

No. GL 1/2016
November 10th, 2015
Subject: Clarification for the operating result of the year 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 the year 2015 as at 31 December 2015 for the consolidated and separate financial statements as follow:

Separate Financial Statements

Net profit of the year 2015 increased from THB 145.95 million to THB 340.21 million, representing increased by THB 194.26 million or 133.10% compare to the last year, which are resulted from the major factors as follow:

1. The hire-purchase interest income was reduced from THB 1,389.65 million to THB 1,332.84 million representing decreased by THB 56.81 million or 4.09% as the company has put a higher focus on screening account receivable. This is due to the lower expansion rate of the economic growth.
2. Other Incomes increased from THB 216.72 million to THB 457.17 million, representing increased by THB 240.45 million or 110.95%, which was derived mostly from service fee income, interest income of subsidiaries and recovery of bad debt.
3. Service and Administrative expenses increased from THB 353.96 million to THB 476.32 million, representing increased by THB 122.36 million or 34.57% due to the business expansion plan which was carried out to support the company and its subsidiaries.
4. Bad debts and doubtful accounts were reduced from THB 441.37 million to THB 322.57 million, representing decreased by THB 118.80 million or 26.92% reflecting a better portfolio as the company has emphasize more on the process of approving the new credit loan and the improvement of the collection process.
5. Loss on disposals of asset has reduced from THB 377.81 million to THB 309.20 million representing decreased by THB 68.61 million or 18.16% million as the market value of asset is continuingly increasing.

Consolidated Financial Statements

The operating result of the year 2014 does not include the earnings of subsidiaries in Laos (as the consolidation of subsidiaries in Laos started in the second quarter of 2015). This factor makes the consolidation financial statements result different from the same period of the previous year.

The company's net profit has increased from THB 117.72 million to THB 582.89 million, representing an increase of THB 465.17 million or 395.15% when comparing to the year 2014. The major factors are as follows:

1. Hire purchase interest income and loan interest in the consolidated financial statement increased from THB 1,676.42 million to THB 1,898.44 million representing increased by THB 222.02 million or 13.24% due to a decrease from the parent company as in the separate financial statement by THB 56.81 million, decrease from subsidiary in Thailand by THB 1.49 million and increase from the subsidiary in foreign country by THB 280.32 million. This is due to an increase of earnings in the subsidiaries in foreign countries revealing that these subsidiaries have been growing.
2. Asset-backed interest income increased THB 25.48 million from the local subsidiary business expansion.

3. Other income in the consolidated financial statement increased from THB 185.93 million to THB 564.78 million representing increased by THB 378.85 million or 203.75% resulting from an increase in income in the parent company, local subsidiary and foreign subsidiary of amounts THB 106.63 million, THB 22.97 million and THB 249.24 million respectively.
4. Service and Administrative expenses in the consolidated financial statement increased from THB 547.64 million to THB 784.37 million representing increased by THB 236.73 million or 43.23% which increased from the parent company by THB 122.36 million, increased from local subsidiary THB 6.52 million (as the consolidation of local subsidiary started in the third quarter of 2014) and increased from subsidiary in foreign country by THB 107.85 million. These expenses increased due to regional business expansion.
5. Bad debts and doubtful accounts on consolidated financial statement decreased from THB 494.86 million to THB 356.57 million representing decreased by THB 138.29 million or 27.95% due to the decrease of bad debts and doubtful accounts from the parent company and the subsidiaries in Thailand in the amounts of THB 118.80 million and THB 34.58 million (as the consolidation of subsidiary in Thailand started in the third quarter of 2014) and increasing from subsidiaries in foreign country THB 15.09 million according to portfolio expansion.
6. There were a decrease in loss on disposals of asset foreclosed from THB 431.82 million to THB 355.03 million representing decreased by THB 76.79 million or 17.78% due to a decrease of loss on disposals of asset from the parent company and the subsidiaries in Thailand in the amounts of THB 68.61 million and THB 8.18 million, which resulted from a gradually increasing market value. Because the subsidiary in Cambodia has very low percentage overdue, there is no loss on disposals of foreclosed asset in this quarter.

Please be informed accordingly.

Yours sincerely,

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(Mr. Deepong Sahachartsiri)
Director