

No. GL04/2015

February 12th, 2015

Subject: Clarification for the operating result of the year 2014 (unaudited)

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 2014 as at 31 December 2014 for the consolidated and separate financial statements as follow:

Separate Financial Statements

Net profit of the year 2014 decrease from THB 257.86 million to THB 144.82 million, representing decrease by THB 113.03 million or 43.84% compare to the last year, which are resulting from the major factors as follow :

1. Hire purchase interest sales income increased from THB 1,251.39 million to THB 1,389.65 million, representing increase by THB 138.26 million or 11.05%, relate to increasing of motorcycle hire-purchase portfolio.
2. Other Incomes increased from THB 190.26 million to THB 216.72 million, representing increase by THB 26.46 million Baht or 13.90%, mostly because of service fee income derived from subsidiary in Thailand.
3. Service and Administrative expenses increased from THB 318.48 million to THB 355.37 million, representing increase THB 36.89 million or 11.58% to support subsidiary business operation in Thailand, and to support company's continuous business growth.
4. Bad debts and doubtful accounts increased from THB 342.43 million to THB 441.37 million, representing increase by THB 98.94 million or 28.90% according to the cycle of overdue from portfolio expansion, economic and political factors which now become stable and has recovery sign, anyway had effected to the year 2014 performance.
5. There were an increasing of loss on disposals of foreclosed asset from THB 314.39 million to THB 377.81 million, representing an increase THB 63.42 million or 20.17% from increasing of repossession units and the market price of foreclosed asset was still low.

Anyway for Q4/2014 of the separate financial statement, the company has net profit THB 72.52 million which increased THB 41.31 million or 132.34% compare to the same period of last year. The major factors are decreasing on Bad Debts and Doubtful Accounts from THB 99.04 million to THB 91.12 million representing decrease by 7.92 million or 8% and also decreasing on loss on disposals of foreclosed asset from THB 128.91 million to THB 97.18 million, representing decrease THB 31.73 million or 24.61%, reflect significant business recovery in this quarter.

Consolidated Financial Statements

Because for the operating result of the year 2013, still have no operating result of the subsidiary in Thailand included in the profit and loss statements (start consolidated in Q3/2014) so this factor could have effect to the difference in the consolidated financial statement compare to the same period of last year.

Net profit decrease from THB 240.31 million to THB 115.30 million, representing decrease by THB 125.01 million or 52.02% compare to the year 2013, which are resulting from the major factors as follow :

1. Hire purchase interest sales income increased from THB 1,258.28 million to THB 1,666.74 million, representing increase by THB 408.46 million or 32.46%, relate

to increasing of motorcycle hire purchase portfolio of the parent company as in the separate financial statement, increasing from subsidiary in Thailand THB 175.23 million (which is the first year to be consolidated), and included hire purchase interest sales income from the subsidiary in Cambodia THB 94.97 million, reflect subsidiary business continuous growth in this quarter.

2. Service and Administrative expenses in the consolidated financial statement increased from THB 362.85 million to THB 560.40 million, representing increase by THB 197.55 million or 54.44% which increased from the parent company THB 36.89 million and increased from subsidiaries THB 160.66 million to support regional business expansion and this included the amortization on exclusivity right.
3. Bad debts and doubtful accounts in consolidated financial statement increased from THB 343.64 million to THB 494.86 million, representing increase THB 151.22 million or 44.01% which increased from the parent company THB 98.94 million due to significant recovery from economic slowdown, and increasing from subsidiary in Thailand THB 53.12 million because this year is the first year to be consolidated, and slightly decreasing for subsidiaries in Cambodia.
4. There were an increasing of loss on disposals of foreclosed asset from THB 314.39 million to THB 431.82 million, representing an increase THB 117.43 million or 37.35% which increased from the parent company THB 63.43 million and increasing from the subsidiary in Thailand THB 54.01 million because this is the first year to be consolidated, while the subsidiary in Cambodia has very low percentage of overdue resulting still had no loss on disposals of foreclosed asset in this quarter.

Anyway for the operating result of Q4/2014 for consolidated financial statement, the company has net profit THB 93.76 million, increase THB 80.57 million or 611.00% compare to the same period of last year with increasing of Hire purchase interest sales income from THB 349.59 million to THB 475.22 million, representing increase THB 125.64 million or 35.94% which mainly come from subsidiary in Thailand (which is the first year to be consolidated) and portfolio expansion continuously from subsidiary in Cambodia while Bad Debts and Doubtful Accounts and also loss on disposals of foreclosed asset slightly decrease, representing portfolio expansion with good quality.

Please be informed accordingly.

Yours sincerely,

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(Mr. Deepong Sahachartsiri)
Director