



12 February 2016

LIT 2016/005

Topic Operation Results for the the year 2015

To The President of the Stock Exchange of Thailand

According to the meeting organized by the Board of Directors of Lease IT Public Company Limited No.2/2016, on 12th February 2016; the financial statements and overall operations of the Company in the year 2015; ended on 31st December 2015 which has been reviewed by the auditors of the EY office Company – were approved by the Boards. The results of operations are as follow;

For the year 2015, the company has focused on expanding its customer base by offering the upstream and middle stream financial products, which provides the higher marginal returns, to existing customers; expanding customer base from IT to non-IT sector; expanding debtor base by penetrating into SME working with private sector and decrease funding cost to increase interest spread.

According to the company's strategic plan, the implementation resulted in the followings:

1. The company had accounts receivable (before allowance for doubtful accounts) amounted to 1,120 million baht, compare with 862 million baht of last year, which grows up to 30%.
2. Cost of sales amounted to 29.57 million baht (15% of the total revenue), which decrease from the end of year 2014 that amounted to 21.47 million baht (17% of the total revenue).

Financial Summary

Revenues: The total revenues of the year 2015 was 190.91 million baht, compared with last year which was 128.07 million baht; increasing by 62.84 (49.07 percent). The main reason was the growth of short-term credit products, which was in line with strategic plan of the year 2015 to increase the proportion of private sector client from 20% to 30% and increase the proportion of high margin products. The consequence is that the revenue from factoring, project finance, bid bond and the front-end fee (from the new customers) income increased. Moreover in response to the government's policy on the electronic bidding process for procurement, the company also provides loan guarantees pack of electronic technology (E-Bidding). In September 2558, the company has issued a loan to open L / C (Letter of Credit) which is the new financial product offering to customers.

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Expenses: The total expenses of the company in the year 2015 was 72.24 million baht, comparing with 47.73 million baht last year; increasing by 24.51 million or 51.35 percent. The expenses can be analyzed as follows:

- **Cost of sales** increased by 4.0 million baht, 6.36% of the increase of revenue, mainly due to the increasing of the financial amount, the officer head count and incentive.

- **Administration Expense (Excluding allowance for doubtful accounts)** increased by 12.48 million baht, representing 19.86% of the revenue increasing. This is due to the increasing of relevant tax expenses.

- **Provision for Bad Debt** increased by 7.80 million baht. Due to the company has a policy of bad debt reserves classified by aging as the basic backup. In this year, the company has changed the way to present aging of accounts receivable (Leasing & Hire Purchase) from presenting just only receivables payment overdue by installments to presenting the whole contract of accounts receivable payment overdue. This is the company's intention to uplift the company's standard of aging classification. In consequence, the company has to add provisions to be in line with the provisions policy on aging classification. However, the company believes that there will be no problems in debtor's payment because most debtors are in public sector, which usually delays payment. As of December 31, 2015, the company has reserved a total amount of 29.99 MB (representing 2.68 percent of outstanding account receivables). This provision in the fourth quarter amounted to 4.58 million baht.

- **The financial expenses** of the company in year 2015 was 29.57 million baht or 15.49% of total revenues, comparing with 21.47 million baht of the last year or 16.76% of total revenues. This is in line with the increasing of the financial amount.

Net Profit : The company outcome in the year 2015 is 70.45 million baht (net profit) ,comparing with last year in which was 47.81 million baht; representing the increasing ratio of 47.35 percent.

Total Assets: Total assets at the end of year 2015 is 1,167 million baht, increased by 306 million baht, compared with the end of year 2014 which has total assets of 861 million baht due to the increase in accounts receivable.

Submitted for your kind acknowledgement.



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Lease IT Public Company Limited

Best regards,

(Mr. Sompon Aketerajit)

Managing Director

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