



บริษัท กู๊ปเปลี่ส จำกัด (มหาชน)

GROUP LEASE PUBLIC COMPANY LIMITED

No. GL 09/2021

March 19th, 2021

Subject: Clarification for the operating result of Q3/2020 (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 the Q3/2020 for the consolidated and separate financial statements as follow:

Consolidated Financial Statements

The Company reported reviewed operating results for Q3/2020, with consolidated net loss of Baht 818.00 million, decrease of Baht 830.75 million from the net profit of Baht 12.75 million in Q3/2019, resulting from a decrease in revenues and an increase in expenses.

1. GL’s consolidated hire purchase interest income was Baht 329.70 million, decreased by Baht 93.15 million or 22% compared to Q3/2019. The breakdown of hire purchase interest income can be explained by:
 - GL (Thailand) showed a decrease of Baht 59.20 million or 20%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
 - GLF Finance Plc. (Cambodia) showed a decrease of Baht 15.52 million or 21%, resulting from the new conservative strategy to decrease portfolio in Cambodia by tightening our screening of potential customers to improve loan quality.
 - Thanaban Company Limited “TNB” (Thailand) showed a decrease of 10.30 million or 31%.
 - GL Leasing (Lao) Ltd showed a decrease of Baht 5.20 million or 28%, resulting from the mix product between automotive/Honda.
 - PT Group lease Indonesia (GLFI) showed a decrease of Baht 2.93 million or 85%, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.
2. Loan interest income was Baht 23.20 million, decreasing by Baht 3.01 million or 12%, resulting from the decrease in portfolio of TNB.
3. Microfinance interest income was Baht 40.00 million, decreasing by Baht 11.56 million or 25%, compared to the same period last year.
 - BG Microfinance Myanmar Co.,Ltd. (BGMM) recorded Microfinance interest income of Baht 26.92 million in Q3/2020, decreasing Baht 9.47 million or 26%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
 - PT Group lease Indonesia (GLFI) recorded Microfinance interest income of Baht 5.92 million in Q3/2020, decreasing Baht 3.25 million or 35%, mainly from the decreasing in microfinance portfolio operated by GLFI without joint financing.
 - GL Leasing (Lao) Ltd (GLL) recorded Microfinance interest income of Baht 1.16 million or 100% in Q3/2020.



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4. Hire purchase service fee income was Baht 10.02 million, decreased by Baht 12.15 million or 55%, mainly from Covid-19 situation in Myanmar. Hire purchase service fee income relates to operational leasing services provided by Myanmar subsidiary (GL-AMMK) in partnership with Myanmar financial institution (Century Finance).
5. Other interest income decreased by Baht 9.14 million or 47% compared to the same period last year.
 - Group Lease Holdings Pte. Ltd. (GLH) recorded other interest income of Baht 3.99 million in Q3/2020, decreasing Baht 11.62 million or 74%, resulting from the decrease of the interest rate by the bank.
 - BG Microfinance Myanmar Co.,Ltd. (BGMM) recorded other interest income of Baht 5.25 million in Q3/2020, decreasing Baht 2.63 million or 416%, resulting from the decrease of the fixed deposit with the bank.
6. Gain on exchange rate was Baht 21.19 million, mainly resulting from the revalue of USD assets when appreciation of the Baht against USD, comparing from Q2/2020 to Q3/2020.
7. GL's consolidated service and administrative expenses totaled Baht 1,158.46 million, increasing by Baht 849.84 million or 275%, when compared to Q3/2019.
 - Group Lease Holdings Pte. Ltd. (GLH) recorded the loss from the Court of Appeal of the Republic of Singapore's judgement in the amount of USD 21.07 million and SGD 0.13 million (equivalent to Baht 663.55 million) in Q3/2020.
 - GLF Finance Plc. (Cambodia) provide an allowance for the Other current assets related to prepaid stock in the amount of USD 7.10 million (equivalent to Baht 224.63 million) in Q3/2020.
 - Other service and administrative expenses decreased by Baht 38.34 million mainly from decreasing of legal fee by Baht 12.31 million or 36%, decreasing of payroll expense by Baht 10.90 million or 6% and decreasing of rental office and depreciation and amortization expenses by Baht 9.94 million or 43%, showing the efficient cost management.
8. Expected credit loss and loss arising from derecognition & bad debts and doubtful accounts decreased by Baht 83.14 million or 72%, mainly resulting of a decrease in provision expense by Baht 13.33 million and a decrease in written-off bad-debt expense by Baht 69.81 million.
9. Loss on disposal of foreclosed asset was Baht 45.36 million, decreased by Baht 26.86 million or 37%, which resulted from a lower repossession unit during Q3/2020.
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 21.71 million, decreasing by Baht 5.51 million of 20% from Baht 27.22 million in Q3/2019, mostly due to down turn of Sri Lanka economy in 2020.
11. GL's consolidated finance cost was Baht 54.17 million, decreased by Baht 26.86 million or 37% from last year, resulting from the repayment of USD 20-million-convertible-debenture in Q2/2020 and the repayment of THB bond in Q3/2019.



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Separate Financial Statements

The company reported the net profit of Baht 47.70 million in Q3/2020, increasing from net profit of Baht 33.86 million in Q3/2019, which are resulted from the major factors as follows:

1. The hire-purchase interest income was Baht 233.69 million, decreased by Baht 59.20 million or 20%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
2. Other interest income was Baht 67.61 million, decreased by Baht 24.08 million or 26%, because of a decrease amount of loan to subsidiary.
3. Management fee was Baht 15.00 million, decreased by Baht 6.00 million, mainly from the decreasing of management fee charges to Thanaban Company Limited "TNB" (Thailand)
4. Other income related to the activities of hire purchase was Baht 31.70 million, decreased by Baht 2.75 million or 8%, resulting from no penalty charge during a 3-month grace period of on-going relief programs to assist for customers impacted by the COVID-19.
5. Loss on exchange rate was Baht 37.61 million, mainly resulting from the revalue of USD liabilities when appreciation of the USD, comparing from Q3/2020 to Q2/2020.
6. Service and administrative expenses was Baht 154.08 million, decreasing by Baht 14.80 million or 9% compare to same period last year, mainly from decreasing of legal fee by Baht 10.66 million or 25%, decreasing of payroll expense by Baht 9.24 million or 9% showing the efficient cost management. Moreover, impairment loss on assets foreclosed increased by Baht 7.38 million because of the decrease in the market price of the second-hand motorbike.
7. Expected credit loss and loss arising from derecognition & bad debts and doubtful accounts were Baht 9.34 million, decreasing by Baht 79.00 million or 89% compare to Q3/2019, which resulted from the written-off bad-debt expense decreased by Baht 73.11 million or 49% and the overall provision expense decreased by Baht 5.89 million or 10%.
8. Loss on disposal of foreclosed assets was Baht 37.49 million, decreasing by Baht 25.12 million or 40% as auction unit and prices dropped in Q3/2020.
9. Finance cost was Baht 57.70 million, decreased by Baht 36.47 million or 40% from Q3/2019, resulting from the repayment of USD 20-million-convertible-debenture in Q2/2020 and the repayment of THB bond in Q3/2019.

Please be informed accordingly.

Yours sincerely,

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(Mr. Tatsuya Konoshita)

Director