

No. GL 23/2015

August 13<sup>th</sup>, 2015

Subject: Clarification for the operating result of Q2/2015

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 Q2/2015 as at 30 June 2015 for the consolidated and separate financial statements as follow:

### **Separate Financial Statements**

Net profit Q2/2015 increased from THB 21.48 million to THB 81.72 million, representing increased by THB 60.24 million or 280.45% compare to the same period of last year, which are resulting from the major factors as follow :

1. Hire purchase interest sales income decreased from THB 341.80 million to THB 336.48 million, representing decrease by THB 5.32 million or 1.56% due to less expansion rate of motorcycle hire-purchase portfolio relate to economic situation and focusing on screening account receivable quality.
2. Other Incomes increased from THB 30.24 million to THB 111.91 million, representing increase by THB 81.67 million Baht or 270.07%, mostly from service fee income derived from subsidiary in Thailand, from bad debt recovery, interest income from the subsidiary and gain from exchange rate.
3. Service and Administrative expenses increased from THB 85.65 million to THB 110.52 million, representing increase THB 24.87 million or 29.04% to support subsidiary business operation in Thailand, and to support company's business expansion.
4. Bad debts and doubtful accounts decreased from THB 133.25 million to THB 98.08 million, representing decrease THB 35.17 million or 26.40% reflect better quality of portfolio from strict credit approval process and improvement on debt follow up system.
5. There were decreasing of loss on disposals of asset foreclosed from THB 80.52 million to THB 71.66 million, representing decrease THB 8.86 million or 11.00% by gradually increase of asset foreclosed market price.
6. Finance cost increased from THB 45.66 million to THB 65.90 million, representing increase THB 20.24 million or 44.33% due to increasing of loan to support local and foreign business expansion.

### **Consolidated Financial Statements**

Because for the operating result of Q2/2014, still have no operating result of the subsidiary in Thailand (start consolidated in Q3/2014) and also subsidiary in Laos (start consolidated in Q2/2015) included in the profit and loss statements so this factor could have effect to the difference in the consolidated financial statement compare to the same period of last year.

Net profit increase from THB 6.94 million to THB 129.47 million (the highest quarterly profit of company's historical record), representing increase by THB 122.53 million or 1,765.56% compare to same period of the year 2014, which are resulting from the major factors as follow :

1. Hire purchase interest sales income in the consolidated financial statement increased from THB 365.17 million to THB 471.48 million, representing increase by THB 106.31 million or 29.11%, due to decreasing from the parent company as in the separate financial statement THB 5.32 million, increase from subsidiary in Thailand THB 49.32 million (start consolidated in Q3/2014) and included hire

purchase interest sales income from the subsidiary outside Thailand THB 62.31 million, reflect foreign subsidiary business expansion continuously.

2. Other income in the consolidated financial statement increased from THB 25.46 million to THB 133.64 million, representing increase by THB 108.18 million or 424.90% which increased from the parent company THB 52.14 million, from subsidiary in Thailand THB 10.61 million (start consolidated in Q3/2014) and from subsidiary in foreign country THB 45.43 million
3. Service and Administrative expenses in the consolidated financial statement increased from THB 116.44 million to THB 184.46 million, representing increase by THB 68.02 million or 58.42% which increased from the parent company THB 24.87 million, from subsidiaries in Thailand THB 8.07 million (start consolidated in Q3/2014) and increased from subsidiary in foreign country THB 35.08 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 135.27 million to THB 112.57 million, representing decrease THB 22.70 million or 16.78% which decreased from the parent company THB 35.17 million, increase from subsidiary in Thailand THB 11.46 million (start consolidated in Q3/2014), and increase from subsidiaries outside Thailand THB 1.01 million.
5. There were an increasing of loss on disposals of asset foreclosed from THB 80.52 million to THB 82.16 million, representing an increase THB 1.64 million or 2.04% which decreased from the parent company THB 8.86 million and increase from the subsidiary in Thailand THB 10.50 million (start consolidated in Q3/2014), while the subsidiary in Cambodia has very low percentage of overdue resulting still has no loss on disposals of foreclosed asset in this quarter.

Please be informed accordingly.

Yours sincerely,

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(Mr. Deepong Sahachartsiri)  
Director