



*ใครๆ ก็พึงได้*

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

**Quarterly Ending March 31, 2024**

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Subject Management Discussion and Analysis for the Three-month Period Ended March 31, 2024

To Managing Director  
The Stock Exchange of Thailand

Heng Leasing and Capital Public Company Limited ("the Company") would like to present its financial performance for the Three-month Period Ended March 31, 2024 with an executive summary as follows:

- As of March 31, 2024, the Company has 941 branches, increased by 69 branches, or equivalent to 7.9%, from December 31, 2023.
- Loan portfolio (Gross) as of March 31, 2024 is Baht 15,183.4 million, increased by Baht 83.9 million, or equivalent to 0.6%, from December 31, 2023.
- Net profit for the Three-month Period Ended March 31, 2024 is Baht 22.6 million or equivalent to net profit margin of 2.9%.
- Credit cost ratio as of March 31, 2024 is 5.6% (as of December 31, 2023: 2.7%).
- Debt to Equity Ratio (D/E) as of March 31, 2024 is 1.8 time (as of December 31, 2023: 1.9 time).

### Company's performance

As to the operating performance for the Three-month Period Ended March 31, 2024, the Company has a total net profit of Baht 22.6 million, decreased from the same period of the previous year by Baht 78.4 million or equivalent to 77.6%.

Unit : Million Baht

Income Statement For the Three-month Period Ended March 31,	2024	2023	Change	
			Amount	%
<b>Revenues</b>				
Hire purchase interest income	162.5	250.0	(87.5)	(35.0)
Loan interest income	539.9	312.7	227.2	72.7
Fee and service income	51.1	63.9	(12.8)	(20.0)
Other income	15.2	13.9	1.3	9.4
<b>Total revenues</b>	<b>768.7</b>	<b>640.5</b>	<b>128.2</b>	<b>20.0</b>
Service and administrative expenses	320.9	309.8	11.1	3.6
<b>Profit from operating activities</b>	<b>447.8</b>	<b>330.7</b>	<b>117.1</b>	<b>35.4</b>
Expected credit losses	212.1	75.2	136.9	182.0
Loss on impairment and disposal of assets	68.5	44.8	23.7	52.9
<b>Profit before finance cost and income tax expenses</b>	<b>167.2</b>	<b>210.7</b>	<b>(43.5)</b>	<b>(20.6)</b>
Finance cost	139.0	84.5	54.5	64.5
<b>Profit before income tax expenses</b>	<b>28.2</b>	<b>126.2</b>	<b>(98.0)</b>	<b>(77.7)</b>
Income tax expenses	5.6	25.2	(19.6)	(77.8)
<b>Profit for the period</b>	<b>22.6</b>	<b>101.0</b>	<b>(78.4)</b>	<b>(77.6)</b>
Basic earnings per share (Baht per share)	0.01	0.03		

1. Total revenue for the Three-month Period Ended March 31, 2024 is Baht 768.7 million, increased from the same period of the previous year by Baht 128.2 million or equivalent to 20.0%.

2. Service and administrative expenses for the Three-month Period Ended March 31, 2024 is Baht 320.9 million, increased from the same period of the previous year by Baht 11.1 million or equivalent 3.6%, mainly caused by an increase of employee expenses from the expansion of branches and staff.

3. Expected credit loss for the Three-month Period Ended March 31, 2024 is Baht 212.1 million, increased from the same period of the previous year by Baht 136.9 million or equivalent to 182.0%.

4. Loss on impairment and disposal of assets for the Three-month Period Ended March 31, 2024 is Baht 68.5 million, increased from the same period of the previous year by Baht 23.7 million or equivalent to 52.9%.

5. Finance cost for the Three-month Period Ended March 31, 2024 is Baht 139.0 million, increased from the same period of the previous year by Baht 54.5 million or equivalent to 64.5%.

6. Net profit for the Three-month Period Ended March 31, 2024 is Baht 5.6 million, decreased from the same period of the previous year by Baht 78.4 million or equivalent to 77.6%.

## Company's Financial Position

Unit : Million Baht

Statements of financial position As of	March 31, 2024	December 31, 2023	Change	
			Amount	%
Current assets	4,424.5	4,558.9	(134.4)	(2.9)
Non-current assets	10,945.8	11,114.3	(168.5)	(1.5)
<b>Total assets</b>	<b>15,370.3</b>	<b>15,673.2</b>	<b>(302.9)</b>	<b>(1.9)</b>
Current liabilities	4,419.6	4,539.3	(119.7)	(2.6)
Non-current liabilities	5,512.0	5,717.8	(205.8)	(3.6)
<b>Total liabilities</b>	<b>9,931.6</b>	<b>10,257.1</b>	<b>(325.5)</b>	<b>(3.2)</b>
Total shareholders' equity	5,438.7	5,416.1	22.6	0.4
<b>Total liabilities and shareholders' equity</b>	<b>15,370.3</b>	<b>15,673.2</b>	<b>(302.9)</b>	<b>(1.9)</b>

### 1. Total Assets

- As of March 31, 2024, the Company has total assets of Baht 15,370.3 million, decreased from the end of the previous year by Baht 302.9 million or equivalent to 1.9%, mainly due to decrease of loan portfolio.

### 2. Total Liabilities

- As of March 31, 2024, the Company has total liabilities of Baht 9,931.6 million, decreased from the end of the previous year by Baht 325.5 million or equivalent to 3.2%, mainly due to decrease of funding.

### 3. Total Equities

- Total Equities as of March 31, 2024 is Baht 5,438.7 million, increased from the end of the previous year by Baht 22.6 million or equivalent to 0.4% which is a net of net profit for the year.

## Sustainable Development and Corporate Governance

The Company operates on a sustainable basis that balances business growth with social well-being and the environment including the importance of good corporate governance. The Company has appointed the Corporate Governance and Sustainable Development Committee to demonstrate our commitment to disclosing important information to stakeholders accurately, completely, and transparently. The Company has added Sustainable Development and Corporate Governance contents as a part of Management Discussion and Analysis. For the 1<sup>st</sup> quarter of 2024, the Company made significant progress as follows:

### **E: Environment**

The Company focuses on the efficient use of resources and systematic waste management. The Company has started the campaign to reduce the use of electricity. Campaign to reduce water use and help check for broken plumbing equipment. Campaign to reduce pollution from car traveling including waste separation for effective waste management. The Company received an evaluation of the Green Office Project for the year 2023 from the Ministry of Natural Resources and Environment at a very good level.

### **S: Social**

The Company has provided financial knowledge to people in the community through the project to promote financial knowledge and also has published through online channels in the program "Heng Ruay Pang" via YouTube and Facebook of the Company.

### **G: Governance**

The Company focuses on the importance of good corporate governance. The Company operated following the Personal Data Protection Act. and the Anti-Money Laundering Act, B.E. 2542 (1999) and the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act, B.E.2559 (2016) to update the policy and operation process including educating employees for knowledge and updated a guideline for working and serving customers equitably.