



บริษัท กรู๊ปลีส์ จำกัด (มหาชน)

GROUP LEASE PUBLIC COMPANY LIMITED

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22 November, 2016

Subject: Invitation for the Extraordinary General Meeting of Shareholders No.2/2016

To: The Shareholders
Group Lease Public Company Limited

Attachments:

1. Copy of the Minutes of the Extraordinary General Meeting of Shareholders No.1/2016
2. Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Share Acquisitions
3. Details of Substantial Preliminary Information of Convertible Debentures to be issued to JTrust Asia Pte. Ltd.
4. Details of Substantial Preliminary Information of Convertible Debentures to be issued to Creation Investments Sri Lanka LLC
5. Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Issuance and Offering of Convertible Debentures
6. Capital Increase Report Form (Form 53-4)
7. Information Memorandum pursuant to Clause 20 (2) of the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003
8. Independent Financial Advisor's Opinion on Connected Transactions
9. Proxy Form B (which states information of the Grantee Directors)
10. The Company's Articles of Association in relation to the EGM
11. Identification Documents of shareholders and proxies
12. Map of the Meeting venue

The Board of Directors of Group Lease Public Company Limited (“**Company**” or “**GL**”) has resolved to hold the Extraordinary General Meeting of Shareholders No.2/2016 on Tuesday 6 December, 2016, at 10.00 a.m. at Magic 2 Room, 2nd floor, Miracle Grand Convention Hotel, No.99 Kamphang Phet 6 Rd., Laksi, Don Muang, Bangkok 10210 to consider the following agenda:

Agenda 1 To certify the Minutes of the Extraordinary General Meeting of Shareholders No.1/2016 (Attachment 1)

Opinion of the Board of Directors:

The Board of Directors considered that minutes of the Extraordinary General Meeting of Shareholders No.1/2016 held on 24 June, 2016 was recorded correctly reflecting the resolutions passed by the shareholders' meeting and should be certified.

The Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should certify the minutes of the Extraordinary General Meeting of Shareholders No.1/2016 held on 24 June, 2016.

This agenda needs to receive majority votes from the shareholders who attend the meeting and have the right to vote.

Agenda 2 To consider and approve the entering into a connected party transaction in relation to the acquisition, by the Company and/or the Company's subsidiaries, of approximately 22.27% of total issued share capital of Commercial Credit and Finance PLC from Creation Investments Sri Lanka LLC which is a connected person.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the entering into a connected party transaction in relation to the acquisition, by the Company and/or the Company's subsidiaries, of approximately 22.27% of total issued share capital of Commercial Credit and Finance PLC from Creation Investments Sri Lanka LLC which is a connected person.

The Company was in contact with the potential sellers of shares in Commercial Credit and Finance PLC ("**CCF**") in order to undertake the due diligence of CCF in terms of legal and financial aspects and to study more on the feasibility and the advantages of the investment in CCF by acquiring, by the Company and/or the Company's subsidiary, Group Lease Holdings Pte. Ltd. ("**GLH**"), 95,390,500 ordinary shares in CCF, representing approximately 29.99% of total share capital in CCF, at a purchase price at LKR 111 per share (equivalent to approximately Baht 26.35 per share, exchange rate Baht 0.2374 per LKR 1 – 29 Sep. 16), amounting to the total value of LKR 10,588,345,500 (equivalent to approximately Baht 2,513.67 million), from BG Investments (Private) Limited, Creation Investments Sri Lanka LLC ("**Creation SL**") and Mr. Stephen L. Lafrance Jr. ("**CCF Acquisition**"). The CCF Acquisition transaction is an acquisition of assets by a listed company according to the Notification of Capital Market Supervisory Board No. TorChor 20/2551 re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (as amended) (both can be called as the "**Acquisition or Disposition Notifications**"). The highest comparative value of such transaction is equivalent to 21.02% of the value of Baht 821.20 million, based on Net Income basis and calculated from the Company's consolidated financial statements of the last 4 quarters ended 30 June 2016. When aggregating this share acquisition transaction with other transactions related to the CCF Acquisition entered into by the Company and/or subsidiaries in the past 6 months (i.e. the BGMM Acquisitions as detailed in Agenda 3 below, which will be executed in the proximity timing), the cumulative transaction size is equivalent to 21.55% of the value of Baht 821.20 million, based on Net Income basis and calculated from the Company's consolidated financial statements of the last 4 quarters ended 30 June 2016, which is higher than 15% but lower than 50% and therefore is categorized as a Type-2 transaction according to the Acquisition or Disposition Notifications. In such case, the Company is required to disclose the details of the CCF Acquisitions through the Stock Exchange of Thailand (the "**SET**") and deliver an information memorandum containing specified information required by the Acquisition or Disposition Notifications to all shareholders within 21 days from the date the Company makes the disclosure through the SET. In this regards, the Board of Directors had approved the CCF Transaction according to the Acquisition or Disposition Notifications on 30 September 2016. Out of total 95,390,500 ordinary shares in CCF of the CCF Acquisition, the acquisition of 24,567,963 ordinary shares in CCF, representing approximately 7.72% of total issued share capital of CCF, are purchased from non-connected persons (BG Investments (Private) Limited and Mr. Stephen L. Lafrance Jr.), and therefore is not required further shareholders' approval. The details of the CCF Acquisition according to the Acquisition or Disposition Notifications are disclosed through the SET on 3 October 2016 and the Information Memorandum on Acquisition of Assets of Group Lease Public Company Limited Re: Share Acquisitions was delivered to the shareholders on 17 October 2016.

In this regard, the Board of Directors considered that the CCF Acquisition will render benefits and advantages to the Company in many respects, including GL business in relation with CCF will be

enhanced with the acquisition of new methodology of Microfinance Industry which will benefit activities in Sri Lanka and in all ASEAN markets where GL wants to expand as detailed below.

- a. Expansion into a new market - Sri Lanka has seen excellent recent economic growth as evidenced by GDP in the last 5 years averaging more than 6.1% and per capita income increasing from USD 1,259 (Baht 43,995) in 2005 to USD 3,926 (Baht 137,192) in 2015, representing a 206% increase in 10 years. According to the Asian Development Bank, Sri Lanka's GDP growth is expected to be 5.0% and 5.5% in 2016 and 2017 respectively.
- b. Acquisition of a highly profitable company - CCF is growing fast and the Company will be able to consolidate USD 7 million (approximately Baht 244.6 million) per year in year 1 and, based on the financial projection of CCF, USD 13.5 million (approximately Baht 471.75 million) in FY 2020/2021. CCF, a publicly listed company on the Sri Lanka stock market, is one of the country's most successful and respected finance firms. It is a market leader with about one million Microfinance customers.
- c. Access to Know-how on microfinance - GL will have chances to learn new know-how of Microfinance, which will help the Company to efficiently expand its business in Cambodia, Laos, Indonesia, and Thailand where the Company's operation has already existed. Moreover, the Company will get a new promising business with lots of synergies.
- d. GL's Value Added to CCF - GL will bring additional value to CCF with the development of leasing and digital finance model in Sri Lanka— increasing CCF's value and therefore our investment in return.
- e. CCF's Expansion into other sectors in Sri Lanka - CCF is looking to expand in other industries such as banking and life insurance, which could be another synergy for GL in the coming years. GL will also benefit from its investment into a profitable, dynamic and well established company in Sri Lanka.
- f. CCF as a Well-organized and Managed Company – CCF is a company with organized network, strong image, access to deposits, educated staff, and performant IT system. Its employees are well qualified and all employees in the head office can speak English competently. CCF is audited and organized in good governance practices with identified processes and workflow.

On the other hand, the Board of Directors has also carefully considered the relevant risks involved in CCF Acquisition and has the following views:

- a. Risk of Not Recovering Investment Costs

GL's investment into CCF is not a near term investment, but rather part of GL's long term growth plan to be a leading finance company in Asia. Additionally, GL has no plan to exit our investment in the near term as GL will gain valuable microfinance expertise which GL can transfer to its current markets. While it is true if GL tried to exit the investment in CCF quickly GL would likely be forced to sale at a discount, there is no valid reason to suggest GL plan or GL need to do in the near term.

- b. Risk of Inadequacy of Sri Lanka's Capital Reserve

GL has not been informed of any US Dollar dividends being prevented from being transferred outside of Sri Lanka for international investors such as GL. The government has announced it will liberalize exchange rate controls—moving towards a freer market. Sri Lanka is expected to have strong growth in the near term, between 5.0% and 5.5% in 2016 and 2017, which GL will limit the chance that the Sri Lankan Central Bank will take such drastic actions like preventing foreign currency from leaving the country.

c. Currency and Exchange Rate Risk

Exchange rate risk will always be a consideration as GL expands into more developing markets. Sri Lanka is expected to outperform most ASEAN economies in the near term and as such helps reduce this risk.

d. Political Risk

Sri Lanka's civil war ended in 2011 and the economy has transformed towards a free market. There does not appear to be any signs of a change of course from our due diligence.

e. Possibility of Delisting in Sri Lanka

The Sri Lankan stock exchange requires at least 10% of a company's stock float publicly and CCF's public float is around 14.5%. GL is not buying any public float shares so there is no change in the amount of public float for CCF. Maintaining the free float necessary to maintain public trading is covered in the addendum to the shareholders' agreement.

f. NPLs

NPLs are a given in the financing/hiring purchase business that CCF and GL are in. Both CCF and GL have demonstrated the ability to maintain a target quality of NPL and any changes in NPLs are not expected given this ability.

g. No Authority

GL is entering CCF as a minority shareholder. While GL will have a significant portion of the equity, 2 Directors and a shareholder agreement cover control on most important reserved matters related to CCF and protection against any selling of shares from BG and Creation SL, and first right refusal option if GL would like to increase its shares in CCF in the future.

Also to be noted GL is willing to let the control and management to the current team as they have demonstrated their ability to grow the company.

In valuing the purchase price of the CCF Acquisition at LKR 111 per share (equivalent to approximately Baht 26.35 per share, exchange rate Baht 0.2374 per LKR 1 – 29 Sep. 16), based on advice provided by PricewaterhouseCoopers Sri Lanka ("**PwC**"), the Company's financial advisor in this connection, the Board of Directors view that the Discounted Cash flow methodology is not useful for valuing financial companies because the lending/deposit holding nature of banks, leasing companies, and other financial firms, separating operating and financing activities, is nearly impossible due to interest, investments, and debt are related to the company's core operations. Instead, earnings and dividends should be the primary intrinsic valuation methods (residual income approach and dividend discount model). EBITDA valuation multiples (a proxy for free cash) which is commonly used for valuation, is also not a meaningful indicator because interest is a critical component of both revenue and expenses. This means value of financial firms should focus on relative and intrinsic valuation relative to earnings for shareholders. As such, Residual Income, P/E and the Dividend Discount Model are accurate and commonly accepted intrinsic valuation methods that focus on earnings rather than cash flow.

The Board of Directors further view that equity value for finance firms is most accurately measured in terms of earnings.

In PwC's valuation report, PwC employs Residual Income Approach to value the share price of CCF since this is a financial company.

