

No. GL 10/2016

May 13th, 2016

Subject: Clarification for the operating result of Q1/2016

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 Q1/2016 as at 31 March 2016 for the consolidated and separate financial statements as follow:

Separate Financial Statements

Net profit of Q1/2016 increased from Baht 71.12 million to Baht 96.34 million, representing increased by Baht 25.22 million or 35.46% compare to same period of last year, which are resulted from the major factors as follow:

1. The hire-purchase interest income decreased by Baht 50.33 million or 14.27% yoy to Baht 302.42 million in 1Q/2016 from Baht 352.75 million in 1Q15 as total portfolio in 1Q/2016 slightly decreased by Baht 703.15 million from the 1Q/2015. This is the result of a company's strategy to improve the quality of customers to counter economic slowdown and high household debt.

2. Other incomes increased from Baht 81.88 million to Baht 139.45 million, representing increased by Baht 57.57 million or 70.31%, mainly from higher from the penalty income, bad debts recovery, registration fee, management fee income and interest income from subsidiaries. An increase in other income was the result of an improvement of collection efficiency and strategy to follow up the debt which was write off.

With regard to revenue structure in GL's separate financial statements, the portion of hire purchase interest income decreased from 81.16% in 1Q/2015 to 68.44% in 1Q/2016 due to declining hire-purchase portfolio and the higher interest income from subsidiaries for supporting of the growth portfolio in foreign countries. These drive a higher proportion of other income.

3. Service and administrative expenses rose Baht 53.28 million or 44.97% YoY, due mainly to support rapid and continuous business expansion in foreign countries.

4. During the first quarter of 2016, GL set bad debts and doubtful accounts of Baht 55.18 million, a decrease of Baht 21.65 million or 28.18% compare to same period of last year, relating to a decreasing of GL's portfolio as well as reflecting the improvement of the quality of the portfolios and the enhancement of loan collection process.

5. Loss on disposals of asset was Baht 54.80 million, decreasing Baht 32.88 million or 37.50% yoy, as a result of higher market price of second-hand motorcycles and more efficient in controlling risk from loss in sales of foreclosed assets.

Consolidated Financial Statements

GL PCL announced reviewed operating results for the first quarter of 2016, with a record consolidated net profit of Baht 222.17 million, a 101.53% yoy increase of Baht 111.93 million from the 1Q 2015 net profit. The increase in net profit was mainly the result of the higher hire purchase interest income, higher asset-backed interest income, higher other income and lower loss on disposals of asset and provision.

1. GL's consolidated Hire purchase interest income was Baht 484.70 million, increasing Baht 1.47 million or 0.30% yoy, due mainly to an increase of interest income from the subsidiaries in Cambodia and Laos by Baht 80.77 million and Baht 16.04 million respectively, in tandem with rising loan volume. However, an increase was partially offset by decreasing in interest income from GL and from local subsidiary by Baht 50.33 million and Baht 45.01 million respectively. This is in line with our strategy to expand the portfolios of the subsidiaries in foreign countries which have higher growth opportunities and lower NPL with the new business model of GL so call "Digital Finance".

2. Asset-backed interest income increased Baht 21.59 million, totally from the local subsidiary business expansion.

3. GL's consolidated other income has been increased significantly from Baht 89.70 million to Baht 173.49 million representing increased by Baht 83.80 million or 93.42% resulting from an increase in interest income by Baht 144.17 million, a decrease in consultation service fee income of Baht 13.05 million and a decrease in other income related to the activities of hire purchase of Baht 18.44 million. The interest income and the consulting service fee income is related to "supplier side income" which came from several products suppliers. GL's subsidiaries provide Business Expansion Solution service and Financial Support to the distributors who want to expand their sales to the countries where GL's subsidiaries existing. The new business model of GL group "Digital Finance" brings these incomes other than the Hire purchase income.

The GL's revenue structure of consolidated financial statements were similar to the separate financial statements. The portion of hire purchase interest incomes decreased from 84.34% in 1Q/2015 to 71.30% in 1Q/2016.

4. GL's consolidated service and administrative expenses totaled Baht 235.90 million, increasing by Baht 55.20 million or 30.55% when compared to the same quarter of previous year. Increasing of expenses was increased in the same line of total revenue increasing, resulted from supporting of the rapid growth portfolio.

5. GL's consolidated bad debts and doubtful accounts which comprised of bad debts and allowance for doubtful accounts was set aside lower compared to the same period of last year decreases by Baht 11.15 million or 13.54% relate to better quality of the portfolio from more strict on credit approval and improvement on debt follow up process. Moreover, the business in Cambodia and Laos are continually growing with very low percentage overdue because of the highly effective Approval, Scoring, and Collection system in newly and originally developed in Cambodian subsidiary as a part of the new business of GL so call "Digital Finance".

6. There were a decrease in loss on disposals of asset foreclosed from Baht 107.10 million to Baht 57.25 million representing decreased by Baht 49.85 million or 46.55%, which resulted from a gradually

increasing market value of asset foreclosed and increasing of repossession units relate to the hire-purchase portfolio expansion. Additionally, no loss on disposals of foreclosed asset was recorded from subsidiaries in foreign countries. When compared ratio between the loss on disposals of foreclosed assets and the hire purchase receivables for Q1/2016, the ratio was only 0.88% decreased from 1Q/2015 which was 1.64%.

7. GL's consolidated finance cost was Baht 44.03 million, decreasing by Baht 19.44 million, or 30.63%, compared to Baht 63.47 million in Q1/2015. As for interest-bearing debt has decreased to Bath 3,152.68 million in Q1/2016 from Bath 4,454.10 million in Q1/2015 as well as the average cost of funding has slightly decreased from 5.7% to 5.6%.

Please be informed accordingly.

Yours sincerely,

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(Mr. Tatsuya Konoshita)

Director