



No. GL 12/2022

August 4th, 2022

Subject: Clarification for the operating result of the year 2020 (Audited)

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 year 2020 for the consolidated and separate financial statements as follow:

Consolidated Financial Statements

The Company reported reviewed operating results for the year 2020, with consolidated net loss of Baht 1,240.97 million, decrease of Baht 1,219.37 million from the net profit of Baht 12.75 million, resulting from a decrease in revenues and an increase in expenses.

Basically within 2020 all of operated country was under difficult situation by Covid-19 Pandemic so that company had took conservative business operation policy to decrease portfolio and improve the quality of the portfolio by tightening our screening of potential customers to improve loan quality. And also especially in Laos and Myanmar, the management face decrease of the local currency value and Political uncertainty in Myanmar and Sri Lanka which cause significant less consuming power in the local market.

1. GL-s consolidated hire purchase interest income was Baht 1,386.51 million, decreased by Baht 379.55 million or 21% compared to 2019. The breakdown of hire purchase interest income can be explained by:
 - GL (Thailand) showed a decrease of Baht 257.94 million or 21%, resulting from the new conservative strategy to decrease portfolio.
 - GL Finance Plc. (GLF) showed a decrease of Baht 62.20 million or 20%, 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 29.43 million or 23%
 - GL Leasing (Lao) Ltd showed a decrease of Baht 19.78 million or 25%, resulting from the mix product between Honda motorcycle.
 - PT Group lease Indonesia (GLFI) showed a decrease of Baht 10.20 million or 76%, mainly from the discontinuation of this joint operation due to current dispute with partner in Indonesia.
2. Loan interest income was Baht 93.42 million, decreasing by Baht 21.33 million or 18%, resulting from the decrease in portfolio of TNB.
3. Microfinance interest income was Baht 163.55 million, decreasing by Baht 15.67 million or 8%, compared to the same period last year.
 - BG Microfinance Myanmar Co.,Ltd. (BGMM) recorded Microfinance interest income of Baht 129.44 million in 2020, decreasing Baht 13.60 million or 9%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.



บริษัท กรู๊ปลีส์ จำกัด (มหาชน)

GROUP LEASE PUBLIC COMPANY LIMITED

- PT Group lease Indonesia (GLFI) recorded Microfinance interest income of Baht 29.44 million in 2020, decreasing Baht 6.55 million or 18%, mainly from the decreasing in microfinance portfolio operated by GLFI without joint financing.
 - GL Leasing (Lao) Ltd (GLL) recorded Microfinance interest income of Baht 4.66 million increasing Baht 4.48 million or 100% in 2020.
4. Hire purchase service fee income was Baht 71.98 million, decreased by Baht 17.94 million or 20%, 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 30.17 million or 40% compared to last year, resulting from the decrease of the interest rate by the bank.
 6. Gain on exchange rate was Baht 25.60 million, mainly resulting from the revalue of USD assets when appreciation of the Baht against USD, comparing from Q3/2020 to Q4/2020.
 7. GL's consolidated service and administrative expenses totaled Baht 1,883.02 million, increasing by Baht 626.93 million or 49.91%, when compared to 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 15.72 million and SGD 0.13 million (equivalent to Baht 495.79 million) in 2020.
 - GL Finance Plc. (GLF) provide an allowance for the Other current assets related to prepaid stock in the amount of USD 7.10 million (equivalent to Baht 226.00 million) in 2020.
 - Other service and administrative expenses decreased by Baht 94.86 million.
 8. Expected credit loss and loss arising from derecognition & bad debts and doubtful accounts decreased by Baht 172.45 million or 40%, mainly resulting of a decrease in provision expense by Baht 134.40 million and a increase in written-off bad-debt expense by Baht 38.05 million.
 9. Impairment losses on other investment was Baht 192.72 million, increased by Baht 57.23 million or 42% compare to 2019 take it into account that the Covid and other Macro economical situation of each country untill 2022
 10. Loss on disposal of foreclosed asset was Baht 218.46 million, decreased by Baht 68.37 million or 24%, which resulted from a lower repossession unit during 2020.
 11. Share of loss from a 29.99% ownership of Commercial Credit and Finance PLC "CCF" which is an associated company in Sri Lanka, was Baht 3.64 million, decreasing by Baht 67.31 million of 105.72% from Baht 63.66 million in 2019, mostly due to down turn of Sri Lanka economy in 2020.
 12. GL's consolidated finance cost was Baht 250.15 million, decreased by Baht 111.59 million or 31% 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.



บริษัท กรู๊ปลีส์ จำกัด (มหาชน)

GROUP LEASE PUBLIC COMPANY LIMITED

Separate Financial Statements

The company reported the net loss of Baht 2,803.83 million in 2020, decreasing from net profit of Baht 262.11 million in 2019, which are resulted from the major factors as follows:

1. The hire-purchase interest income was Baht 971.33 million, decreased by Baht 257.94 million or 21%, resulting from the new conservative strategy to decrease portfolio and improve the quality of the portfolio.
2. Other interest income was Baht 290.17 million, decreased by Baht 73.51 million or 20%, because of a decrease amount of loan to subsidiary.
3. Management fee was Baht 81.00 million, decreased by Baht 21.00 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 117.53 million, decreased by Baht 12.04 million or 9%, 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 15.62 million, mainly resulting from the revalue of USD liabilities when appreciation of the USD, comparing from Q4/2020 to Q3/2020.
6. Service and administrative expenses was Baht 566.80 million, decreasing by Baht 122.92 million or 18% compare to last year, mainly from decreasing of legal fee by Baht 73.13 million or 40%, decreasing of payroll expense by Baht 33.23 million or 9%, decreasing of rental expense by Baht 4.76 or 94%, showing the efficient cost management. Moreover, impairment loss on assets foreclosed increased by Baht 11.80 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 266.43 million, decreasing by Baht 52.43 million or 16% compare to 2019, which resulted from the written-off bad-debt expense increased by Baht 56.11 million or 19% and the overall provision expense decreased by Baht 108.54 million or 100%.
8. Impairment losses on investments in subsidiaries was Baht 2,960.39 million, increasing by Baht 2,960.39 million or 100%.
9. Loss on disposal of foreclosed assets was Baht 189.34 million, decreasing by Baht 61.50 million or 24% as auction unit and prices dropped in 2020.
10. Finance cost was Baht 240.25 million, decreased by Baht 114.09 million or 32% from 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,

.....
(Mr. Tatsuya Konoshita)

Director