Residual Income emphasizes on valuing the shareholders' equity directly. It is expressed as the net income minus the capital charge for each year. Discounting the residual incomes with the cost of equity and adding it to the book value of current equity gives the value of equity according to the residual income model. The idea here is to compare a company's Return on Equity (ROE) and its Cost of Equity (Ke) and see if they're the same or if one exceeds the other. Cost of Equity represents the return that investors expect to earn to make it worth their while, and Return on Equity (Net Income / Shareholders' Equity) represents the return that the firm actually achieves. If $ROE = Ke$ then the firm's P / BV multiple should be 1x, because it's worth exactly what its balance sheet is worth.

In PwC's valuation report, PwC carefully analyses key assumptions step by step by looking at CCF's historical data of the last 3 years and the first quarter of fiscal year 2016/17 as well as peers' data. Peers are those financial companies operated in Sri Lanka which mean they are operating in the same environment. The analyses and discussion cover Net Interest Margin, Loan to Deposit Ratio, Branch and Staff Cost analysis, Customer Cost analysis, Composition of Loan Portfolio, Quality of Loan Portfolio, Non-Performing Loan analysis, Performance of CCF's key subsidiary (Trade Finance and Investments Plc - TFI). After thoroughly analyses the data, PwC independently prepares 5-year financial projection. Key assumptions are as follows:

Operating Performance Ratios

- Net interest margin – steady growth from 17.1% in Y16/17 to 21.1% in Y20/21.
- Cost to income – 75.9% in Y16/17 to 69% in Y20/21.

Balance Sheet Ratios

- Loan to Deposit Ratio – 123.9% in Y16/17 to 149.9% in Y20/21
- NPL ratio – 5% straight
- YoY growth in loan portfolio – 30.5% in Y16/17 to 14.9% in Y20/21
- YoY growth in deposit base – 17.3% in Y16/17 to 4.2% in Y20/21
- Impairment as a percentage of average loan portfolio – 3.0% in Y16/17 to 1.4% in Y20/21

PwC projects 5-year earnings and residual income with terminal growth of 3.5%. The discount rate used in the model is 16%. After obtaining the discounted value, the value is subtracted by the net book value of CCF and TFI as of 30 June 16 and added with future value of TFI (the key subsidiary) to obtain the net value CCF. The model computes the fair share price of LKR 95 – 97 per share. The sensitivity analysis yields the share price in a range of LKR 83.56 to 114.24 per share. This pricing also exclude the identified valuation of the brand of CCF which was attributed in 2016 the most valuable brand in Sri Lanka across all industries and valued at an additional LKR 10 per share per Brand Finance , the world's leading independent branded business valuation and strategy consultancy company.

The Board of Directors, therefore, is of the view that such purchase price is reasonable because PwC employed Residual Income Approach which is the methodology widely accepted for valuing a financial company and has independently, thoroughly and conservatively analyzed the business and operation with an understanding of business environment in Sri Lanka before coming up with the assumptions. The Board of Directors acknowledges that the purchase price is at the high end of the price range, however, investing in CCF is a critical strategic move that will provide potential business expansion for the Company in the future. In addition, acquiring the sizeable amount of shares at a time typically involves paying share price at premium. The purchase price is LKR 111 per share which is circa 16% above fair price of LKR 95 per share. Nonetheless, the price is still in the suggested range of LKR 83.56 to 114.24.

In making the payment for the CCF Acquisition, the Company will use the fund received from the convertible debentures previously issued and offered by the Company to JTrust Asia Pte. Ltd. on 1 August 2016 ("2016 CDs") (the shareholders will be proposed to consider and approve the amendment of the use of proceed received from 2016 CDs in Agenda 8) to fully fund the CCF Acquisition. In this regard, as the proceeds received from 2016 CDs was in US Dollar and the

payment for CCF Acquisition will be in Sri Lankan Rupee, the currency risks involved in the CCF Acquisition are carefully anticipated and monitored by the management for the best interest of the Company. However, this is a risk that the Company is willing to take since the investment corresponds to the strategy of expansion of the Company which will generate more returns coupled with diversification of the risks on a regional level.

However, in any event, the Company and/or GLH will only execute the CCF Acquisition on the conditions that the relevant counterparties to the share sale and purchase agreement of CCF's shares, including other relevant agreements and documents, to be entered into by the Company and/or GLH, have performed all obligations under the condition precedents as prescribed in such share sale and purchase agreement including other relevant agreements and documents, including but not limited to shareholders' approval, approvals from all relevant authorities in compliance with the laws or relevant jurisdictions.

In this regard, as Mr. Patrick Fisher, a current director of the Company, is the founder and managing partner of Creation SL, one of the sellers of CCF's shares, and also manages another SPV, Creation Investments ASEAN LLC which invests in the Company at approximately 2.39% (as of 6 July 2016 with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian), the purchase of CCF's shares from Creation SL in the amount of 70,822,537 ordinary shares in CCF, representing approximately 22.27% of total share capital in CCF at a purchase price at LKR 111 per share, amounting to the total value of LKR 7,861,301,607 (equivalent to approximately Baht 1,866.27 million) or 25.07% of Net Tangible Assets ("**NTA**") (the "**CCF Connected Transactions**") is considered the connected transaction of the Company according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (as amended) (the "**Connected Transaction Notifications**") in the type of assets and services. When aggregating this connected transaction with other transactions entered into by the Company and/or subsidiaries with the same group of connected persons in the past 6 months (namely, the BGMM Connected Transaction and the Issuance and Offering of CDs to Creation SL as detailed in Agenda 3.2 and Agenda 5.2 below (collectively referred to as the "**Connected Transactions**"), which will be executed in the proximity timing), the total value of the Connected Transactions are approximately Baht 2,637.26 million (or equal to 35.43% of NTA) which is more than Baht 20 million or 3% of NTA according to the Connected Transaction Notifications. Therefore, the Company is required to disclose information on the SET and to seek the shareholders' approval for entering into such Connected Transactions by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders who have interest. In this regard, the Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Share Acquisitions is attached to this Invitation as Attachment 2.

In this connection, the Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to consider, contact, negotiate, amend, agree, execute, enter into and deliver agreements, instruments and/or other documents relating to the counterparties and/or government authorities and/or other persons in connection with the entering into the CCF Connected Transaction, including but not limited to the Memorandum of Understanding regarding the sale and purchase of CCF's shares, the share purchase agreement of the CCF's shares, and/or the shareholders' agreement among CCF's shareholders including to request for consent from the counterparties and/or other related persons; to contact, submit any documents to, request for waiver from, seek approval from relevant official authorities, including the Office of the Securities and Exchange Commission (the "**SEC**") and the SET, as well as to amend the relevant information memorandum to be disclosed, to disclose relevant information, to give statement and information to relevant authorities; to determine the conditions, procedures and details in relation to the CCF Connected Transaction, to take any actions necessary and relevant to the entering into such CCF Connected Transaction

in all respects until completion of the CCF Connected Transaction; and to have the power to appoint and/or remove a substitute to take the foregoing actions.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should approve the entering into connected party transaction of the acquisition, by the Company and/or GLH, of 70,822,537 ordinary shares in CCF, representing approximately 22.27% of total share capital in CCF, at a purchase price at LKR 111 per share, amounting to the total value of LKR 7,861,301,607 (equivalent to approximately Baht 1,866.27 million) or 25.07% of NTA, from Creation SL which is a connected person and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of Creation Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) as shareholder who has special interest.

Agenda 3 To consider and approve the acquisition of shares in a Microfinance company, BG Microfinance Myanmar Co., Ltd. in Myanmar.

Agenda 3.1 To consider and approve the acquisition, by the Company and/or the Company's subsidiaries, of the entire issued share capital of BG Microfinance Myanmar Co., Ltd according to Section 107 of the Public Limited Company Act B.E.2535 (as amended).

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the acquisition, by the Company and/or the Company's subsidiaries, of the entire issued share capital of BG Microfinance Myanmar Co., Ltd. ("**BGMM**") according to Section 107 of the Public Limited Company Act B.E.2535 (as amended).

The Company's subsidiary, GLH, entered into a Memorandum of Understanding with BG Investments (PVT) Ltd., BG International (PVT) Ltd. and BG Capital (PVT) Ltd. (together referred to as "**BG**") on 7 September 2016 for the potential acquisition of 71.9% of the issued share capital in BGMM by GLH and the Company has been in contact with the other potential sellers of BGMM's shares for the potential acquisition of remaining shares in order to undertake the due diligence of BGMM in terms of legal and financial aspects and to study more on the feasibility and the advantages of the investment in BGMM by acquiring, by the Company and/or GLH, 1,387,680 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing 100% of total share capital in BGMM, at a purchase price at approximately USD 5.77 per share (equivalent to approximately Baht 199.79 per share, exchange rate 34.6250 baht per 1 USD – 29 Sep. 16), amounting to the total value of USD 8,006,913.60 (equivalent to approximately Baht 277.24 million), from BG and CCF ("**BGMM Acquisition**"). The BGMM Acquisition transaction is an acquisition of assets by a listed company according to the Acquisition or Disposition Notifications. The highest comparative value of such transaction is equivalent to 2.08% of the value of Baht 13,320.94 million, based on Total Value of Consideration basis and calculated from the Company's consolidated financial statements as of 30 June 2016. When aggregating this share acquisition transaction with other transactions related to the BGMM Acquisition entered into by the Company and/or subsidiaries in the past 6 months (i.e. the CCF Acquisition as detailed in Agenda 2 above, which will be executed in the proximity timing), the cumulative transaction size is equivalent to 21.55% of the value of 821.20 million, based on Net Income basis and calculated from the Company's consolidated financial statements of the last 4 quarters ended 30 June 2016, which is higher than 15% but lower than 50% and therefore is categorized as a Type-2 transaction according to the Acquisition or Disposition Notifications. In such case, the Company is required to disclose the details of the BGMM Acquisition through the SET and deliver an information memorandum containing specified information required by the Acquisition

or Disposition Notifications to all shareholders within 21 days from the date the Company makes the disclosure through the SET. In this regards, the Board of Directors had approved the BGMM Transaction according to the Acquisition or Disposition Notifications on 30 September 2016. The details of the BGMM Acquisition according to the Acquisition or Disposition Notifications are disclosed through the SET on 3 October 2016 and the Information Memorandum on Acquisition of Assets of Group Lease Public Company Limited Re: Share Acquisitions was delivered to the shareholders on 17 October 2016.

The Board of Directors considered that the BGMM Acquisition will render benefits and advantages to the Company in many respects, including GL business in relation with BGMM will be enhanced with the acquisition of new methodology of Microfinance Industry in Myanmar which will benefit activities in Myanmar and in all ASEAN markets where GL wants to expand as detailed below.

