



14 November 2022

Subject Management Discussion and Analysis for the third quarter ended 30 September 2022  
 To Managing Director  
 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 third quarter ending 30 September 2022 with details as per below.

(Unit: Million Baht)

Statement of comprehensive income For the three-month period ended 30 September 2022 and 2021	Consolidated Financial Statement <sup>(1)</sup>	Separate Financial Statements		Change on consolidated financial statement	
	For the three-month period ended 30 September 2022	For the three-month period ended		Amount	%
		30-Sep-22	30-Sep-21		
Interest income from Hire purchase	188.10	176.29	130.66	57.43	43.96
Fees and service revenues	33.68	16.88	29.81	3.87	12.97
Other revenues	1.63	8.73	1.74	(0.11)	(6.46)
<b>Total revenues</b>	<b>223.41</b>	<b>201.90</b>	<b>162.22</b>	<b>61.19</b>	<b>37.72</b>
Selling and administration expenses	81.41	65.60	47.27	34.14	72.22
Expected credit loss	37.49	29.49	34.11	3.38	9.90
Loss and disposals of assets foreclosed	60.71	60.42	12.90	47.81	370.63
<b>Total expenses</b>	<b>179.61</b>	<b>155.52</b>	<b>94.28</b>	<b>85.32</b>	<b>90.49</b>
Profit before finance costs and income tax	43.80	46.38	67.94	(24.13)	(35.52)
Finance cost	(38.62)	(38.62)	(17.20)	21.60	126.90
Income tax expenses	(2.21)	(0.61)	(10.61)	(8.41)	(79.22)
<b>Profit for the period (Shareholder’s Equity)</b>	<b>7.80</b>	<b>8.37</b>	<b>40.29</b>	<b>(32.49)</b>	<b>(80.64)</b>
<b>Earnings per share (Baht per share)</b>	<b>0.003</b>	<b>0.009</b>	<b>0.043</b>	-	-

<sup>(1)</sup> As at 30 September 2021, the subsidiaries had not started its operation, therefore, the Group did not present the consolidated of statement of comprehensive income

1. Total revenue for the quarter ended September 30, 2022 was 223.41 Million Baht, compared to 162.22 Million Baht from the same period of last year, increased by 61.19 Million Baht or 37.72%. The increase was mainly from higher hire purchase interest revenue, vehicle insurance commissions revenue, and hire purchase coverage insurance commissions revenue, which increased along with the growth of hire purchase portfolio.
2. Total expenses for the quarter ended September 30, 2022 was 179.61 Million Baht, compared to 94.28 Million Baht from the same period of last year, increased by 85.32 Million Baht or 90.49%. These was due to:
  - Selling and administration expenses for quarter ended September 30, 2022, was 81.41 Million Baht, increased by 34.14 Million Baht or 72.22%. It was mainly due to the increasing number of credit personnel of the subsidiaries which is in accordance with the business plan, variable expenses from loan growth, the increasing in the expense for debt collection and follow up as well as for asset foreclosure.
  - Expected credit losses for the quarter ended September 30, 2022 totaled 37.49 Million Baht, increased by 3.38 Million Baht. This was due to the additional provision for impairment of hire – purchase receivables in the write-off of bad debts 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 2021. In addition, Increasing of provisioning for account receivables in subsidiary company totaling 8.00 Million Baht.
  - Loss and disposal of assets foreclosed for quarter ended September 30, 2022, was 60.71 Million Baht, increased by 47.81 Million Baht or 370.63%. This was mainly due to the increase in the amount of asset foreclosed.
3. Financial cost for the quarter ended September 30, 2022 was 38.62 Million Baht, compared to 17.02 Million Baht from the same period of last year, increased by 21.60 Million Baht or 126.90%. This was due to the increase of interest – bearing liabilities from financial institutions, and the issuance and offering of debentures.
4. Income tax expenses for the quarter ended September 30, 2022 was 2.21 Million Baht, compared to 10.61 Million Baht from the same period of last year, decreased by 8.41 Million Baht or 79.22%.
5. Net profit (Shareholder’s Equity) for the quarter ended September 30, 2022 was 7.80 Million Baht, compared to 40.29 Million Baht in the same period of 2021, Decrease by 32.49 Million Baht or 80.64%

Statement of comprehensive income For the nine-month period ended 30 September 2022 and 2021	Consolidated Financial Statement <sup>(1)</sup>	Separate Financial Statements		Change on consolidated financial statement	
	For the nine-month period ended 30 September 2022	For the nine-month period ended 30 September 2022		Amount	%
		30-Sep-22	30-Sep-21		
Interest income from Hire purchase	510.35	497.42	357.70	153.28	42.93
Fees and service revenues	107.71	88.59	87.44	20.27	23.18
Other revenues	5.88	12.99	6.25	(0.37)	(5.88)
<b>Total revenues</b>	<b>623.94</b>	<b>599.00</b>	<b>450.76</b>	<b>173.18</b>	<b>38.42</b>
Selling and administration expenses	217.17	194.44	136.08	81.10	59.59
Expected credit loss	104.19	94.00	76.46	27.73	36.27
Loss and disposals of assets foreclosed	110.74	110.45	28.50	82.24	288.59
<b>Total expenses</b>	<b>432.10</b>	<b>398.89</b>	<b>241.04</b>	<b>191.07</b>	<b>79.27</b>
<b>Profit before finance costs and income tax</b>	<b>191.84</b>	<b>200.11</b>	<b>209.72</b>	<b>(17.89)</b>	<b>(8.53)</b>
Finance cost	(99.73)	(99.73)	(40.34)	59.39	147.20
Income tax expenses	(21.62)	(18.77)	(27.78)	(6.16)	(22.19)
<b>Profit for the period (Shareholder's Equity)</b>	<b>78.26</b>	<b>81.61</b>	<b>141.60</b>	<b>(63.34)</b>	<b>(44.73)</b>
<b>Earnings per share (Baht per share)</b>	<b>0.08</b>	<b>0.09</b>	<b>0.15</b>	-	-

