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Micro Leasing Public Company Limited
863/3 Petchkasem Road, Sanamchan
Sub-district, Mueang Nakhon Pathom District,
Nakhon Pathom Province 73000

25 February 2022

Subject Management Discussion and Analysis for the Year Ending 31 December 2021

To President

The Stock Exchange of Thailand

We, Micro Leasing Public Company Limited (the "Company"), would like to provide an overview of the financial performance for the year ending December 31, 2021 with details as per below.

As for the financial performance for the year ending December 31,2021 the Company consolidated net profit 187.46 Million Baht from the same period of last year 135.09 Million Baht increased by 52.37 Million Baht or 38.77% with details as follows.

(Unit : Million Baht)

Statement of comprehensive income For the year ended December 31,2021 and 2020	Year		Change	
	2021	2020	Amount	%
Interest income from hire purchase	503.93	355.62	148.31	41.70
Fees and service revenues	119.88	77.94	41.94	53.81
Other revenues ⁽¹⁾	8.55	10.91	(2.36)	(21.63)
Total revenues	632.36	444.47	187.89	42.27
Cost of sale and administration	186.14	152.72	33.42	21.88
Expected credit loss ⁽¹⁾	112.04	26.73	85.31	319.15
Gain/Loss from assets foreclosed	43.58	40.92	2.66	6.50
Total expenses	341.76	220.37	121.39	55.08
Profit before finance costs and income tax	290.60	224.10	66.50	29.67
Finance cost	(63.16)	(47.90)	15.26	31.86
Income tax expenses	(39.98)	(41.11)	(1.13)	(2.77)
Profit for the period	187.46	135.09	52.37	38.77
Earnings per share (Baht per share)	0.20	0.18	-	-

⁽¹⁾The Company has classified the transaction "Bad debts recovered" in the financial statements for the year 2020 presented for comparative purposes in order to the classification of accounting transactions in the current period, without affecting profit or shareholders' equity as reported from the original "bad debt recovery" was classified as "other income" "Expected Credit Losses"

1. Total Revenue for the year ended December 31,2021 total 632.36 Million Baht from the same period of last year 444.47 Million Baht increased by 187.89 Million Baht or 42.47% The increase was mainly from higher interest income from hire purchase, vehicle insurance commissions, and mortgage reducing term assurance commissions, which increased along with the growth of new loan.
2. Total Expenses for the year ended December 31,2021 total 341.76 Million Baht from the same period of last year 220.37 Million Baht increased 121.39 Million Baht or 55.08% due to
 - Cost of sale and administration for year 2021 total 186.14 Million Baht increased by 33.42 Million Baht or 21.88% The main of the salary adjustment, increasing the number of staff to credit personal to prepare for branch expansion according to the to business plan and variable expenses arising from loan growth.
 - Expected credit losses for the year ended December 31,2021 is 112.04 Million Baht increase 85.31 Million Baht. This was due to the additional provision for impairment of hire purchase portfolio in the situation of COVID-19 and the write-off bad debts of 17.15 Million Baht , in accordance with the Ministerial Regulation No.374,which was issued instead of No.186 on the disposal of bad debts from accounts receivable, which starts in the accounting period of the year 2020.
3. Finance cost for the year ended December 31,2021 is 63.16 Million Baht from the same period of last year total 47.90 Million Baht increased 15.26 Million Baht or 31.86% This was due to the increase of interest-bearing liabilities from financial institutions, Issuance and offering of debentures.
4. Income tax expenses for the year ended December 31,2021 is 39.98 Million Baht, compared to 41.12 Million Baht from the same period of last year, decreased by 1.14 Million Baht or 2.77% The Company's corporate income tax for the year 2021 amounted to 59.63 million baht, compared to the same period of the previous year of 39.78 million baht, an increase of 19.85 million baht or 49.90%. increased in line with the Company's increased revenue. However, the Company recorded tax revenue from tax adjustments in 2020 amounting to 12.60 million baht because the Company made additional use of the write-off of bad debts in accordance with the Ministerial Regulation No. 374. More income tax assets were recorded than in 2020, resulting in a decrease in overall income tax expenses for 2021 from 2020.
5. Consolidated net profit for the year ended December 31,2021 is 187.46 Million Bath increased 52.37 Million Baht or 38.77%

(Unit: Million Baht)

Statement of financial position	Year		Change	
	31 December 2021	31 December 2020	Amount	%
Asset	4,034.48	2,755.12	1,279.36	46.44
Liabilities	2,076.12	932.07	1,144.05	122.74
Equity	1,958.36	1,823.05	135.31	7.42
Debt to Equity Ratio	1.06	0.51	-	-

1. Total Asset

As of December 31,2021 the company has total asset of 4,034.48 Million Baht, increased ended 1,279.36 Million Baht or increase or 46.44%, This was mainly due to increase of hire purchase receivable from the company's ability to expand the hire purchase portfolio.

2. Total Liabilities

As of December 31,2021 the company has total liabilities of 2,076.12 Million Baht, an increased 106.43 Million Baht or 10.25% This was in line with the expansion of the Company's purchase portfolio from increase of Short-term loans and Long-term loans from financial institutions and issuance of debentures.

3. Shareholder Equity

As of December 31,2021 the company total equity was 1,823.05 Million Baht, an increase of 135.31 Million Baht or 7.42% This was mainly due to operating profit during the year of 187.46 Million baht. a dividend was paid in the amount of 51.24 million baht.

4. Debt to Equity Ratio

As of December 31,2021 and 2020 the company has debt to equity ratio was 1.06 times, compared to 0.51 the year end 2020. An increase of D/E ratio because the company use more loans from financial institutions and issuance of debentures as a source of loan for expanding the hire purchase portfolio.

Please be informed accordingly

Regards,

A handwritten signature in blue ink, consisting of a large loop followed by a series of smaller, connected strokes.

(Mr. Kandanai Chonsuwat)

Deputy Managing Director of Accounting and Finance

(Ms. Thanaporn Waewsuwun)

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