

No. GL30/2013  
November 14<sup>th</sup>, 2013  
Subject: Clarification for the operating result of Q3/2013  
Attention: The President  
The Stock Exchange of Thailand  
Duplicate: The Secretary General  
The Securities and Exchange Commission

### **Separate Financial Statements**

Net profit 2013 decrease from THB 100.86 million to THB 60.70 million, representing decrease by THB 40.16 million or 39.82% compare to the same period of the year 2012, which are resulting from the major factors as follow :

1. Hire purchase interest sales income increased from THB 220.11 million to THB 329.13 million, representing increase by THB 109.02 million or 49.53%, relate to increasing of motorcycle hire-purchase portfolio.
2. Other Incomes increased from 36.55 million Baht to 53.69 million Baht, representing increase by 17.14 million Baht or 46.90%, mostly is income from the bad debt follow up and dividend from subsidiary 10 million Baht
3. Service and Administrative expenses increased from THB 70.69 million to THB 84.45 million, representing increase THB 13.76 million or 19.47% to support continuous business growth.
4. Bad debts and doubtful accounts increased from THB 8.59 million to THB 96.20 million, representing increase THB 87.61 million relate to increasing of the overdue account receivable according to business cycle from expansion of hire-purchase portfolio continuously in passed one year. Anyway compare to the same period last year, Bad debts and doubtful accounts was very low because last year still under recovery period from the flood at end of 2011, changing of Criteria for Allowance for Doubtful Account Provision to be more conservative at the end of 2012 and also have been effected from Thai economy slowdown.
5. There were an increasing of loss on disposals of foreclosed asset from THB 29.69 million to THB 89.71 million, representing an increase THB 60.02 million or 202.16% from increasing of repossession units relate to the hire-purchase portfolio expansion and the market price of foreclosed asset dropped by the economic situation.

### **Consolidated Financial Statements**

This quarter is the first quarter to consolidate with the subsidiary in Cambodia for the profit and loss statements of the consolidated financial statement (compare to consolidated financial statements at the same period of last year, just to consolidate parent company with subsidiary in Singapore) so this factor could have effect for changing of the performance on consolidated financial statement compare to the same period last year.

Net profit decrease from THB 105.98 million to THB 45.66 million, representing decrease by THB 60.32 million or 56.92% compare to the same period of the year 2012, which are resulting from the major factors as follow :

1. Hire purchase interest sales income from subsidiary just increased significantly at the end of Q3 because business is still under the beginning stage, so have not much effect to the consolidated financial statement. While Other Incomes from subsidiary make increasing on consolidated financial statement compare to separate financial statement 5.19 million THB (net from dividend payment and interest income from subsidiary which was deducted in consolidated financial statement).

2. Service and Administrative expenses in subsidiaries increased from THB 0.44 million to THB 18.71 million, representing increase THB 18.27 million to support regional business expansion. This is included the amortization on exclusivity right.

Management has opinion that decreasing of the net profit should be just temporary because business in Thailand can still keep growing continuously even under the slowdown economic situation may effect to the allowance for doubtful account and bad debt but effect will be less soon after adjusted to the balance condition. For the subsidiary in foreign country even though still cannot generate much incomes in this quarter but from rapid expansion of the business at the end of Q3 period. In conclusion, management is confident this is a necessary step for growing and high possibility that income can be increased significantly in the next quarter.

Please be informed accordingly.

Yours sincerely,

.....  
(Mr. Deepong Sahachartsiri)  
Director