



บริษัท กู๊ปเปลี่ส จำกัด (มหาชน)

GROUP LEASE PUBLIC COMPANY LIMITED

No. GL 27/2019

November 14th, 2019

Subject: Clarification for the operating result of Q3/2019 (Reviewed)

Attention: The President

The Stock Exchange of Thailand

Duplicate: The Secretary General

The Securities and Exchange Commission

Group Lease Public Company Limited (“the Company or GL”) would like to clarify the operating result for Q3/2019 as at 30 September 2019 for the consolidated and separate financial statements as follow:

Consolidated Financial Statements

The Company reported reviewed operating results for the third quarter of 2019, with consolidated net profit of Baht 12.75 million, decrease of Baht 91.89 million from the net profit of Baht 104.64 million in Q3/2018. The decrease in net profit was mainly from the decrease in revenues.

1. GL's consolidated hire purchase interest income was Baht 422.85 million, decreased by Baht 96.15 million or 18.53% compared to 2018. The breakdown of hire purchase interest income can be explained by:
 - GLF Finance Plc. (Cambodia) showed a decrease of Baht 40.36 million or 35%, resulting from the new conservative strategy to decrease portfolio in Cambodia by tightening our screening of potential customers to improve loan quality.
 - GL Leasing (Lao) Ltd showed a decrease of Baht 12.92 million or 41%, resulting from the mix product between automotive/Honda.
 - GLF Indonesia Ltd showed stable income of Baht 3.46 million, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.
 - GL (Thailand) showed a decrease of Baht 44.55 million or 13%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
 - Thanaban Company Limited “TNB” (Thailand) showed an increase of 1.24 million.
2. Loan interest income was Baht 26.21 million, decreasing by Baht 13.40 million or 33.82%, resulting from the decrease in portfolio of TNB.
3. Microfinance interest income was Baht 45.56 million, increasing by Baht 4.39 million or 10.67%, compared to the same period last year.
 - BGMM recorded Microfinance interest income of Baht 36.39 million this year, increasing Baht 1.53 million or 4%.



- GLF Indonesia recorded Microfinance interest income of Baht 9.17 million in this year, increasing Baht 2.86 million or 45%, mainly from the increasing in microfinance portfolio operated by GLFI without joint financing.
- 4. Consumer finance under joint financing arrangements interest income was Baht 0.63 million, decreasing by Baht 15.12 million or 95.99% compared to last year, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.
- 5. Hire purchase service fee income was Baht 22.17 million, decreased by Baht 2.22 million or 9.10%, mainly from decreasing number of contracts. Hire purchase service fee income relates to operational leasing services provided by GL-AMMK (Myanmar subsidiary) in partnership with Century Finance (Myanmar financial institution).
- 6. GL's consolidated other income decreased by Baht 10.01 million or 11.47%, mainly resulting from a decrease of Baht 15.67 million from gain on exchange and a decrease of Baht 4.68 million from other incomes. However, there were an increase of Baht 7.09 million from other income related to the activities of hire purchase and Baht 2.72 million from other interest income.
- 7. GL's consolidated service and administrative expenses totaled Baht 308.62 million, decreasing by Baht 10.28 million or 3.22% when compared to 2018 mainly resulting from a decrease of payroll and staff benefits by Baht 26.90 million and a decrease of loss on exchange by Baht 2.57 million. However, there was an increase of legal fees due to the ongoing litigation by Baht 29.68 million.
- 8. GL's consolidated bad debts and doubtful accounts increased compared to 2018 by Baht 20.25 million or 21.26%, mainly resulting from an increase of allowance for bad debt in Thailand. The management is being prudent by increasing the allowance in the preparation for the TFRS 9.
- 9. There was a decrease in loss on disposal of foreclosed asset from Baht 93.60 million to Baht 72.22 million representing a decrease of Baht 21.38 million or 22.84%, which resulted from a lower repossession rate in Thailand.
- 10. Share of profit from a 29.99% ownership of Commercial Credit and Finance PLC "CCF" which is an associated company in Sri Lanka, was Baht 27.22 million, increasing by Baht 16.36 million or 150.74% from Baht 10.86 million in Q3/2018, mostly due to an accounting principle adjustment for calculation of bad-debt allowance of Baht 18.35 million in Q3/2018.
- 11. GL's consolidated finance cost was Baht 90.64 million, decreased by Baht 9.35 million or 9.35% from last year, resulting from the repayment of THB bond in Q3/2019.



Separate Financial Statements

Net profit of Q3/2019 decreased from Baht 92.71 million to Baht 33.86 million, representing decreased by Baht 58.84 million or 63.47% compare to same period of last year, which are resulted from the major factors as follows:

1. The hire-purchase interest income decreased by Baht 44.55 million or 13.20% from Baht 337.44 million in Q3/2018 to Baht 292.89 million this year, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
2. Other income decreased from Baht 193.22 million to Baht 157.53 million, representing a decrease by Baht 35.69 million or 18.47%, because of a decrease in gain on exchange rate and other interest income.

Other incomes were mainly composed of the interest income from loans to foreign subsidiaries of Baht 91.69 million, income related to the activities of hire purchase of Baht 34.46 million, management service fee income of Baht 21.00 million, gain on exchange of Baht 7.82 million, and other income of Baht 2.56 million.

3. Service and administrative expenses was Baht 168.88 million, stable compared to Baht 168.01 million in last year.
4. Bad debts and doubtful accounts were Baht 88.34 million, increasing by Baht 13.61 million or 18.21% compare to same period last year, resulting of an increase in overdue portfolios in Thailand. However, management already took action to improve loan quality.
5. Loss on disposal of foreclosed assets was Baht 62.61 million, decreasing by Baht 12.09 million or 16.18%, which resulted from the repossessed units decreased by 16%.
6. Finance cost was Baht 88.70 million, decreased by Baht 9.41 million or 9.59% from last year, resulting from the repayment of THB bond in Q3/2019.

Please be informed accordingly.

Yours sincerely,

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(Mr. Tatsuya Konoshita)

Director