- a. Entering in a new market with high economic growth - Myanmar has averaged more than 7.4% GDP growth in the last five years and is expected to have the highest economic growth of any Southeast Asian countries with 8.4% and 8.3% for 2016 and 2017 respectively. The Company expects huge potential of profit generation from BGMM in the future as current net profitability is close to 50% bottom line and Myanmar population is more than 60MM population with high growth of financing demand.
- b. Opportunity to become an early leader - Microfinance in Myanmar is still in the early stages. Only one firm has a portfolio greater than USD 10 million (Baht 350 million) and per The Myanmar Times, March 2016, there are only 2.6 financial institution branch locations per population of 100,000 compared to 4.8 in neighboring Cambodia. Myanmar microfinance market if population equivalent could still grow 55 times as much Cambodian market.
- c. Enjoying Profitable portfolio - BGMM has been in existence for more than 2 years with a portfolio of more than USD 1.2 million (Baht 41.9 million) and close to 10,000 customers with no overdue. The transaction will increase the profitability of GL since BGMM is already profitable after 2 years only. Objective of GL will be to scale up the number of branches to benefit from the business model.
- d. Securing Microfinance License - Ownership of the microfinance license is very difficult to obtain and the central bank does not provide new licenses for foreign entities.
- e. Synergies with other companies in Myanmar and within the Group - Synergies with Century Finance transaction will open the door for BGMM to the network of more than 22,000 retail and wholesale stores in association with Grand Royal Group – Century Finance parent company. In addition, GL will have chances to learn new know-how of Microfinance, which will help the Company to efficiently expand its business in its current markets as well.
- f. Inclusion of IT- IT software is included in the price which can be used in other countries as well

This is a very significant step for GL to enter into the Myanmar market where the population is looking for access to finance, and this type of industry is corresponding well to the economic level of the population.

Synergies in microfinance in other countries for GL entities looks also very promising, as well as in Myanmar with additional new products such as leasing or other type of finance products in the coming years. Also to be noted, at this moment, authorities in Myanmar do not wish to issue more licenses of this type of business.

After the BGMM Acquisition, GL and/or GLH will provide financial support to BGMM, in the estimated amount up to Baht 1,600 million (approximately USD 45 million) over the course of 10

years through loans or equity as GL deems fit based on the similar practice applied for the other entities of the Company's group in order to support BGMM in expanding its business throughout Myanmar. In this connection, the Board of Directors believes it is reasonable to inject capital into BGMM as BGMM has a potential to earn a higher rate of return on that capital than its cost. The investment into BGMM creates additional value. While equity will be used at first, like other new areas of GL, once BGMM is more operationally and financially secure (as well as BGMM has taken the time to go through other financing sources like the World Bank), BGMM will be able to use debt to do some of its growth, which carries an even lower cost than equity. The value added is evident and we look at the purchase price of Baht 199 per share and see that even with funding of BGMM with all equity, the present value of BGMM per share if BGMM meets expectation is between Baht 230 – 288 /share. Based on projected 2017/18 earnings, value is Baht 264 – 295 /share.

On the other hand, the Board of Directors has also carefully considered the relevant risks involved in the BGMM Acquisition and has the following views:

a. Risk of Not Recovering Investment Costs

The purchase consideration for BGMM is roughly Baht 277.27 million. Based on projections, BGMM will generate earnings of Baht 364 million between 2016 – 2021, so GL anticipates recovering its purchase cost within the first five years. As for the capital injection needed into BGMM to achieve that growth, GL can provide a shareholders' loan at the interest rate of 7%, which is higher than GL's cost of capital, therefore even the capital injection into BGMM will be profitable.

b. Risks of Loan Repayment

Based on projections, BGMM will be able to meet its debt obligations with GL. However, BGMM is also in the process of requesting funding from international financial institutions such as the World Bank and United Nations Capital Development Fund (UNCDF). In addition to being low cost options, these other financing options could allow for the repayment of GL's shareholders' loan to BGMM.

c. Exchange Rate Risk

Exchange rate risk will always be a consideration as GL expands into more developing markets. Myanmar is expected to outperform most ASEAN economies in the near term and as such helps reduce this risk.

d. Operational Risk due to CCF

BGMM has received operational support from CCF as CCF is a partial owner, however GL will acquire CCF's ownership interest in BGMM. If GL does not also complete the CCF Acquisition, then CCF will have no relationship with BGMM, but both transactions are expected to occur so there will still be a relationship. Also, GL can and will provide operational support and expertise to help BGMM grow.

e. Business Expansion Risks

Office space and human resources in Myanmar are in demand due to the growing economy. This is an issue, but it is exactly that growth that is the reason GL wants to enter Myanmar via BGMM, and was previously successful in Cambodia or Laos with similarities.

f. Risk related to Infrastructure of Myanmar

Myanmar is underdeveloped, yet growing quickly. While that presents a terrific growth opportunity, it will come with challenges of working with Myanmar's infrastructure. Other microfinance organizations in Myanmar, such as ACLEDA Myanmar and UNDP-PACT, have been able achieved growth and operational size at or exceeding GL's growth estimates.

g. Political Risk

It is acknowledged that Myanmar until recently has been political adverse to foreign investment and ownership, but the country has liberalized many of these policies to attract growth and a freer market based economy. There has not been any signs of a policy reversal from the government.

h. NPLs

NPLs are a given in the financing business that BGMM and GL are both in. GL have demonstrated the ability to maintain a target quality of NPL and both BGMM and GL will continue to learn the microfinance business from CCF, so changes in NPLs are not expected given this ability.

Moreover NPL have remained at 0 since the existence of BGMM more than 2 years and collection from customers is done weekly reducing the risk of non-repayment.

i. Interest Rate Policy

The microfinance industry is highly regulated and one such regulation places a maximum interest rate that can be charged. While this can be adjusted and reduced by the government, it can also be increased. Myanmar has shown interest in growing the microfinance industry and GL do not anticipate the government will act to reduce growth.

In valuing the purchase price of the BGMM Acquisition at approximately USD 5.77 per share (equivalent to approximately Baht 199.79 per share, exchange rate 34.6250 baht per 1 USD – 29 Sep. 16), as discussed in Agenda 2, the Board of Directors view that Residual Income and the Dividend Discount Model are two accurate and commonly accepted intrinsic valuation methods that focus on earnings and cash flow to shareholders respectively. For BGMM, the P/E valuation approach would not make sense considering the early stage of the company.

The Board of Directors further view that equity value for finance firms is most accurately measured in terms of earnings.

Using a similar approach as CCF, the forecast of BGMM was prepared conservatively based on the actual results of the last 2 years and GL management targets for the next 5 years.

Branches expansion has been made on an average of 8 per year over the next 5 years, the growth of the income, portfolio and expenses based on the actual average figures per branch.

Conservatively, a discount on interest income of 5% was included.

Overall over 5 years the portfolio grew to 27.67 M USD which in comparison with Cambodia or Laos operations is relatively low.

The forecast also included a discount rate of 16% and a similar growth rate of 3 to 4%.

The sensitivity analysis yields the share price in a range of Baht 208.25 to 239.80 per share based on the Residual Income and Dividend Discount Model methods.

The Board of Directors, therefore, is of the view that such purchase price is reasonable because conservatively the projections and analysis of the business and operations show tremendous prospects. The fact that the company is already profitable and the country potential in the microfinance industry provides additional reasons to agree on the reasonableness of the price. The Board of Directors acknowledges that the purchase price represents a certain premium in comparison of the existing level of equity, however, investing in BGMM is a critical strategic move that will provide potential business expansion for the Company in the future.

In making the payment for BGMM Acquisition, the Company will use the proceeds received from 2016 CDs (the shareholders will be proposed to consider and approve the amendment of the use of proceed received from 2016 CDs in Agenda 8) to fully fund the BGMM Acquisition. In this regard, as the proceeds received from 2016 CDs was in US Dollar and the payment for BGMM Acquisition will also be in US Dollar, it will result in a natural hedge, and there will be no currency risk involved in the BGMM Acquisition.

According to Section 107 of the Public Limited Company Act B.E. 2535 (as amended), the acquisition of business of other companies by a public company is required a shareholders' approval. As a result, the Company shall obtain the Company's shareholders approval by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote prior to the completion of the BGMM Acquisition.

In any event, the Company and/or GLH will only execute the BGMM Acquisition on the conditions that the relevant counterparties to the share sale and purchase agreement of BGMM's shares, including other relevant agreements and documents, to be entered into by the Company and/or GLH, have performed all obligations under the condition precedents as prescribed in such share sale and purchase agreement including other relevant agreements and documents, including but not limited to the satisfaction of the due diligence results, shareholders' approval, approvals from all relevant authorities in compliance with the laws or relevant jurisdictions.

The Board of Directors has also resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to consider, contact, negotiate, amend, agree, execute, enter into and deliver agreements, instruments and/or other documents relating to the counterparties and/or government authorities and/or other persons in connection with the entering into the BGMM Acquisition, including but not limited to the share purchase agreement of BGMM's shares, including to request for consent from the counterparties and/or other related persons; to contact, submit any documents to, request for waiver from, seek approval from relevant official authorities, including the SEC and the SET, as well as to amend the relevant information memorandum to be disclosed, to disclose relevant information, to give statement and information to relevant authorities; to determine the conditions, procedures and details in relation to the BGMM Acquisition, to take any actions necessary and relevant to the entering into such BGMM Acquisition in all respects until completion of the BGMM Acquisition; and to have the power to appoint and/or remove a substitute to take the foregoing actions.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should approve the acquisition, by the Company and/or GLH, of 1,387,680 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing 100% of total share capital in BGMM, at a purchase price at approximately USD 5.77 per share (equivalent to approximately Baht 199.79 per share, exchange rate 34.6250 baht per 1 USD – 29 Sep. 16), amounting to the total value of USD 8,006,913.60 (equivalent to approximately Baht 277.24 million), from BG and CCF according to Section 107 of the Public Limited Company Act B.E.2535 (as amended), and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of Creation

Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) as shareholder who has special interest.

Agenda 3.2 To consider and approve the entering into a connected party transaction in relation to the acquisition, by the Company and/or the Company's subsidiaries, of approximately 28.1% of total issued share capital of BG Microfinance Myanmar Co., Ltd. from Commercial Credit and Finance PLC which is a connected person.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the entering into a connected party transaction in relation to the acquisition, by the Company and/or the Company's subsidiaries, of approximately 28.1% of total issued share capital of BG Microfinance Myanmar Co., Ltd. from Commercial Credit and Finance PLC which is a connected person.

Out of total 1,387,680 ordinary shares in BGMM of the BGMM Acquisition, the acquisition of 997,828 ordinary shares in BGMM, representing approximately 71.9% of total issued share capital of BGMM, are purchased from non-connected persons (BG), and therefore is not required further shareholders' approval.

As Mr. Patrick Fisher, a current director of the Company, is also a director of CCF, one of the sellers of BGMM's shares, and Creation SL, an SPV found and managed by Mr. Patrick, has a significant shareholding in CCF of 28.66%, the purchase of BGMM's shares from CCF in the amount of 389,852 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing approximately 28.1% of total share capital in BGMM at a purchase price at USD 5.77 (approximately equivalent to Baht 199.79) per share, amounting to the total value of USD 2,249,446.04 (equivalent to approximately Baht 77.89 million or 1.05% of Net Tangible Assets (the "**BGMM Connected Transaction**") is deemed the connected transaction of the Company according to the Connected Transaction Notifications in the type of assets and services. When aggregating this connected transaction with other transactions entered into by the Company and/or subsidiaries with the same group of connected persons in the past 6 months (namely, the CCF Connected Transaction as detailed in Agenda 2 above and the Issuance and Offering of CDs to Creation SL as detailed in Agenda 5.2 below, which will be executed in the proximity timing), the total value of the Connected Transactions are approximately Baht 2,637.26 million (or equal to 35.43% of NTA) which is more than Baht 20 million or 3% of NTA according to the Connected Transaction Notifications. Therefore, the Company is required to disclose information on the SET and to seek the shareholders' approval for entering into such connected transactions by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders who have interest. The Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Share Acquisitions is attached to this Invitation as Attachment 2.

