



24 February 2023

Subject Management Discussion and Analysis for the Year Ending 31 December 2022

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, 2022 with details as per below.

Financial performance for the year ending December 31,2022 with details as follows.

(Unit : Million Baht)

| Statement of comprehensive income<br>For the year ended December 31,2022 and 2021 | Consolidated<br>financial statements |               | Change<br>Increase (Decrease) |                |
|---|--------------------------------------|---------------|-------------------------------|----------------|
|   | 2022                                 | 2021          | Amount                        | %              |
| Interest income from hire purchase  | 706.19                               | 503.93        | 202.26                        | 40.14          |
| Fees and service revenues   | 140.22                               | 119.88        | 20.34                         | 16.97          |
| Other revenues  | 7.33                                 | 8.55          | (1.22)                        | (14.31)        |
| <b>Total revenues</b>   | <b>853.74</b>                        | <b>632.36</b> | <b>221.38</b>                 | <b>35.01</b>   |
| Cost of sale and administration   | 291.53                               | 186.14        | 105.39                        | 56.62          |
| Expected credit loss  | 159.98                               | 112.04        | 47.94                         | 42.79          |
| Gain/Loss from assets foreclosed  | 173.70                               | 43.58         | 130.12                        | 298.56         |
| <b>Total expenses</b>   | <b>625.21</b>                        | <b>341.76</b> | <b>283.45</b>                 | <b>82.94</b>   |
| <b>Profit from operating activities</b>   | <b>228.53</b>                        | <b>290.60</b> | <b>(62.08)</b>                | <b>(21.36)</b> |
| Finance cost  | (147.00)                             | (63.16)       | 83.84                         | 132.75         |
| Income tax expenses   | (16.38)                              | (39.98)       | (23.60)                       | (59.04)        |
| <b>Profit for the year</b>  | <b>65.15</b>                         | <b>187.46</b> | <b>(122.31)</b>               | <b>(65.25)</b> |
| - <i>Equity attributable to the Company</i>                                       | 79.14                                | 187.46        | (108.33)                      | (57.79)        |
| - <i>Non-controlling interests of the subsidiaries</i>                            | (13.99)                              | -             | (13.99)                       | -              |
| <b>Earnings per share (Baht per share)</b>  | <b>0.07</b>                          | <b>0.20</b>   | -                             | -              |

1. Total Revenue for the year ended December 31, 2022 was 853.74 Million Baht, compared to 632.36 Million Baht from the same period of last year, increased by 221.38 Million Baht or 35.01%.  
The main income of the Company and its subsidiaries were interest income from hire purchase which increased in accordance with the growth of the Company and its subsidiaries' credit portfolios as well as an increase in service income, vehicle insurance and mortgage reducing term assurance commissions , which increased along with the growth of new loan.
2. Total Expenses for the year ended December 31, 2022 was 625.21 Million Baht, compared to 341.76 Million Baht form the same period of last year, increased by 283.45 Million Baht or 82.94%  
These was due to:
  - Selling and administration expenses for the year 2022 was 291.53 Million Baht, increased by 105.39 Million Baht or 56.62% because increasing of credit personnel from expanding branches which is in accordance with the business plan, variable expenses from loan growth, increase in the number of credit officers in subsidiaries to expand credit according to business plan and including increasing in the expense for debt collection and follow up as well as for asset foreclosure.
  - Expected credit losses for the year ended December 31,2022 is 159.98 Million Baht, increased by 47.94 Million Baht or 42.79% This was due to the additional of allowance for expected credit loss of hire purchase portfolio and write-off of bad debts in accordance the Ministerial Regulation No.374
  - Loss on disposal of assets foreclosed for the year ended December 31, 2022 was 173.70 million baht, an increased by 130.12 Million Baht or 298.56%, This mainly due to the increased in the amount of confiscated vehicles due to the economic slowdown from the situation of oil price, slowdown in the import-export sector and the flood situation at the end of the year, which affected some hire purchase debtors who started to default on debt payments. However the Company was able to follow up and rapidly recover the collateral from the debtor.
3. Finance cost for the year ended December 31,2022 is 147.00 Million Baht, compared to 63.16 Million Baht from the same period of last year, increased by 83.84 Million Baht or 132.75% This was due to the increase in interest bearing debts from issued debentures and increase in the policy interest rate.
4. Income tax expenses for the year ended December 31,2022 was 16.38 Million Baht, compared to 39.98 Million Baht from the same period of last year, decreased by 23.60 Million Baht or 59.04%
5. Net profit attributable to the Company for the year ended December 31,2022 was 79.14 Million Bath compared to 187.46 Million Baht from the same period of last year, decreased by 108.33 Million Baht or 57.79%

## Financial position of the Company and its subsidiaries

(Unit: Million Baht)

| Statement of financial position | Consolidated financial statements |                  | Change   |       |
|---------------------------------|-----------------------------------|------------------|----------|-------|
|                                 | 31 December 2022                  | 31 December 2021 | Amount   | %     |
| Asset                           | 5,511.41                          | 4,034.48         | 1,476.93 | 36.61 |
| Liabilities                     | 3,363.89                          | 2,076.12         | 1,287.77 | 62.03 |
| Equity                          | 2,147.51                          | 1,958.36         | 189.15   | 9.66  |
| Debt to Equity Ratio            | 1.57                              | 1.06             | -        | -     |

### 1. Total Asset

As of December 31, 2022 the Company and its subsidiaries total asset was 5,511.41 Million Baht, an increase of 1,476.93 Million Baht or 36.61%, from the year ended 2021. The main reason was an increase in hire purchase receivables from the ability to expand branches to support loan origination, causing the Company's truck hire purchase receivables to increase totaling amount 597.73 Million Baht. In addition, Micro Plus Leasing Co, Ltd. start operated hire purchase business in Q2'2022 as resulted in the increased in motorcycles hire-purchase totaling amount 494.03 Million Baht.

### 2. Total Liabilities

As of December 31,2022 the company and its subsidiaries total liabilities was 3,363.89 Million Baht, an increase of 1,287.77 Million Baht or 62.03% This was in line with the expansion of the Company and its subsidiaries' hire purchase portfolio from increase of issued debentures.

### 3. Shareholder Equity

As of December 31,2022 the company and its subsidiaries total equity was 2,147.51 Million Baht, an increase of 189.15 Million Baht or 9.66% from the prior year which was due to the profit of 79.14 Million Baht from operating activities during the year. 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 182.01 Million Baht.

### 4. Debt to Equity Ratio

As of December 31,2022 the company and subsidiary debt to equity ratio was 1.57 times, compared to 1.06 the year end 2021. An increase of debt to equity ratio because the company and its subsidiaries had issued debentures to as a source of loan expand business.

Please be informed accordingly

Regards,

A handwritten signature in blue ink, consisting of a large loop followed by a checkmark-like flourish.

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Investor Relations

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