



8 August 2019

LIT 2019/042

Topic Operating Result for the second quarter of the year 2019

To The President of the Stock Exchange of Thailand

According to the resolution of the Board of Directors Meeting of Lease IT Public Company Limited No. 8/2019, on 8th August 2019, the Financial Statements and overall operations of the Company in the second quarter of the year 2019; ended on 30th June 2019 which has been reviewed by the auditors of EY Office Limited.

Lease IT Public Company limited would like to report the Operation results for the three month periods ended on 30th June 2019 of the Company and its subsidiaries ("the Company") as follows:

Operating results

	Consolidated			
	2019	%	2018	%
Revenues				
Interest income	77,379	63.91%	58,880	57.37%
Fees and service income	39,522	32.64%	38,586	37.59%
Other income	4,170	3.45%	5,169	5.04%
Total revenues	121,071	100.00%	102,635	100.00%
Expenses				
Service expenses	10,393	8.58%	1,075	1.05%
Administrative expenses	27,471	22.69%	18,103	17.64%
Bad debts and doubtful accounts	16,284	13.45%	17,500	17.05%
Total expenses	54,148	44.72%	36,678	35.74%
Profit before finance cost and income tax expenses	66,923	55.28%	65,957	64.26%
Finance cost	(21,399)	(17.67%)	(16,533)	(16.11%)
Profit before income tax expenses	45,524	37.61%	49,424	48.15%
Income tax expenses	(9,255)	(7.64%)	(9,839)	(9.59%)
Profit for the period	36,269	29.97%	39,585	38.56%

LEASE IT PUBLIC COMPANY LIMITED

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Revenues: The total revenues of the Company in Quarter 2:2019 was 121.07 million baht, compared with last year which was Baht 102.64 million; increasing by 18.43 million baht which increased by 17.96 percent. According to Company's strategic focus on sustainable growth of 10-20%. The marketing strategies as follows:

1. Aims to expand to support SMEs who work with the government agency and state enterprise projects.
2. Focuses on penetrating medium to large size of customers.
3. Penetrate more to SMEs with large private Company debtors with fast and flexible services.
4. Increasing the portfolio of exist customers and increase their loyalty.
5. Increase new customers and create brand awareness by using digital marketing.

In addition to the marketing strategies in mentioned above, the Company has focused to manage the non-performing loans (NPLs) that occur during poor economic condition. The Company has focused to solve, control and prevent such problem as follows:

1. Establishing a subsidiary "LIT Service Management Co., Ltd." with the aim independent the credit risk analysis. In order to enhance the credit analysis standard of the Company. By doing this, the Company has able to control NPLs more efficiently.
2. Diversify of Account receivable portfolio in each industry and each product to diversify risk, which slightly affects the financial amount. However, the commitment of team and the Company's strategies make the target achieving.
3. The Company has provided the adequate allowance for doubtful accounts

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A small, handwritten signature in blue ink, consisting of a stylized 'g' followed by a horizontal line and a small flourish.



Expenses: The Company has total expenses for the second quarter of 2019 as 54.15 million baht compared to the previous year which is 36.68 million baht, increase by 17.47 million baht or 47.63 percentage.

Service expenses:

Result: In the second quarter of 2019 the Company has the service expense of 10.39 million baht, comparing with last year of 1.08 million baht; Increasing by 9.31 million baht or more than 100 percent caused by the establishment of a subsidiary "LIT Service Management Co., Ltd." to support credit analysis services for customers who use financial services. Therefore, operating expenses related to the service are considered service expenses. However, the administrative expenses of Lease IT Public Company Limited were reduced to the same level as the result of the transfer of such transactions.

Administrative expenses:

Result: In the second quarter of 2019 the Company has administrative expense of 27.47 million baht, comparing with 18.10 million Baht last year; increasing by 9.37 million baht or 51.75 percent. The causes are as followings;

1. The increasing in Rental expenses of new office is 2 million baht, comparing with last year of 0.5 million baht; representing increasing of 1.5 million baht or more than 100 percent. Due to adjustment of the rental expenses to be in line with straight line calculation method according to Thai Accounting Standard 17 (TAS17).
2. Employee benefits is 2.1 million baht comparing with last year of 0.2 million baht; representing increase of 1.9 million baht or increase more than 100 percent because the Company has improved the employee benefits according to The Labor Protection Act (No.7) B.E.2562.
3. The consulting expense for the Thai financial report standards 9 (TFRS9) that will be effective on January 1, 2020 amount 0.7 million baht, increasing 100 percent, comparing with that of last year.

Finance cost:

Result: In the second quarter of 2019 The Company has finance cost 21.40 million baht increase by 4.87 million baht or 3.40 percentage compared with last year, due to the higher financial costs of issuing debentures and increasing interest rates according to the announcement of the Financial Policy Committee No. 8/2018 on 19 December 2018. However, the Company is determined to be rated (Company Credit rating) in order to reduce financial costs and increase the ability to find more funding sources.

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Net Profit: The Company outcome in the second quarter 2019 is 36.27 million baht (net profit), decreasing by 8.38 percent comparing with last year net profit of 39.59 million baht, due to the increasing in service and administrative expenses from year 2018

Total Assets: Total assets at the end of Quarter 2:2019 is 2,861 million baht, increased by 198 million baht, compared with last year which has total assets of 2,663 million baht.

Please be informed accordingly.



Best regards,

(Mr. Sompon Aketerajit)

Managing Director

Lease IT Public Company Limited

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