In this connection, the Board of Directors has also resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to consider, contact, negotiate, amend, agree, execute, enter into and deliver agreements, instruments and/or other documents relating to the counterparties and/or government authorities and/or other persons in connection with the entering into the BGMM Connected Transaction, including but not limited to the Memorandum of Understanding regarding the sale and purchase of BGMM's shares and/or the share purchase agreement of BGMM's shares, including to request for consent from the counterparties and/or other related persons; to contact, submit any documents to, request for waiver from, seek approval from relevant official authorities, including the SEC and the SET, as well as to amend the relevant information memorandum to be disclosed, to disclose relevant information, to give statement and information to relevant authorities; to determine the conditions, procedures and details in relation to the BGMM

Connected Transaction, to take any actions necessary and relevant to the entering into such BGMM Connected Transaction in all respects until completion of the BGMM Connected Transaction; and to have the power to appoint and/or remove a substitute to take the foregoing actions.

With the abovementioned details, reasons, benefits as well as the risk and mitigation as specified in Agenda 3.1, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should approve the entering into connected party transaction of the acquisition, by the Company and/or GLH, of 389,852 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing approximately 28.1% of total share capital in BGMM, at a purchase price at USD 5.77 (approximately equivalent to Baht 199.79) per share, amounting to the total value of USD 2,249,446.04 (equivalent to approximately Baht 77.89 million or 1.05% of Net Tangible Assets of the Company), from CCF and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of Creation Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) as shareholder who has special interest.

Agenda 4 To consider and approve the financial assistance, by the Company and/or the Company's subsidiaries, to Century Finance Co., Ltd., a finance company in Myanmar by subscribing for the convertible debentures in the aggregate principal amount up to USD 28.5 million and the investment, by the Company and/or the Company's subsidiaries, in establishing a joint venture services company in Myanmar to provide support to such finance company according to Section 107 of the Public Limited Company Act B.E.2535 (as amended).

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the financial assistance, by the Company and/or the Company's subsidiaries, to Century Finance Co., Ltd., a finance company in Myanmar by subscribing for the convertible debentures in the aggregate principal amount up to USD 28.5 million and the investment, by the Company and/or the Company's subsidiaries, in establishing a joint venture services company in Myanmar to provide support to such finance company.

The Company and/or GLH, will provide the financial assistance, to Century Finance Co., Ltd., a wholly Myanmar-citizen owned company in Myanmar which has been granted a license to operate as a "Finance Company" pursuant to the Financial Institutions Law (2016) ("**Century Finance**") by subscribing for the convertible debentures in the aggregate principal amount up to USD 28.5 million ("**CF Debentures**") which can be converted into 57% of total share capital in Century Finance upon the events where there is any change in law or regulations which allows a foreign entity to hold share(s) in a finance company licensed by the Central Bank of Myanmar and all relevant authorizations, consents and approvals (if required) have been obtained or effected.

In addition, the Company and/or GLH, will make the investment in establishing a joint venture services company, namely GL Century Service Company Limited, in Myanmar ("**Service Co**") with Mr. Aung Moe Kyaw, Macondray Holding Pte. Ltd. and UMJ Ikeya Investment II Ltd ("**AMK Consortium**") pursuant to which GLH will hold 57% of the interest in Service Co with the remaining interest of 43% held by the AMK Consortium. In this regard, the Company plans to inject USD 3 million for the establishment of Service Co which will be funded by the proceeds received from 2016 CDs (the shareholders will be proposed to consider and approve the amendment of the use of proceed received from 2016 CDs in Agenda 8). As Century Finance will only provide the financing to the customer, the Service Co will provide all front and back office support to Century Finance (from Marketing, after sale services, collection, administration, IT

system for supporting for digital finance) as a channeling business model with the details as follows:

Marketing: Service Co will perform all marketing functions for Century Finance and the leasing business. This includes creating (internally or externally) marketing materials and advertisements and distributing them.

Maintain network: Service Co will set up a distribution network where customers can seek out information about Century Finance's products.

Accounting and Debt Collection: Service Co will connect all payments — performing and nonperforming. This includes principal and interest. For nonperforming loans, the Service Co will be responsible for working with the borrower(s) to try to maximize collection. Accounting, including maintaining outstanding loan balances, payment details, and other accounting tasks will be performed by Service Co.

Credit Approval: Service Co will collect information on the borrower, analyze that information, and make a credit decision on that borrower including interest rate and loan amount. This information will be passed along to Century Finance so that Century Finance and make the loan to the borrower.

Human Resources: Service Co will be responsible for hiring and training employees.

Information Technology: Service Co will maintain the IT network including either developing or purchasing information technology solutions.

However, in any event, the Company and/or GLH will only execute the subscription of CF Debentures and the investment in establishing Service Co on the conditions that the relevant counterparties have performed all obligations as prescribed by applicable laws, relevant agreements and documents, including but not limited to shareholders' approval, approvals from all relevant authorities in compliance with the laws or relevant jurisdictions, including but not limited to the Central Bank of Myanmar.

Century Finance was incorporated in 2013 and has been granted a license to operate as a "Finance Company" pursuant to the Financial Institutions Law (2016), with paid-up capital of 3 billion Kyat (approx. Baht 89.4 million). Century Finance's major businesses are Finance Company Business and Leasing as granted by the Central Bank of Myanmar. In this connection, the funds provided by GLH will be exclusively utilized for related purpose of the Service Co only and Century Finance will work exclusively with the Service Co for the financing business. If Century Finance plans to engage in any other business, Century Finance will need to ask permission from GLH. In this transaction, the Company believes that GLH will be able to benefit through the setup of the Service Co which will provide all necessary services to Century Finance and will obtain management fees in return.

In addition, AMK Consortium is currently controlling approximately 65% of the market share in the whisky distribution and managing more than 22,000 distribution channels (grocery, mini mart, restaurant etc.) in Myanmar, including 1,400 wholesale shops some of which are already operating pawnshops businesses. This distribution network is the biggest in Myanmar in terms of number of outlets which are independently owned by the shop owners who are the customers of products of AMK Consortium. With the introduction of and referral from AMK Consortium, GLH or Century Finance may have the access to be in direct contract with the shop owners in such distribution network to promote the distribution of their products, in which case this will completely match with the Company's digital finance platform and enable GL or Century Finance to reach more client base.

As the CF Debentures will, upon the conversion, result in the acquisition of approximately 57% of total share capital in Century Finance, the subscription for the CF Debentures is deemed an acquisition of business of other companies by a public company. According to Section 107 of the Public Limited Company Act B.E. 2535 (as amended), the acquisition of business of other companies by a public company is required a shareholders' approval. As a result, the Company shall obtain the Company's shareholders approval by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote in entering into the subscription for the CF Debentures and the establishment of Service Co.

The Board of Directors has also resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to consider, contact, negotiate, amend, agree, execute, enter into and deliver agreements, instruments and/or other documents relating to the counterparties and/or government authorities and/or other persons in connection with the subscription of CF Debentures and the investment in establishing Service Co, including but not limited to the subscription agreement for the CF Debentures and the joint venture agreement, including to request for consent from the counterparties and/or other related persons; to contact, submit any documents to, request for waiver from, seek approval from relevant official authorities, including the SEC and the SET, as well as to amend the relevant information memorandum to be disclosed, to disclose relevant information, to give statement and information to relevant authorities; to determine the conditions, procedures and details in relation to the subscription of CF Debentures and the investment in establishing Service Co, to take any actions necessary and relevant to the entering into such subscription of CF Debentures and such investment in establishing Service Co in all respects until completion of the subscription of CF Debentures and the investment in establishing Service Co; and to have the power to appoint and/or remove a substitute to take the foregoing actions.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should approve the entering into the subscription for the CF Debentures, the establishment of Service Co and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote.

The matters in Agenda 5.1, 6.1 and 7.1 which will be proposed for approval in this Extraordinary General Meeting of Shareholders No.2/2016 are related to and conditional upon each other. If any agenda item of Agenda 5.1, 6.1 and 7.1 is not approved by this Extraordinary General Meeting of Shareholders No.2/2016, it shall be deemed that previous agenda items which were approved by this Extraordinary General Meeting of Shareholders No.2/2016 be canceled and there shall be no further proposal of any following agendas for consideration by this Extraordinary General Meeting of Shareholders No.2/2016.

Agenda 5 To consider and approve the issuance and offering of convertible debentures to specific foreign investors (Private Placement) in the amount not exceeding USD 70 million or an equivalent amount in other currencies.

Agenda 5.1 To consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement), namely JTrust Asia Pte. Ltd. in the amount not exceeding USD 50 million or an equivalent amount in other currencies.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) i.e. JTrust Asia Pte. Ltd. ("JTA") in

the amount not exceeding USD 50 million or an equivalent amount in other currencies. The Details of Substantial Preliminary Information of Convertible Debentures to be issued to JTA are as specified in Attachment 3.

JTA is a subsidiary of J Trust Co., Ltd. (“**JTrust**”), a listed company in the Stock Exchange of Tokyo, Japan (“**TSE**”). JTrust runs finance businesses mainly banking in Asia. Its market capital in the TSE is approximately USD 986.7 million (approximately Baht 34,500 million). JTA was established in Singapore in October 2013 with JTrust holding 100% of JTA shares. JTA conducts investment operations and provides management assistance services in South East Asia region.

On May 22, 2015, JTA made an investment in the Company by subscribing for the convertible debentures issued and offered by the Company in an aggregate amount of USD 30 Million (“**2015 CDs**”) and on December 30, 2015, JTA converted all 2015 CDs into the Company’s shares and currently holds 98,100,000 shares, accounting for 6.43% of the paid-up shares of the Company. In addition, on 1 August, 2016, JTA made another investment in the Company by subscribing for the convertible debentures issued and offered by the Company in an aggregate amount of USD 130 Million (2016 CDs).

Apart from JTA current shareholding of 6.43% of the paid-up shares of the Company and 10,900,000 units of the warrants of the Company (GL-W4) which was issued to the existing shareholders in 2016, JTrust and/or JTA and their shareholders, executives and representatives has no connection with the Company or the management of the Company, and is not the connected person as per the Connected Transaction Notifications. Therefore, the Company has no duty to comply with the Connected Transaction Notifications for the issuance and offering of the convertible debentures to JTA.

