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Management Discussion and Analysis (MD&A)

Quarterly Ending March 31, 2022



Subject Management Discussion and Analysis for the Three-month Period Ended March 31, 2022

To President
The Stock Exchange of Thailand

Heng Leasing and Capital Public Company Limited ("the Company"), is the financial statements for the Three-month Period Ended March 31, 2022 per following executive summary:

- Number of branch as of March 31, 2022 is 617 increased by 88 branches or 16.6% from December 31, 2021.
- Loan portfolio (Gross) as of March 31, 2022 is 9,800.0 Million Baht increased by 619.5 Million Baht or 6.7% from December 31, 2021.
- Net profit for the Three-month Period Ended March 31, 2022 is 66.6 Million Baht or 14.4%.
- Credit cost ratio as of March 31, 2022 is 3.9%, (as of December 31, 2021 : 1.9%)
- Debt to Equity Ratio (D/E) as of March 31, 2022 is 1.0 time. (as of December 31, 2021 : 1.0 time)

Company's performance

The operating performance for the Three-month Period Ended March 31, 2022 of the Company has total net profit of 66.6 Million Baht, increased from the same period in the previous year by 5.6 Million Baht or 9.3%

Unit : Million Baht

Income Statement For the year ended March 31,	2022	2021	Change	
			Amount	%
Revenues				
Hire purchase interest income	210.9	195.5	15.4	7.9
Loan interest income	201.0	132.4	68.6	51.8
Fee and service income	36.0	20.2	15.8	78.4
Other income	13.0	12.4	0.6	5.2
Total revenues	461.0	360.6	100.4	27.9
Service and administrative expenses	229.0	183.0	46.0	25.1
Profit from operating activities	232.0	177.6	54.4	30.7
Expected credit losses	96.1	46.2	49.9	108.0
Loss on impairment and disposal of assets	8.8	11.4	(2.5)	(22.3)
Profit before finance cost and income tax expenses	127.1	120.0	7.1	5.9
Finance cost	43.8	43.8	0.0	0.0
Profit before income tax expenses	83.3	76.2	7.1	9.3
Income tax expenses	16.7	15.3	1.4	9.3
Profit for the period	66.6	60.9	5.6	9.3
Basic earnings per share (Baht per share)	0.02	0.02	0.0	0.0

1. Total revenue for the Three-month Period Ended March 31, 2022 is 461.0 Million Baht, increase from the same period by 100.4 Million Baht or 27.9%

2. Service and administrative expenses for the Three-month Period Ended March 31, 2022 is totaled 229.0 Million Baht, increased from the same period by 46.0 Million Baht or 25.1%, 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 March 31, 2022 is 96.1 Million Baht, increased from the same period by 49.9 Million Baht or 108.0%

4. Loss on impairment and disposal of assets for the Three-month Period Ended March 31, 2022 is 8.8 Million Baht, decreased from the same period by 2.5 Million Baht or 22.3%

5. Finance cost for the Three-month Period Ended March 31, 2022 is 43.8 Million Baht, amount the same from the same period.

6. Net profit for the Three-month Period Ended March 31, 2022 is 66.6 Million Baht, increased from the same period by 5.6 Million Baht, or 9.3%.

Company's Financial Position

Unit : Million Baht

Statements of financial position As of	March 31, 2022	December 31, 2021	Change	
			Amount	%
Current assets	3,259.5	3,486.0	(226.5)	(6.5)
Non-current assets	6,565.3	6,215.9	349.4	5.6
Total assets	9,824.8	9,701.9	122.9	1.3
Current liabilities	3,380.2	3,420.5	(40.3)	(1.2)
Non-current liabilities	1,562.6	1,466.0	96.7	6.6
Total liabilities	4,942.8	4,886.4	56.4	1.2
Total shareholders' equity	4,882.0	4,815.5	66.6	1.4
Total liabilities and shareholders' equity	9,824.8	9,701.9	122.9	1.3

1. Total Assets

- As of March 31, 2022, the Company has total assets of 9,824.8 Million Baht, increased from last year 122.9 Million Baht or 1.3%, mainly due to the increase of loan portfolio.

2. Total Liabilities

- As of March 31, 2022, the Company has total liabilities of 4,942.8 Million Baht, increased from last year 56.4 Million Baht or 1.2%, mainly due to the increase of funding.

3. Total Equities

- Total equities as of March is 4,882.0 Million Baht, increased from end of last year 66.6 Million Baht or 1.4%, derived from the increase of profit for the period.