<sup>(1)</sup> As at 30 September 2021, the subsidiaries had not started its operation, therefore, the Group did not present the consolidated of statement of comprehensive income

- Total Revenue for the nine-month ended September 30, 2022 was 623.94 Million Baht, compared to 450.76 Million Baht from the same period of last year, increased by 173.18 Million Baht or 38.42%. The increase was mainly from higher hire purchase interest revenue, vehicle insurance commissions revenue, and hire purchase coverage insurance commissions revenue, which increased along with the growth of hire purchase portfolio.
- Total Expenses for the nine-month ended September 30, 2022 was 432.10 Million Baht, compared to 241.04 Million Baht from the same period of last year, increased by 191.07 Million Baht or 79.27%. These was due to:
  - Selling and administration expenses for the nine-month ended September 30, 2022 was 217.17 Million Baht, increased by 81.10 Million Baht or 59.59%. It was the increasing number of credit personnel to of the subsidiaries which is in accordance with the business plan, variable expenses from loan growth, the increasing in the expense for debt collection and follow up as well as for asset foreclosure.

- Expected credit losses for the nine-month ended September 30, 2022 totaled 104.19 Million Baht, increased by 27.73 Million Baht. This was due to the additional provision for impairment of hire - purchase and the write-off of bad debts 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. In addition, Increasing of provisioning for account receivables in subsidiary company totaling 10.18 Million Baht.

- Loss and disposal of assets foreclosed for quarter ended September 30, 2022 was 110.74 Million Baht, increased by 82.24 Million Baht or 288.59%. This was mainly due to the increased in the amount of asset foreclosed.

3. Financial cost for the nine-month ended September 30, 2022 was 99.73 Million Baht, compared to 40.34 Million Baht from the same period of last year, increased by 59.39 Million Baht or 147.20%. This was due to the increase of interest - bearing liabilities from financial institutions, and the issuance and offering of debentures.

4. Income tax expenses for the nine-month ended September 30, 2022 was 21.62 Million Baht, compared to 27.78 Million Baht from the same period of last year, decreased by 6.16 Million Baht or 22.19%.

5. Net profit (Shareholder's Equity) for the nine-month ended September 30, 2022 was 78.26 Million Baht, decrease by 63.34 Million Baht or 44.73%

#### Statement of financial position

(Unit: Million Baht)

Statement of financial position	Consolidated Financial Statements		Separate Financial Statements		Change Consolidated Financial	
	30 Sep 2022	31 Dec 2021	30 Sep 2022	31 Dec 2021	Amount	%
Asset	5,244.25	4,034.48	5,040.58	4,034.60	1,209.77	29.99
Liabilities	3,091.40	2,076.12	3072.42	2,076.06	1015.28	48.90
Equity	2,152.85	1,958.36	1,968.16	1,958.54	194.69	9.93
Debt to Equity Ratio	1.44	1.06	1.56	1.06	-	-

#### 1. Total Asset

- As of September 30, 2022, the company total asset was 5,244.25 Million Baht, an increase of 1,209.77 Million Baht or 29.99% from the year ended 2021. This was mainly due to an increase of hire purchase receivables from the Company's ability to expand the hire purchase portfolio totaling amount 627.59 Million Baht. In addition, Micro Plus Leasing Co, Ltd. start operated hire-purchase business in Q2'2022 as resulted in the increased in hire-purchase motorcycles totaling amount 306.68 Million Baht.

## 2. Total Liabilities

- As of September 30, 2022, the company total liabilities was 3,091,40 Million Baht, an increase of 1,015.28 Million Baht or 48.90%. This was in line with the expansion of the Company's hire purchase portfolio from the increased of short-term loans from financial institutions and the issuance of debentures

## 3. Shareholder Equity

- As of September 30, 2022, the company total equity was 2,152.85 Million Baht, an increase of 194.49 Million Baht or 9.93% from the prior year which was due to the profit of 78.26 Million Baht from operating activities during the period. In addition, the Company invested in Micro Plus Leasing Co., Ltd. 51% of shareholder registered. Resulting in increasing in non-controlling interests of the subsidiaries amounting in total of 188.23 Million Baht. and The company has paid dividends for the year 2021 in the amount of 72.00 million baht.

## 4. Debt to Equity Ratio

- As of September 30, 2022 the company debt-to-equity ratio was 1.44 times, compared to 1.06 times for the year 2021. An increase of D/E ratio was due to the fact that the Company had received more loans from financial institutions as a source of loan and had issued debentures to expand the credit business.

Please be informed according

Regards,



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