The Board of Directors considered and was of the view that, as a reliable company with solid background in the ASEAN market, the ongoing investment of JTrust (through JTA) in the Company will continue to support the Company’s expansion in the ASEAN market with good source of funding. Moreover, at present the Company has low-leveraged capital structure, i.e. D/E ratio less than 0.5. The Board of Directors considered and viewed that it should be proper to raise substantial fund via convertible debentures again with JTrust (through JTA) in foreign currency to further support ASEAN business expansion with the details as follows:

(a) Objectives, reasons and necessities for the issuance of the convertible debentures

Objectives, reasons and necessities for the issuance of the convertible debentures

- To replace the proceeds received from 2016 CDs, which will be used to fund the approved acquisition transactions.
- To fund the expansion of the business and the diversification of the portfolios in ASIA, especially in Cambodia and Myanmar, as well as to promote SME financing and hire-purchase loans.
- To utilize as working capital for comprehensive digital financial platform to ASEAN markets.

Reasonableness of the issuance of convertible debentures

1. Given low D/E (less than 0.5) at present, financing through the convertible debentures will help the Company better leverage its capital structure. Moreover, like 2015 CDs and 2016 CDs, there is no collateral requirement for this issuance of the convertible debentures.
2. Greater Flexibility in Financial Management: the convertible debenture holders can choose to convert the loan to the Company into the Company’s equity, if convertible

debenture holders view that the Company's business will positively develop. In case that the convertible debenture holders exercise a conversion right, the Company shall not be required to repay the principal amount;

3. Lower, and Non-Instantaneous, Dilution Effect: In case that the convertible debenture holders exercise the conversion right, it shall be regarded as an increase of share capital of the Company by issuing new shares, where the dilution takes effect, at the future date of such conversion, not the issuing date of the convertible debentures. Unlike issuing convertible debentures, the issuance of shares will cause the dilution effect as soon as the shares are issued;

4. By issuing the convertible debentures, the Company will be able to raise fund with higher premium than the share market price, compared to issuing shares and/or ordinary bonds.

5. In addition, this issuance of convertible debentures allows the Company to raise the fund in US Dollar currency at a competitive rate which will be used in foreign countries outside Thailand; therefore, mitigate foreign exchange risk for the Company.

The source and the appropriateness of conversion price and conversion period

The conversion price was commercially negotiated and agreed upon between the Company and JTrust. The conversion price of Baht 70 per share is approximately 75% higher than the market price which was determined by the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the Board of Directors (31 October 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the convertible debentures, during the period of 7 October, 2016 to 28 October, 2016, equivalent to Baht 40.02 per share. Therefore, the conversion price does not create price dilution to the existing shareholders. In addition, the maximum conversion period of 3 years will provide opportunity to defer the control dilution of the existing shareholders. Nonetheless, the terms and conditions of the convertible debentures provide flexibility to the Company such that the Company has the right to redeem all or partial of the convertible debentures as deemed appropriate if JTA does not exercise its conversion right within 2 years after the issuance.

The impact on existing shareholders

The impact on the Company's shareholders from the convertible debentures in case the holder of the convertible debentures exercises the right to convert the convertible debentures in full is as follows:

Control Dilution: The control dilution can be analyzed in 4 scenarios ranging from 1.60%-8.99%. In the worst case scenario that JTA converts 2016 CDs and the convertible debentures to be issued this time in full and exercises GL-W4 in full while none of the other convertible debentures and GL-W4 are converted or exercised, the control dilution would be equal to 8.99%

Price Dilution: There is no Price Dilution as the conversion price is higher than the market price. (The market price is determined as the 15-day average closing price from 7 October, 2016 to 28 October, 2016 = Baht 40.02 per share.)

The detailed calculation of the Control Dilution and Price Dilution is specified in the Details of Substantial Preliminary Information of Convertible Debentures to be issued to JTA, Attachment 3.

(b) Use of proceeds derived from the issuance of the convertible debentures

Use of proceeds

The Board of Directors considered that the issuance of convertible debentures is an alternative of fund raising for bringing the proceeds to be used for the following purposes:

Period	Details	Proportion (percentage of total proceeds received from the offering of convertible debentures)
Within 2 years from the date of issuance and offering of convertible debentures	To fund the expansion of the business and the launch of new products in ASIA and to promote SME financing and hire-purchase loans especially in Myanmar and Cambodia as follows:	Approximately 90
	1. Myanmar (including but not limited to the provision of financial support to BGMM)	Approximately 40
	2. Cambodia	Approximately 50
Within 2 years from the date of issuance and offering of convertible debentures	To utilize as working capital for comprehensive digital financial platform to ASEAN markets	Approximately 10

Feasibility for the use of proceeds as planned

As the financing business in Asia has been growing significantly, especially in ASEAN area, the Company continues to commit to strengthen the business in ASEAN and plan to steadily expand the business there and around Asia. Its strategy to utilize its comprehensive digital financial platform has enabled the Company to diversify leasing portfolios to cover not only motorcycles and agricultural machinery, but also other household products as well as SME financing and now in the Microfinance industry. Therefore, the proceeds from issuing the convertible debentures, together with the efficient digital financial platform and potential opportunity, will enhance the business growth in Asia, particularly in ASEAN.

Reasonableness of use of proceeds

The convertible debentures are issued in US Dollar currency and the fund raised from such convertible debentures will be used in the business expansion throughout Asia, where US Dollar currency is acceptable in pursuing business. Thus, this can be considered as a natural hedge of the Company.

(c) Expected impact to the Company's business operation

Once the Company receives the proceeds from the issuance and offering of convertible debentures, the Company's debt-to-equity ratio will be 1.34 and upon the conversion of convertible debentures, the Company's debt-to-equity ratio will be reduced to less than 1. In addition, with the lower cost of funding by way of the issuance and offering of convertible debentures, the Company expects, compared to its peers, higher profitability from the operating result with rapid growth to enable the strong establishment in the ASEAN market. Furthermore, having a strong equity base and profitable operations will positively result in the increase of the Company's bargaining power in the future for fund raising from financial institutions or enhance its ability to access to other sources of fund in debt instruments market, including overseas funds with lower financial cost than the Company's current financial cost.

(d) The Company's ability to repay if the convertible debenture holder does not exercise the conversion right

The Company has a low D/E ratio; thus, still has room to borrow from other sources to repay the convertible debentures if the holder of convertible debentures does not exercise the conversion right. The Company is able also to capitalize on the diversification in terms of geographic presence in different countries and in terms of products, which can reduce business risk and generate more income to repay debt.

In addition, the Board of Directors has further resolved that the Extraordinary General Meeting of Shareholders No.2/2016 also consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to do the following:

- 1) to determine or amend the details, procedures and other conditions related to the issuance and offering of convertible debentures to JTA as appropriate, including but not limited to, the terms and conditions of the convertible debentures, issue date, the number of ordinary shares to reserve for the exercise of right of convertible debentures, par value, calculation and payment method of interest, conversion period, redemption, or to determine the adjustment events requiring the Company to issue additional underlying shares to accommodate the exercise of conversion rights, and conditions for adjustment of conversion rights, provided that such determination or amendment made by Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be within the scope to be approved by the Extraordinary General Meeting of Shareholders No.2/2016, especially in relation to the term, interest rate, conversion price and conversion ratio, as provided in the preliminary information of the convertible debentures to be issued to JTA; and
- 2) to enter into negotiations, agreements and execution of, amendment to agreements, documents, sale report, information disclosure, requests for waiver, reports, applications for approval and necessary evidence required in relation to the issuance and offering of the convertible debentures to JTA, as well as to communicate, submit the aforementioned documents for approval, together with the relevant documents and evidence to, and make any arrangement, or contact and/or perform any acts with, the SEC, the SET, government agencies and/or any other relevant entities concerning the issuance and offering of convertible debentures to JTA, the listing of convertible debentures to be issued to JTA on an overseas stock exchange, and the listing of the newly issued ordinary shares from the exercise of convertible debentures to be issued to JTA on the SET, and to have authority to take any other actions which are deemed necessary and appropriate for all of the aforementioned matters.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement), namely JTA in the amount not exceeding USD 50 million or an equivalent amount in other currencies and the authorization as abovementioned.

In this regard, according to Section 85 of Public Company Limited Act B.E. 2535 (including any amendment thereto), in the case that the directors of the Company do not comply with the laws, the objectives, the article of association of the Company, and the resolution of the Shareholders' Meeting in good faith and with due care to preserve the interest of the Company on the matters relating to the increase of registered capital, resulting that the performance of any act or non-performance of any act which fails to comply with the aforementioned duties and causes damage to the Company, the Company may claim compensation from the directors. In the case where the Company fails to make such claim, any one or more shareholders holding shares amounting to not less than 5 percent of the total number of issued shares of the Company may issue a written

notice directing the Company to make such a claim. If the Company fails to take action as directed by the said shareholders, such shareholders may bring a suit to the court to claim compensation on behalf of the Company. Furthermore, according to Section 89/18 of Securities and Exchange Act B.E. 2535 (including any amendment thereto) in the case where the director acts or omits to act in such a way that does not comply with the laws, the objectives, the articles of association and the resolutions of the Shareholders' Meeting with due care and loyalty to preserve the interest of the Company on the matters relating to the increase of registered capital, resulting that the director, the executive or the related person to obtain undue benefits, the Company may bring an action against the director for disgorgement of such benefits to the Company. In this regard, any one or more shareholders holding shares and having the right to vote amounting to not less than 5 percent of the total number of voting rights of the Company may issue a written notice directing the Company to bring the aforementioned action. If the Company fails to take action as directed by the said shareholders within one month from the date of the notice, such shareholders may bring an action for disgorgement of benefits from such directors on behalf of the Company.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of JTA as shareholder who has special interest.

The matters in Agenda 5.2, 6.2 and 7.2 which will be proposed for approval in this the Extraordinary General Meeting of Shareholders No.2/2016 are related to and conditional upon each other. If any agenda item of Agenda 5.2, 6.2 and 7.2 is not approved by this Extraordinary General Meeting of Shareholders No.2/2016, it shall be deemed that previous agenda items which were approved by this Extraordinary General Meeting of Shareholders No.2/2016 be canceled and there shall be no further proposal of any following agendas for consideration by this Extraordinary General Meeting of Shareholders No.2/2016.

Agenda 5.2 To consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement), namely Creation Investments Sri Lanka LLC in the amount not exceeding USD 20 million or an equivalent amount in other currencies and the entering into connected party transaction.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 to consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) namely Creation Investments Sri Lanka LLC ("**Creation SL**") in the amount not exceeding USD 20 million or an equivalent amount in other currencies. The Details of Substantial Preliminary Information of Convertible Debentures to be issued to Creation SL are as specified in Attachment 4.

Creation SL is a SPV established and managed under Creation Investments Capital Management, LLC ("**Creation**"). Creation is a leading alternative investment management company with a focus on private equity investments in Microfinance Institutions, Small-and-Medium Enterprise lenders, Emerging Market Banks, and other Bottom of the Economic Pyramid (BOP) Financial Services Providers. Creation currently manages several private funds and other investment vehicles for individual, family, office and institutional investors and directly serve 8.1 million entrepreneurs with over USD 4.2 billion in small business loans outstanding. Creation was established in Chicago in 2007.

