



24 February 2021

LIT 2021/004

Topic Operating Result for year 2020

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.2/2021, on 24th February 2021, the Financial Statements and overall operations of the Company in the year 2020; ended on 31st December 2020 which has been audited by the auditors of EY Office Limited.

The Company had set strategic plans for the year 2020 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.

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 year ended on 31st December 2020 of the Company and its subsidiaries ("the Company") as follows:

(Unit: Thousand Baht)

	Consolidated financial statement			
	2020	%	2019	%
Revenues				
Interest income	248,732.31	62.74%	290,929.80	63.72%
Fees and service income	118,795.58	29.97%	141,283.68	30.94%
Other income	28,895.86	7.29%	24,389.89	5.34%
Total revenues	396,423.75	100.00%	456,603.37	100.00%

LEASE IT PUBLIC COMPANY LIMITED

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	Consolidated financial statement			
	2020	%	2019	%
Expenses				
Service expenses	35,927.54	9.06%	40,282.12	8.82%
Administrative expenses	89,625.51	22.61%	90,441.62	19.81%
Expected credit losses / Bad debts and doubtful accounts	66,063.41	16.66%	110,521.94	24.21%
Total expenses	191,616.45	48.34%	241,245.68	52.83%
Profit before finance cost and income tax expenses	204,807.29	51.66%	215,357.69	47.17%
Finance cost	(86,658.44)	(21.86%)	(83,977.95)	(18.39%)
Profit before income tax expenses	118,148.85	29.80%	131,379.74	28.77%
Income tax expenses	(46,907.64)	(11.83%)	(28,282.14)	(6.19%)
Profit for the period	71,241.21	17.97%	103,097.60	22.58%

Revenues: The total revenues of the Company in 2020 was 396.42 million baht, compared with last year which was 456.60 million baht; decreasing by 60.18 million baht which decreasing by 13.18 percent. The revenue decreased due to;

1. The Coronavirus disease 2019 pandemic is resulting in an economic slowdown
2. 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.
3. Focusing on credit approval policy in an economy with a risk of non-performing loans.
4. The economic slowdown has led to business contraction, which affected to interest and service fees income from factoring.

Expenses: The Company had total expenses for year 2020 was 191.62 million baht compared to the previous year which is 241.25 million baht, Decrease by 49.63 million baht or 20.57 percentage, which caused by the decreasing of Expected credit losses (ECL) according to Thai Financial Reporting Standards No. 9 (TFRS9).

Service and Administrative expenses:

Result: In the year 2020 The Company had service and administrative expenses of 125.55 million baht, compared with the previous year which was 130.72 million baht, decreasing by 5.17 million baht or 3.96 percent due to a decrease in commission expenses align with revenues and financing amount.

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Finance cost:

Result: In the year 2020 The Company has a finance cost of 86.66 million baht, increased by 2.68 million baht or 3.19 percentage compared with last year, due to the higher financial cost of issued bonds (excluding the interest expenses at the predetermined rate) and interest expense from issued bond in December 2019 to reserve for bonds which had due date of payment in the first quarter of 2020.

Net Profit: The Company net profit in the year 2020 was 71.24 million baht, decreasing by 30.90 percent compared with last year net profit of 103.10 million baht due to a decrease in revenue 60.18 million baht and an increase in income-taxes expenses 18.63 million baht which mainly from bad debts written-off for the year 2020 is 112.06 million baht, which caused the deferred income tax expense by 22.41 million baht. However, expected credit losses (Bad debts and doubtful) decreased by 44.46 million baht because the provision for bad debts was mitigated the impact of asset impairment assessments in accordance with Thai Financial Reporting Standards No. 9 (TFRS9) in last year.

Total Assets: Total assets at the end of the year 2020 is 2,644.78 million baht, decreased by 905.96 million baht, compared with last year which has total assets of 3,550.75 million baht because trading securities were sold amounting to 700 million baht for reserve bonds about 700 million baht which had due date of payment in the first quarter of 2020. As a result, the total liabilities at the end of year the 2020 is 1,569.83 million baht, decreased by 848.35 million baht compared with last year which has total liabilities of 2,418.19 million baht.

Please be informed accordingly.



Best regards,

(Mr. Sompon Aketerajit)

Managing Director

Lease IT Public Company Limited

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