



บริษัท กรู๊ปลีส์ จำกัด (มหาชน)

GROUP LEASE PUBLIC COMPANY LIMITED

No. GL 28/2018

May 15th, 2018

Subject: Clarification for the operating result of Q1/2018 (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 Q1/2018 as 31 March 2018 for the consolidated and separate financial statements as follow:

Consolidated Financial Statements

The Company reported reviewed operating results for the first quarter of 2018, with consolidated net profit of Baht 106.53 million, a 67.46% YoY decrease of Baht 220.84 million from the net profit of Q1/2017. The decrease in net profit was mainly the result of the lower interest on loan receivables.

1. GL’s consolidated hire purchase interest income was Baht 513.48 million, increasing Baht 6.60 million or 1.30%, due mainly to an increase of interest income from GL and Thanaban Company Limited “TNB” which is the Thai subsidiary also showed an increase in hire purchase interest income of Baht 27.69 million and Baht 16.24 million, respectively in line with the new products and strategy. Moreover, GL Leasing (Lao) Ltd. “GLL” which is the Laos subsidiary by Baht 3.68 million, in tandem with rising loan volume in foreign countries. On the other hand, there is a decrease of Bath 40.95 million in GLF Finance Plc. “GLF” which is the Cambodia subsidiary.
2. Asset-backed loan interest income was Baht 41.73 million, increasing Baht 5.60 million or 15.49%, an increase of Baht 4.07 million from TNB showing the success of the business expansion. Partial increase of Baht 1.53 million came from the GLF Cambodia which just launched the new product in Q2/2017.
3. Microfinance interest income was Baht 36.60 million, increasing Baht 32.33 million when comparing reflecting with same period last year, reflecting the high growth of customers. BGMM recorded Microfinance interest income of Baht 25.29 million and GLF Indonesia recorded Microfinance interest income of Baht 11.31 million in Q1/2018.
4. Consumer finance under joint financing arrangements interest income was Baht 18.85 million, increasing Baht 11.80 million or 167.65% when comparing with same period last year. Consumer finance is a different classification related to joint-financing product to provide loans to consumers for purchases of agricultural machinery, started in Indonesia.
5. Interest on loan receivables was Baht 0.46 million, decreasing Baht 142.56 million or 99.68%, when compared to same period previous year, mainly resulting from a company’s policy to stop recognizing interest income from these loans for conservative reason.
6. Revenue from sale increased Baht 1.15 million, totally from a new product launched in Q4/2017 by TNB.
7. GL’s consolidated other income is stable with Baht 0.11 million upside or 0.13% from Baht 90.76 million to Baht 90.88 million, consisting of other interest income of Baht 11.84 million, other income related to the activities of hire purchase of Baht 72.00 million, other income related to the activities of microfinance of Baht 2.28 million, and other incomes of Baht 4.76 million.



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8. GL's consolidated service and administrative expenses totaled Baht 338.99 million, increasing by Baht 81.97 million or 31.90% when compared to previous year, mainly resulting from the higher administrative expenses from the operation in Myanmar and Indonesia and a sharp increase of legal fees due to the litigation.
9. GL's consolidated bad debts and doubtful accounts has increased compared to the same period of last year by Baht 16.57 million or 21.52%, mainly resulting from a change in write off and repossession strategy.
10. Cost of sales increased Baht 0.94 million, totally from a new product launched in Q4/2017 by TNB, as mentioned in No. 6.
11. There was an increase in loss on disposals of foreclosed asset from Baht 58.65 million to Baht 71.30 million representing an increase by Baht 12.65 million or 21.57%, which resulted from the higher ticket sizes of hire-purchase portfolio in Thailand as well as higher repossession rates in GLF.
12. Share of profit from a 29.99% stake investment from Commercial Credit and Finance PLC "CCF" which is an associated company in Sri Lanka, which GL started to recognize since October 2016, was Baht 40.07 million, decreasing by Baht 15.42 million or 27.78% from Q1/2017, mostly due to the increase in the allowance for doubtful accounts from their operations and the appreciation of the Thai Baht.
13. GL's consolidated finance cost was Baht 97.30 million, decreasing by Baht 5.83 million, or 5.65%, compared to Baht 103.12 million in Q1/2017, mainly due to a decrease in bank loan of GLF Cambodia.



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Separate Financial Statements

Net profit of Q1/2018 increased from Baht 45.81 million to Baht 134.82 million, representing increased by Baht 89.01 million or 194.33% compare to same period of last year, which are resulted from the major factors as follows:

1. The hire-purchase interest income slightly increased by Baht 27.69 million or 9.34% from Baht 296.56 million in Q1/2017 to Baht 324.24 million in Q1/2018. The total hire-purchase portfolio in Q1/2018 slightly increased by Baht 447.87 million or 11.28% from Q1/2017. This is the result of the company's strategy to grow the portfolio in Thailand.
2. Other income increased from Baht 149.11 million to Baht 200.45 million, representing an increase by Baht 51.34 million or 34.43%. Other incomes are mainly composed of the interest income from loans to foreign subsidiaries amounting of Baht 88.89 million, gain on exchange rate amounting of Baht 55.42 million, management service fee income amounting of Baht 21.00 million, income related to the activities of hire purchase amounting of Baht 32.10 million, and other income of Baht 3.04 million.
3. Service and administrative expenses decreased from Baht 204.04 million to Baht 162.31 million, representing decreased by Baht 41.73 million or 20.45%, despite a sharp expense on legal fees, showing the cost-efficient management.
4. Bad debts and doubtful accounts was Baht 56.87 million, increasing by Baht 16.18 million or 39.75% compare to Q1/2017, mainly resulting from a change in write off and repossession strategy.
5. Loss on disposals of asset was Baht 58.60 million, increasing by Baht 6.68 million or 12.87%, which resulted from the higher ticket sizes of hire-purchase portfolio in Thailand.
6. Finance cost was Baht 94.89 million, slightly decreasing by Baht 3.03 million, or 3.09%, compared to Baht 97.92 million in Q1/2017, mainly resulting from a net decrease of third party liabilities.

Please be informed accordingly.

Yours sincerely,

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(Mr. Tatsuya Konoshita)

Director