In this regard, as Mr. Patrick Fisher, a current director of the Company, is the founder and managing partner of Creation SL, the subscriber of the convertible debentures and also manages another SPV, Creation Investments ASEAN LLC which invests in the Company at approximately 2.39% (as of 6 July 2016 with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) and holds the warrants of the Company (GL-W4) which was issued to the existing shareholders in

2016 in the amount of 4,056,066 units, the issuance and offering of convertible debentures to Creation SL, in the amount not exceeding USD 20 million or an equivalent amount in other currencies (the “**Issuance and Offering of CDs to Creation SL**”) is therefore considered the connected transaction of the Company according to the Connected Transaction Notifications in the type of receipt of financial assistance with the transaction value of USD 20 million. When considering the total connected transactions taking place during the past 6 months which the Company and/or Company’s subsidiaries have entered into with Mr. Patrick Fisher and/or his related persons as a connected person, which are the CCF Connected Transaction and BGMM Connected Transaction (the details of which are as per the details provided in Agenda 2 and 3.2 above) including the Issuance and Offering of CDs to Creation SL as specified above, the total value of the Connected Transactions is approximately Baht 2,637.26 million (or equal to 35.43% of NTA) which is more than Baht 20 million or 3 percent of NTA according to the Connected Transaction Notifications. Therefore, the Company is required to disclose information on the transaction to the SET and to seek the shareholders’ approval for entering into such Connected Transactions by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders who have conflict of interest. In addition, Grant Thornton Services Limited has been appointed as an independent financial advisor to express opinion on such Connected Transactions whether it is reasonable and beneficial to the Company, and on the fairness of price and conditions of the Connected Transactions to the shareholders of the Company. The Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Issuance and Offering of Convertible Debentures is attached as *Attachment No. 5*.

The Board of Directors considered and was of the view that Creation SL is an SPV under Creation Investments Capital Management, LLC (“**Creation**”) which is a reliable company with solid background in the investment in Microfinance Institutions as well as in Emerging Market Financial Institutions; thus, the investment of Creation in the Company will continue to support the Company’s expansion in the ASEAN market with good source of funding. Moreover, as at present the Company has low-leveraged capital structure, i.e. D/E ratio less than 0.5 time (Statement of Financial Position as of 30 June 2016), the Board of Directors considered and viewed that it should be proper to raise substantial fund via convertible debentures with Creation in foreign currency to further support ASEAN business expansion with the details as follows:

(a) Objectives, reasons and necessities for the issuance of the convertible debentures

Objectives, reasons and necessities for the issuance of the convertible debentures

- To replace the proceeds received from 2016 CDs, which will be used to fund the approved acquisition transactions.
- To fund the expansion of the business and the diversification of the portfolios in ASIA, especially in Cambodia and Myanmar, as well as to promote SME financing and hire-purchase loans.
- To utilize as working capital for comprehensive digital financial platform to ASEAN markets.

Reasonableness of the issuance of convertible debentures

1. Given low D/E (less than 0.5) at present, financing through the convertible debentures will help the Company better leverage its capital structure. Moreover, like 2015 CDs and 2016 CDs, there is no collateral requirement for this issuance of the convertible debentures.
2. Greater Flexibility in Financial Management: the convertible debenture holders can choose to convert the loan to the Company into the Company’s equity, if convertible debenture holders view that the Company’s business will positively develop. In case that the

convertible debenture holders exercise a conversion right, the Company shall not be required to repay the principal amount;

3. Lower, and Non-Instantaneous, Dilution Effect: In case that the convertible debenture holders exercise the conversion right, it shall be regarded as an increase of share capital of the Company by issuing new shares, where the dilution takes effect, at the future date of such conversion, not the issuing date of the convertible debentures. Unlike issuing convertible debentures, the issuance of shares will cause the dilution effect as soon as the shares are issued;

4. By issuing the convertible debentures, the Company will be able to raise fund with higher premium than the share market price, compared to issuing shares and/or ordinary bonds.

5. In addition, this issuance of convertible debentures allows the Company to raise the fund in US Dollar currency at a competitive rate which will be used in foreign countries outside Thailand; therefore, mitigate foreign exchange risk for the Company.

The source and the appropriateness of conversion price and conversion period

The conversion price was commercially negotiated and agreed upon between the Company and Creation. The conversion price of Baht 70 per share is approximately 75% higher than the market price which was determined by the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the Board of Directors (31 October 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the convertible debentures, during the period of 7 October, 2016 to 28 October, 2016, equivalent to Baht 40.02 per share. Therefore, the conversion price does not create price dilution to the existing shareholders. In addition, the maximum conversion period of 3 years will provide opportunity to defer the control dilution of the existing shareholders. Nonetheless, the terms and conditions of the convertible debentures provide flexibility to the Company such that the Company has the right to redeem all or partial of the convertible debentures as deemed appropriate if Creation SL does not exercise its conversion right within 2 years after the issuance.

The impact on existing shareholders

The impact on the Company's shareholders from the convertible debentures in case the holder of the convertible debentures exercises the right to convert the convertible debentures in full is as follows:

Control Dilution: The control dilution can be analyzed in 4 scenarios ranging from 0.64%-0.91%. In the worst case scenario that Creation SL converts the convertible debentures issued this time in full and Creation Investments ASEAN LLC exercises GL-W4 in full while none of the other convertible debentures and GL-W4 are converted or exercised, the Control Dilution would be equal to 0.91%

Price Dilution: There is no Price Dilution as the conversion price is higher than the market price. (The market price is determined as the 15-day average closing price from 7 October, 2016 to 28 October, 2016 = Baht 40.02 per share.)

The detailed calculation of the Control Dilution and Price Dilution is specified in the Details of Substantial Preliminary Information of Convertible Debentures to be issued to Creation SL, Attachment 4.

(b) Use of proceeds derived from the issuance of the convertible debentures

Use of proceeds

The Board of Directors considered that the Issuance and Offering of CDs to Creation SL is an alternative of fund raising for bringing the proceeds to be used for the following purposes:

Period	Details	Proportion (percentage of total proceeds received from the offering of convertible debentures)
Within 2 years from the date of issuance and offering of convertible debentures	To fund the expansion of the business and the launch of new products in ASIA and to promote SME financing and hire-purchase loans especially in Myanmar and Cambodia as follows:	Approximately 90
	1. Myanmar (including but not limited to the provision of financial support to BGMM)	Approximately 40
	2. Cambodia	Approximately 50
Within 2 years from the date of issuance and offering of convertible debentures	To utilize as working capital for comprehensive digital financial platform to ASEAN markets	Approximately 10

Feasibility for the use of proceeds as planned

As the financing business in Asia has been growing significantly, especially in ASEAN area, the Company continues to commit to strengthen the business in ASEAN and plan to steadily expand the business there and around Asia. Its strategy to utilize its comprehensive digital financial platform has enabled the Company to diversify leasing portfolios to cover not only motorcycles and agricultural machinery, but also other household products as well as SME financing and now in the Microfinance industry. Therefore, the proceeds from issuing the convertible debentures, together with the efficient digital financial platform and potential opportunity, will enhance the business growth in Asia, particularly in ASEAN.

Reasonableness of use of proceeds

The convertible debentures are issued in US Dollar currency and the fund raised from such convertible debentures will be used in the business expansion throughout Asia, where US Dollar currency is acceptable in pursuing business. Thus, this can be considered as a natural hedge of the Company.

(c) Expected impact to the Company's business operation

Once the Company receives the proceeds from the issuance and offering of convertible debentures, the Company's debt-to-equity ratio will be 1.34 and upon the conversion of convertible debentures, the Company's debt-to-equity ratio will be reduced to less than 1. In addition, with the lower cost of funding by way of the issuance and offering of convertible debentures, the Company expects, compared to its peers, higher profitability from the operating result with rapid growth to enable the strong establishment in the ASEAN market. Furthermore, having a strong equity base and profitable operations will positively result in the increase of the Company's bargaining power in the future for fund raising from financial institutions or enhance its ability to access to other sources of fund in debt instruments market, including overseas funds with lower financial cost than the Company's current financial cost.

(d) The Company's ability to repay if the convertible debenture holder does not exercise the conversion right

The Company has a low D/E ratio; thus, still has room to borrow from other sources to repay the convertible debentures if the holder of convertible debentures does not exercise the conversion right. The Company is able also to capitalize on the diversification in terms of geographic presence in different countries and in terms of products, which can reduce business risk and generate more income to repay debt.

In addition, the Board of Directors has further resolved that the Extraordinary General Meeting of Shareholders No.2/2016 also consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to do the following:

- 1) to determine or amend the details, procedures and other conditions related to the Issuance and Offering of CDs to Creation SL as appropriate, including but not limited to, the terms and conditions of the convertible debentures, issue date, the number of ordinary shares to reserve for the exercise of right of convertible debentures, par value, calculation and payment method of interest, conversion period, redemption, or to determine the adjustment events requiring the Company to issue additional underlying shares to accommodate the exercise of conversion rights, and conditions for adjustment of conversion rights, provided that such determination or amendment made by Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be within the scope to be approved by the Extraordinary General Meeting of Shareholders No.2/2016, especially in relation to the term, interest rate, conversion price and conversion ratio, as provided in the preliminary information of the convertible debentures to be issued to Creation SL; and
- 2) to enter into negotiations, agreements and execution of, amendment to agreements, documents, sale report, information disclosure, requests for waiver, reports, applications for approval and necessary evidence required in relation to the Issuance and Offering of CDs to Creation SL, as well as to communicate, submit the aforementioned documents for approval, together with the relevant documents and evidence to, and make any arrangement, or contact and/or perform any acts with, the SEC, the SET, government agencies and/or any other relevant entities concerning the Issuance and Offering of CDs to Creation SL, the listing of convertible debentures to be issued to Creation SL on an overseas stock exchange, and the listing of the newly issued ordinary shares from the exercise of convertible debentures to be issued to Creation SL on the SET, and to have authority to take any other actions which are deemed necessary and appropriate for all of the aforementioned matters.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement), namely Creation SL in the amount not exceeding USD 20 million or an equivalent amount in other currencies and the authorization as abovementioned.

In this regard, according to Section 85 of Public Company Limited Act B.E. 2535 (including any amendment thereto), in the case that the directors of the Company do not comply with the laws, the objectives, the article of association of the Company, and the resolution of the Shareholders' Meeting in good faith and with due care to preserve the interest of the Company on the matters relating to the increase of registered capital, resulting that the performance of any act or non-performance of any act which fails to comply with the aforementioned duties and causes damage to the Company, the Company may claim compensation from the directors. In the case where the Company fails to make such claim, any one or more shareholders holding shares amounting to not less than 5 percent of the total number of issued shares of the Company may issue a written notice directing the Company to make such a claim. If the Company fails to take action as directed by the said shareholders, such shareholders may bring a suit to the court to claim

compensation on behalf of the Company. Furthermore, according to Section 89/18 of Securities and Exchange Act B.E. 2535 (including any amendment thereto) in the case where the director acts or omits to act in such a way that does not comply with the laws, the objectives, the articles of association and the resolutions of the Shareholders' Meeting with due care and loyalty to preserve the interest of the Company on the matters relating to the increase of registered capital, resulting that the director, the executive or the related person to obtain undue benefits, the Company may bring an action against the director for disgorgement of such benefits to the Company. In this regard, any one or more shareholders holding shares and having the right to vote amounting to not less than 5 percent of the total number of voting rights of the Company may issue a written notice directing the Company to bring the aforementioned action. If the Company fails to take action as directed by the said shareholders within one month from the date of the notice, such shareholders may bring an action for disgorgement of benefits from such directors on behalf of the Company.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of Creation Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) as shareholder who has special interest.

