



12 May 2021

LIT 2021/012

Topic Operating Result for the first Quarter of the year 2021

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.5/2021, on 12<sup>th</sup> May 2021, the Financial Statements and overall operations of the Company in the first quarter of the year 2021; ended on 31<sup>st</sup> March 2021 which has been audited by the auditors of EY Office Limited.

The Company had set strategic plans for the year 2021 as follows:

1. Focusing on expanding to government and state enterprise projects which is reliably affordable and has lower risk than large corporations to reduce the risk of non-performing loans.
2. Manage concentration of portfolios by reducing industry risk to not more than 25% for each industry, which may affected the revenue somehow in the beginning of the program.
3. Focusing on decreasing construction portfolio to new customers as it is a slow-moving and high-risk business
4. Encourage growth from existing customers who have good payment history and maintain a strong customer base
5. Increase new customers and create brand awareness by using digital marketing.
6. Create new products for new customer groups

In addition to the strategies mentioned above, the Company has focused on decreasing non-performing loans (NPLs) as well. The Company has focusing to solve, control and prevent such problems by controlling credit portfolios and reducing concentration in each product to mitigate credit risk more efficiently. Moreover, the Company has reserved for doubtful accounts sufficiently.

Lease IT Public Company limited would like to report the Operation results for the three month periods ended on 31<sup>st</sup> March 2021 of the Company and its subsidiaries ("the Company") as follows:

(Unit: Thousand Baht)

	Consolidated financial statement			
	2021	%	2020	%
<b>Revenues</b>				
Interest income	60,935	64.86%	59,621	57.43%
Fees and service income	28,193	30.00%	29,059	27.99%

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	Consolidated financial statement			
	2021	%	2020	%
Other income	4,827	5.14%	15,142	14.58%
<b>Total revenues</b>	<b>93,955</b>	<b>100.00%</b>	<b>103,822</b>	<b>100.00%</b>
<b>Expenses</b>				
Service expenses	10,678	11.37%	12,023	11.58%
Administrative expenses	18,546	19.74%	23,361	22.50%
Expected credit losses / Bad debts and doubtful accounts	41,446	44.11%	17,625	16.98%
<b>Total expenses</b>	<b>70,670</b>	<b>75.22%</b>	<b>53,009</b>	<b>51.06%</b>
<b>Profit before finance cost and income tax expenses</b>	<b>23,285</b>	<b>24.78%</b>	<b>50,813</b>	<b>48.94%</b>
Finance cost	(20,591)	(21.92%)	(26,241)	(25.27%)
<b>Profit before income tax expenses</b>	<b>2,694</b>	<b>2.87%</b>	<b>24,572</b>	<b>23.67%</b>
Income tax expenses	(883)	(0.94%)	(5,214)	(5.02%)
<b>Profit for the period</b>	<b>1,811</b>	<b>1.93%</b>	<b>19,358</b>	<b>18.65%</b>

**Revenues:** The total revenues of the Company in Quarter 1:2021 was 93.96 million baht, compared with last year which was 103.82 million baht; decreasing by 9.86 million baht or 9.50 percent. The revenue decreased due to;

1. The Coronavirus disease 2019 pandemic is resulting in an economic slowdown
2. The economic slowdown has led to business contraction, which affected to interest and service fees income from factoring.
3. The Company manages the concentration of portfolios and decreases in construction portfolios for new customers to reduce the credit risk whereas there is high demand in this segment.
4. Focusing on credit approval policy in an economy with a risk of non-performing loans.

**Expenses:** The Company had total expenses in quarter 1:2021 was 70.67 million baht compared to the previous period which is 53.01 million baht, Increase by 17.66 million baht or 33.32 percentage, which caused by the increase of Expected credit losses (ECL) is due to the increase of NPLs as a result of the economic slowdown. In this regard, ECL is recorded in accordance with Thai Financial Reporting Standards No. 9 (TFRS9).

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**Service and Administrative expenses:**

Result: In the first quarter of 2021 The Company had service and administrative expenses of 29.22 million baht, compared with the previous period which was 35.38 million baht, decreasing by 6.16 million baht or 17.41 percent align with oprating profit.

**Finance cost:**

Result: In the first quarter of 2021 The Company has a finance cost of 20.59 million baht, decreased by 5.65 million baht or 21.53 percentage compared with previous period, due to lower average debetures.

**Net Profit:** The Company net profit in the first quarter of 2021 was 1.81 million baht, decreasing by 90.64 percent compared with prior period net profit of 19.36 million baht due to an increase in Expected credit losses(ECL) from NPL increasing.

**Total Assets:** Total assets at the end of the Q1:2021 is 2,828.49 million baht, increased by 183.71 million baht, compared with year ended 2020 which has total assets of 2,644.78 million baht because the Company issued debentures amounting to 393.8 million baht for repayment debetures 200 million baht and operating activities during the period. As a result, the total liabilities at the end of Q1'2021 is 1,791.59 million baht, increased by 221.76 million baht compared with last year which has total liabilities of 1,569.83 million baht.

Please be informed accordingly.



Best regards,

(Mr. Sompon Aketerajit)

Managing Director

Lease IT Public Company Limited

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