

No. GL 30/2015

November 10th, 2015

Subject: Clarification for the operating result of Q3/2015

Attention: The President

The Stock Exchange of Thailand

Duplicate: The Secretary General

The Securities and Exchange Commission

Group Lease Public Company Limited would like to clarify the operating result of Q3/2015 as at 30 September 2015 for the consolidated and separate financial statements as follow:

Separate Financial Statements

Net profit Q3/2015 increased from THB 22.25 million to THB 96.65 million, representing increased by THB 74.40 million or 334.41% compare to the same period of last year, which are resulted from the major factors as follow:

1. Hire purchase interest income decreased from THB 349.89 million to THB 329.68 million, representing decreased by THB 20.21 million or 5.78% due to less expansion rate of motorcycle hire-purchase portfolio related to economic situation and focusing on screening account receivable quality.
2. Other Incomes increased from THB 72.96 million to THB 147.76 million, representing increased by THB 74.80 million or 102.52%, mostly from service fee income derived from subsidiary in Thailand, from bad debt recovery, interest income from the subsidiaries and gain from exchange rate.
3. Service and Administrative expenses increased from THB 105.20 million to THB 133.81 million, representing increased by THB 28.61 million or 27.02% to support business operation of the Company and subsidiary in Thailand according to group business expansion plan.
 1. Bad debts and doubtful accounts decreased from THB 98.10 million to THB 76.45 million, representing decreased by THB 21.65 million or 22.07% reflected better quality of portfolio from strict credit approval process and improvement on debt collection system which continuously demonstrate an obvious result during the past period.
 4. There were a decrease in loss on disposals of asset foreclosed from THB 106.46 million to THB 80.45 million, representing decreased by THB 26.01 million or 24.43% from gradually increasing of asset foreclosed market price.
 5. Finance cost decreased from THB 85.10 million to THB 66.16 million, representing decreased by THB 18.94 million or 22.26% due to a decrease in loan from financial institutions outstanding balance.

Consolidated Financial Statements

Referring to the operating result of Q3/2014, there is not operating result of the subsidiary in Laos (start consolidated in Q2/2015) included in the profit and loss statements so this factor could have an effect to the difference in the consolidated financial statement compared to the same period of last year.

Net profit increase from THB 4.66 million to THB 150.27 million (the highest quarterly profit of company's historical record), representing increased by THB 145.61 million or 3,124.68% compared to same period of the year 2014, which are resulted from the major factors as follow :

1. Hire purchase interest income and loan interest in the consolidated financial statement increased from THB 477.40 million to THB 478.85 million, representing increased by THB 1.45 million or 0.30%, due to a decrease from the parent company as in the separate financial statement by THB 20.13 million, decrease from subsidiary in Thailand by THB 52.34 million and included hire purchase

interest income from the subsidiary in foreign country by THB 73.92 million, reflected continuously business expansion of foreign subsidiary.

2. Other income in the consolidated financial statement increased from THB 51.40 million to THB 160.02 million, representing increased by THB 108.61 million or 211.26% which increased from the parent company THB 62.55 million and from subsidiary in foreign country THB 45.47 million.
3. Service and Administrative expenses in the consolidated financial statement increased from THB 162.70 million to THB 210.90 million, representing increased by THB 48.20 million or 29.63% which increased from the parent company by THB 28.62 million, decreased from subsidiaries in Thailand by THB 5.13 million and increased from subsidiary in foreign country by THB 24.71 million to support regional business expansion and also included the amortization on exclusivity right.
4. Bad debts and doubtful accounts on consolidated financial statement decreased from THB 138.66 million to THB 83.43 million, representing decreased by THB 55.23 million or 39.83% which decreased from the parent company THB 21.65 million and from subsidiary in Thailand THB 44.06 million reflected better quality of portfolio same as the parent company, and increase from subsidiaries outside Thailand THB 10.48 million according to an increase in hire purchase account receivables.
5. There were a decrease in loss on disposals of asset foreclosed from THB 135.06 million to THB 91.14 million, representing decreased by THB 43.92 million or 32.52% which decreased from the parent company by THB 26.01 million and decreased from the subsidiary in Thailand by THB 17.91 million due to a gradually increasing of asset foreclosed market price, while the subsidiary in Cambodia has very low percentage of overdue: therefore, there is not loss on disposals of foreclosed asset in this quarter.

Please be informed accordingly.

Yours sincerely,

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(Mr. Deepong Sahachartsiri)
Director