Agenda 6 To consider and approve the increase in the registered capital of the Company by Baht 17,327,414.50, from the existing registered capital of Baht 905,217,625.50 to Baht 922,545,040.00, by issuing 34,654,829 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital.

Agenda 6.1 To consider and approve the increase in the registered capital of the Company by Baht 12,376,724.50 by issuing 24,753,449 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd. and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the increase in the registered capital of the Company by Baht 12,376,724.50 by issuing 24,753,449 newly issued ordinary shares at the par value Baht 0.50 per share for the purpose of reservation for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd. as required by relevant laws, the details of which is specified in Agenda 5.1 above and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital, by cancelling the existing provision and replacing it with the following provision which reads as follows:

New version:

"Clause 4. Registered Capital 917,594,350 Baht
(nine hundred seventeen million five hundred ninety-four thousand three hundred and fifty Baht)

Divided into 1,835,188,700 shares
(one billion eight hundred thirty-five million one hundred eighty-eight thousand seven hundred shares)

Par value 0.50 Baht (fifty Satang)

Categorized into:

Ordinary shares 1,835,188,700 shares
(one billion eight hundred thirty-five million one hundred eighty-eight thousand seven hundred shares)

Preference shares — shares (—).

In this connection, the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to further consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to such registration of the increase in the Company's registered capital and the registration of the amendment to Clause 4 of the Memorandum of Association of the Company with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or other relevant documents concerning such registration as requested by the relevant agencies or entities.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should approve the increase of the registered capital of the Company by the amount of Baht 12,376,724.50 by issuing 24,753,449 newly issued ordinary shares at a par value of Baht 0.50 per share for the purpose of reservation for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd. and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of JTA as shareholder who has special interest.

Agenda 6.2 To consider and approve the increase in the registered capital of the Company by Baht 4,950,690 by issuing 9,901,380 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to Creation Investments Sri Lanka LLC and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the increase in the registered capital of the Company by Baht 4,950,690 by issuing 9,901,380 newly issued ordinary shares at the par value Baht 0.50 per share for the purpose of reservation for the conversion of the convertible debentures to be issued and offered to Creation Investments Sri Lanka LLC as required by relevant laws, the details of which is specified in Agenda 5.2 above and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital, by cancelling the existing provision and replacing it with the following provision which reads as follows:

New version: (in case that Agenda 6.1 is approved)

"Clause 4. Registered Capital 922,545,040 Baht
(nine hundred twenty-two million five hundred forty-five thousand and forty Baht)

Divided into 1,845,090,080 shares
(one billion eight hundred forty-five million ninety thousand and eighty shares)

Par value 0.50 Baht (fifty Satang)

Categorized into:

Ordinary shares 1,845,090,080 shares
(one billion eight hundred forty-five million ninety thousand and eighty shares)

Preference shares — shares (—)

New version: (in case that Agenda 6.1 is not approved)

“Clause 4. Registered Capital 910,168,315.50 Baht
(nine hundred and ten million one hundred sixty-eight thousand three hundred and fifteen Baht and fifty Satang)

Divided into 1,820,336,631 shares
(one billion eight hundred twenty million three hundred thirty-six thousand six hundred and thirty-one shares)

Par value 0.50 Baht (fifty Satang)

Categorized into:

Ordinary shares 1,820,336,631 shares
(one billion eight hundred twenty million three hundred thirty-six thousand six hundred and thirty-one shares)

Preference shares — shares (—)

In this connection, the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to further consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to such registration of the increase in the Company's registered capital and the registration of the amendment to Clause 4 of the Memorandum of Association of the Company with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or other relevant documents concerning such registration as requested by the relevant agencies or entities.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No. 2/2016 should approve the increase of the registered capital of the Company by the amount of Baht 4,950,690 by issuing 9,901,380 newly issued ordinary shares at a par value of Baht 0.50 per share for the purpose of reservation for the conversion of the convertible debentures to be issued and offered to Creation Investments Sri Lanka LLC and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of Creation

Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) as shareholder who has special interest.

Agenda 7 To consider and approve the allocation of newly issued ordinary shares of the Company in the amount up to 34,654,829 shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures.

Agenda 7.1 To consider and approve the allocation of newly issued ordinary shares of the Company in the amount up to 24,753,449 shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd.

Opinion of the Board of Directors:

Following the approval of the increase in the registered capital of the Company as detailed in Agenda 6.1, the Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the allocation of newly issued ordinary shares in the amount up to 24,753,449 shares with the par value of Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to JTA as per the details in Agenda 5.1 above.

In this regard, the exercise price of the newly issued shares of Baht 70 per share will not be lower than 90 percent of the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the Board of Directors (31 October 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd., during the period of 7 October, 2016 to 25 October, 2016, equivalent to Baht 40.02 per share. Therefore, it is not considered the offer of convertible debentures at discount under the Notification of Office of Securities and Exchange Commission No. SorJor 39/2551 re: calculation of offering price and determination of market price for the purpose of offering newly issued shares at discount.

In connection with the allocation of 24,753,449 newly issued ordinary shares of the Company to reserve for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd., the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to further consider and approve that Chief Executive Officer and/or any person entrusted by Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be empowered to determine details and conditions in connection with the allocation of newly issued ordinary shares of the Company including entering into negotiations and agreements and the execution of the documents and the relevant agreements in connection with the allocation of such newly issued shares; and the execution of any relevant applications for approval, requests for waiver and necessary evidence in connection with the allocation of the newly issued ordinary shares of the Company and listing of such shares on the SET, as well as to communicate and submit such applications for approval, requests for waiver, documents and evidence to, and make any arrangement, contact and/or perform any acts with, the SEC, the SET, government agencies or any other relevant entities, including performing any acts necessary for the purpose of the allocation of the newly issued ordinary shares of the Company.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the allocation of newly issued ordinary shares of the Company in the amount up to 24,753,449 shares with the par value of Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to JTrust Asia Pte. Ltd and the authorization as abovementioned.

This agenda item requires majority votes from the shareholders who attend the meeting and have the right to vote excluding the votes of JTA as shareholder who has special interest.

Agenda 7.2 To consider and approve the allocation of newly issued ordinary shares of the Company in the amount up to 9,901,380 shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to Creation Investments Sri Lanka LLC.

Opinion of the Board of Directors:

Following the approval of the increase in the registered capital of the Company as detailed in Agenda 6.2, the Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the allocation of newly issued ordinary shares in the amount up to 9,901,380 shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to Creation SL as per the details in Agenda 5.2 above.

In this regard, the exercise price of the newly issued shares of Baht 70 per share will not be lower than 90 percent of the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the Board of Directors (31 October 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.2/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the conversion of the convertible debentures to be issued and offered to Creation SL, during the period of 7 October, 2016 to 25 October, 2016, equivalent to Baht 40.02 per share. Therefore, it is not considered the offer of convertible debentures at discount under the Notification of Office of Securities and Exchange Commission No. SorJor 39/2551 re: calculation of offering price and determination of market price for the purpose of offering newly issued shares at discount.

In connection with the allocation of 9,901,380 newly issued ordinary shares of the Company to reserve for the conversion of the convertible debentures to be issued and offered to Creation SL, the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to further consider and approve that Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be empowered to determine details and conditions in connection with the allocation of newly issued ordinary shares of the Company including entering into negotiations and agreements and the execution of the documents and the relevant agreements in connection with the allocation of such newly issued shares; and the execution of any relevant applications for approval, requests for waiver and necessary evidence in connection with the allocation of the newly issued ordinary shares of the Company and listing of such shares on the SET, as well as to communicate and submit such applications for approval, requests for waiver, documents and evidence to, and make any arrangement, contact and/or perform any acts with, the SEC, the SET, government agencies or any other relevant entities, including performing any acts necessary for the purpose of the allocation of the newly issued ordinary shares of the Company.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the allocation of newly issued ordinary shares of the Company in the amount up to 9,901,380 shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures to be issued and offered to Creation SL and the authorization as abovementioned.

This agenda item requires majority votes from the shareholders who attend the meeting and have the right to vote excluding the votes of Creation Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) as shareholder who has special interest.

Agenda 8 To consider and approve the amendment of the objectives, reasons and necessities for and the use of proceeds received from the convertible debenture issued to JTrust Asia Pte. Ltd. on 1 August 2016 and related information.

Opinion of the Board of Directors:

The Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the amendment of the objectives, reasons and necessities for and the use of proceeds received from the convertible debenture issued to JTrust Asia Pte. Ltd. on 1 August 2016 and related information with the details as follows.

From

(a) Objectives, reasons and necessities for the issuance of the convertible debentures

Objectives, reasons and necessities for the issuance of the convertible debentures

- To fund the expansion of the business in Cambodia by increasing leasing portfolios of motorcycles, agricultural machines, energy related equipment as well as promoting SME financing for the business partners and/or product dealers in Cambodia.
- To enhance the diversification of the portfolios in Cambodia by launching new finance products such as electric appliances (White goods), second-handed motorcycles and Motor for Cash.
- To utilize as working capital for comprehensive digital financial platform to ASEAN markets.

(b) Use of proceeds derived from the issuance of the convertible debentures

Use of proceeds

Period	Details	Proportion (percentage of total proceeds received from the offering of convertible debentures)
Within 2 years from the date of issuance and offering of convertible debentures	To fund the expansion of the business and the launch of new products in Cambodia	Approximately 70
Within 2 years from the date of issuance and offering of convertible debentures	To fund the SME financing for the business partners and/or product dealers in Cambodia	Approximately 20
Within 2 years from the date of issuance and offering of convertible debentures	To utilize as working capital for comprehensive digital financial platform to ASEAN markets	Approximately 10

Feasibility for the use of proceeds as planned

The business in Cambodia has been growing significantly. The portfolios size grew from approximately Baht 642 million in Y2014 to circa Baht 1,980 million at the end of first quarter in Y2016. The Company continues to commit to the business in Cambodia and plan to steadily expand the business there. Its strategy to utilize its comprehensive digital financial platform has enabled the Company to diversify leasing portfolios to cover not only motorcycles (the Company as the exclusive leasing agent of Honda) and agricultural machines (partner with Siam Kubota),

but also other household products as well as SME financing. Therefore, the proceeds from issuing the convertible debentures, together with the efficient digital financial platform and potential opportunity, will enhance the business growth in Cambodia (Phnom Penh and other cities).

Reasonableness of use of proceeds

The convertible debentures are issued in US Dollar currency and the fund raised from such convertible debentures will be used in the business expansion Cambodia, where US Dollar currency is acceptable in pursuing business. Thus, this can be considered as a natural hedge of the Company.

To

(a) Objectives, reasons and necessities for the issuance of the convertible debentures

Objectives, reasons and necessities for the issuance of the convertible debentures

- To fund and support the potential expansions and/or acquisitions to expand the business to Asian markets and enhance the Company's digital financial platform.

