644.4 Million Baht, increase from last year by 54.5 Million Baht or 3.4%

2. Service and administrative expenses for year ended December 31, 2021 is totaled 790.8 Million Baht, increased from last year by 80.5 Million Baht or 11.3%, 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 year ended December 31, 2021 is 177.6 Million Baht, decreased from last year by 4.4 Million Baht or 2.4%

4. Loss on impairment and disposal of assets for the year ended December 31, 2021 is 50.8 Million Baht, decreased from the last year by 36.2 Million Baht or 41.6%

5. Finance cost for the year ended December 31, 2021 is totaled 184.8 Million Baht, decreased last year by 27.4 Million Baht or 12.9%

6. Net profit for year ended December 31, 2021 is totaled 353.8 Million Baht, increased from last year by 35.7 Million Baht, or 11.2%.

## Company's Financial Position

Unit : Million Baht

Statements of financial position As of December	2021	2020	Change	
			Amount	%
Current assets	3,536.0	2,780.7	755.2	27.2
Non-current assets	6,165.9	5,461.5	704.5	12.9
<b>Total assets</b>	<b>9,701.9</b>	<b>8,242.2</b>	<b>1,459.7</b>	<b>17.7</b>
Current liabilities	3,420.5	2,884.2	536.3	18.6
Non-current liabilities	1,466.0	1,887.0	(421.1)	(22.3)
<b>Total liabilities</b>	<b>4,886.4</b>	<b>4,771.2</b>	<b>115.3</b>	<b>2.4</b>
Total shareholders' equity	4,815.5	3,471.0	1,344.5	38.7
<b>Total liabilities and shareholders' equity</b>	<b>9,701.9</b>	<b>8,242.2</b>	<b>1,459.7</b>	<b>17.7</b>

### 1. Total Assets

- As of December 31, 2021, the Company has total assets of 9,701.9 Million Baht, increased from last year 1,459.7 Million Baht or 17.7%, mainly due to the increase of loan portfolio.

### 2. Total Liabilities

- As of December 31, 2021, the Company has total liabilities of 4,886.4 Million Baht, increased from last year 115.3 Million Baht or 2.4%, mainly due to the increase of funding.

### 3. Total Equities

- Total equities as of December 31, 2021 is 4,815.5 Million Baht, increased from end of last year 1,344.5 Million Baht or 38.7%, derived from the increase of profit 353.8 Million Baht for the year ended, net initial public offering 1,516.2 and the decrease of dividend payment 529.6 Million Baht.