(b) Use of proceeds derived from the issuance of the convertible debentures

Use of proceeds

Period	Details	Amount (USD Million)
Within 2 years from the date of issuance and offering of convertible debentures	To fund the potential expansions and/or acquisitions in Asian markets as follows:	Approximately 130
	1. CCF Acquisition	Approximately 72
	2. BGMM Acquisition	Approximately 8
	3. CF Debenture	Up to 28.5
	4. Establishment of Service Co.	3
	5. Acquisition of shares in PT Bank JTrust Indonesia Tbk.	11.7
	6. Acquisition of shares in Bagan Innovation Technology Pte. Ltd. in Singapore	Approximately 1.1
	7. Operation of the Company's business in Asia	Approximately 5.7

Feasibility for the use of proceeds as planned

As the financing business in Asia has been growing significantly, the Company has been approached by a number of potential sellers, especially in Asia as proposed to the Board of Directors and/or the Shareholders for approval and disclosed through the SET during the past 2 months. In this regards, the Company and/or the Company's subsidiaries has entered into the relevant memorandum of understanding and/or agreements were signed for each of the transactions as laid out above, in which case the Company anticipates that following the shareholders' approval as well as other governmental authorities' approval and the fulfillment of the condition precedents, the Company will then complete the transactions within early of 2017. By entering into these acquisition, the Company continues to commit to strengthen the business in ASEAN and plan to steadily expand the business there and around Asia. Its strategy to utilize

its comprehensive digital financial platform has enabled the Company to diversify leasing portfolios to cover not only motorcycles and agricultural machinery, but also other household products, SME financing and now in the Microfinance industry. Therefore, the proceeds from issuing the convertible debentures, together with the efficient digital financial platform and potential opportunity, will enhance the business growth in Asia, particularly in ASEAN.

Reasonableness of use of proceeds

The convertible debentures are issued in US Dollar currency and the fund raised from such convertible debentures will be used in the business expansion throughout Asia, where US Dollar currency is acceptable in pursuing business. Thus, this can be considered as a natural hedge of the Company.

In this regard, the Board of Directors considered that as the Company has been introduced and approached with a number of promising acquisitions transactions, given the change in circumstances and new opportunities, the Board of Directors found it is necessary to use the proceeds from 2016 CDs to fund the upcoming acquisitions which mostly will be consummated within early of 2017, in order to timely capture business opportunities and enhance the management on capital structure for the most beneficial to the Company and the shareholders as a whole.

In addition, there is still a remaining portion of the proceeds which can be used for the operations and working capital, and in the meantime, the Company has obtained various additional financing options through banks and institutions.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the amendment of the objectives, reasons and necessities for and the use of proceeds received from the convertible debenture issued to JTrust Asia Pte. Ltd. on 1 August 2016 and related information as abovementioned.

This agenda item requires majority votes from the shareholders who attend the meeting and have the right to vote.

Agenda 9 To consider and approve the amendment of the Articles of Association of the Company.

Opinion of the Board of Directors:

For the enhancement of the management of Company's business and for the purpose of clarity of the share transfer restriction and the limit of foreign shareholding, the Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the amendment of the Articles of Association of the Company in relation to the share transfer restriction and the number of the authorized directors, by cancelling the existing provisions of Clause 13 and Clause 27 and replacing it with the new provisions which reads as follows:

“No. 13 Transfer of shares

The shares of the Company can be transferred without any restriction unless such transfer causes the shareholding proportion of the person with non-Thai nationality to be in contradiction to No. 6 paragraph 2 of this Articles of Association.”

“No. 27 Authority of Directors

The Board of Directors has the duties to manage the Company's business to be in compliance with the laws, the Company's objectives and the Company's Articles of Association as well as the shareholders' resolutions.

The Board of Directors may assign one or several directors to do certain assignment on behalf of the Board of Directors. The designated director is entitled to receive remunerations for the assigned duties.

One of the directors signing with Company's seal shall be binding upon the Company. The Board of Directors shall have the authority to determine the name of directors who shall have the authority to sign with the Company's seal in binding upon the Company."

In this connection, the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to further consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to the registration of the amendment to the Articles of Association of the Company as detailed above with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or other relevant documents concerning such registration as requested by the relevant agencies or entities.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the amendment of the Articles of Association of the Company in relation to the share transfer restriction and the number of the authorized directors, by cancelling the existing provisions of Clause 13 and Clause 27 and the authorization as abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote.

Agenda 10 To consider and approve the amendment of the number and names of the authorized directors of the Company

Opinion of the Board of Directors:

Pursuant to the amendment of the Articles of Association Clause 27 as detailed in Agenda 9 above, the Board of Directors has resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to consider and approve the amendment of the number and names of the authorized directors of the Company to be in line with the amendment of such Articles of Association as follows:

"Number or name of directors authorized to sign to bind the Company: Mr. Mitsuji Konoshita or Mr. Somchai Limpattanasin or Mr. Tatsuya Konoshita or Mr. Muneo Tashiro, one of such directors signs and affixes the Company's seal"

In this regard, the Board of Directors shall have the authority to determine any subsequent change and amendment of the names of the authorized directors of the Company to be in line with the amended Article 27 as detailed in Agenda 9.

In this connection, the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 to further consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to the registration of the amendment of the number and names of the authorized directors of the Company as detailed above with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or

other relevant documents concerning such registration as requested by the relevant agencies or entities.

With the abovementioned details and reasons, the Board of Directors is of the view that the Extraordinary General Meeting of Shareholders No.2/2016 should approve the amendment of the number and names of the authorized directors of the Company and the authorization as abovementioned.

This agenda item requires a majority vote of the total number of votes of shareholders who attend the meeting and have the right to vote.

Agenda 11 To consider other matters (if any).

-none-

The record date to determine the shareholders' right to attend the Extraordinary General Meeting of Shareholders No. 2/2016 is on 14 November, 2016 and the list of shareholders is to be gathered according to Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) by closing the shareholders' registration book on 15 November, 2016.

The shareholders are cordially invited to attend the Extraordinary General Meeting of Shareholders No. 2/2016 on the abovementioned date, time and venue. Those who cannot attend the Extraordinary General Meeting of Shareholders No. 2/2016 themselves, please grant the proxy by filling up the attached form and bring it together with the documents as evidences to verify the identity of the shareholder or the grantee of the shareholder entitled to attend the Extraordinary General Meeting of Shareholders No. 2/2016 specified in the attachment to register on the date of the Extraordinary General Meeting of Shareholders No. 2/2016 starting from 8.00 a.m.

Yours sincerely,



Mr. Mitsuji Konoshita
Chairman of the Board of Directors

Document for Agenda 1 : To Certify the Minutes of the Extraordinary General Meeting of Shareholders No. 1/2016 held on 24 June, 2016

-Translation-

**Minutes of the Extraordinary General Meeting of Shareholders No.1/2016
Of
Group Lease Public Company Limited
(The “Company”)**

Date, Time and Place

The Meeting was held on Friday 24 June, 2016 at 9.00 at The Miracle Grand Convention Hotel, Grand A Rm., 4th fl., No. 99, KamphangPhet 6 Rd., Laksi, Don Muang, Bangkok 10210

List of Attended Directors

- | | | |
|-----|-------------------------------------|--|
| 1. | Mr. Mitsuji Konoshita | Chairman and Chief Executive Officer |
| 2. | Mr. Tatsuya Konoshita | Director, Chairman of Executive Board and Chief Investor Relations Officer |
| 3. | Mr. Somchai Limpattanasin | Director and Chief Operating Officer |
| 4. | Mr. Muneo Tashiro | Director and Executive Director |
| 5. | Mr. Regis Martin | Director and Chief Financial Officer |
| 6. | Mr. Riki Ishigami | Director and Executive Director |
| 7. | Mr. Yusuke Kozuma | Director |
| 8. | Gen.Suebsan Dardarananda | Independent Director and President of Audit Committee |
| 9. | Mr. Sonit Pichyangkul | Independent Director and Audit Committee |
| 10. | Dr. Pholdej Therdphithakvanij,Ph.D. | Independent Director and Audit Committee |

List of Non-attended Directors

- | | | |
|----|-------------------------|--|
| 1. | Mr. Patrick Fisher | Director |
| 2. | Mr. Krit Phanratanamala | Independent Director and Audit Committee |

**Representatives from the Financial Advisor,
Baker Tilly Corporate Advisory Services (Thailand) Ltd.**

- | | | |
|----|------------------------------|--------------------|
| 1. | Mr. Yandyong Thantiviramanon | Senior Partner |
| 2. | Ms. Kaniittha Rojduang | Executive Director |

**Representatives from Legal Advisor,
Charin & Associates Limited**

- | | | |
|----|-----------------------------|-----------|
| 1. | Mr. Charin Satchayan | Partner |
| 2. | Ms. Benjaporn Puttinan | Associate |
| 3. | Ms. Duangrutai Boonyasatian | Associate |

Preliminary Proceedings

Mr. Mitsuji Konoshita presided as the Chairman of the Meeting. The Chairman welcomed all the shareholders and asked the Secretary to introduce the members of the Board of Directors, Audit Committee and the representatives from Financial Advisor and representatives from Legal Advisor whose names are listed above.

Then the Chairman announced that the Meeting would be conducted in English and assigned the Secretary to read the translation. Some parts would be announced in Thai for more convenience such as the invitation notice report and the announcement of quorum, the voting method and the voting result in each agenda. During the end of each agenda before voting, the shareholders may ask questions or may do it during Agenda 9, the last agenda to consider any other business as the Company had no other agenda to be considered and thus, there would be no resolution or any voting in this agenda.

Voting Method Announcement

The Secretary went on to announce the voting method as follows:

In each of the agenda, the resolution could be passed by a majority vote from the shareholders who attend the meeting and have the right to vote except the approval for the decrease and increase of registered capital and the amendment of the Memorandum of Association of the Company to be in line with the reduction and increase of the Company's registered capital as well as the issuance and offering of convertible debentures which require not less than three-fourths of all votes from the shareholders who attend the Meeting and have the right to vote by using 1 share 1 vote system in every agenda. Before each voting, Chairman will announce the required votes to meet the resolution for such agenda. In those agenda which were presented for acknowledgement only would not require any voting including the last agenda – to consider any other business in which there is no other business to be considered.

The voting method for every agenda shall be made by voting sheets. In casting vote in each agenda, the shareholder shall put only one mark on the voting sheet where they wish to vote for either approve or disapprove or abstain from voting and sign their name on the voting sheet. Split votes are not allowed except for the proxies from foreign shareholders who have Custodians in Thailand only. Towards the end of each agenda, only those who wish to disapprove or abstain vote shall raise their hands and let the staff collect the voting sheet to have the vote recorded. Those who wish to vote for approve need not return the voting sheet after voting in each agenda. However, after the meeting ends, those remaining voting sheets were to be returned altogether before leaving the meeting room and kept as evidence. In the event that the proxy or the shareholders who attended the meeting did not return the voting sheet or returned without making any mark on the voting sheet, those votes shall be considered approved by the shareholders.

The shareholders who granted proxy for others to attend the meeting and had specified their votes to be cast on each agenda in the proxy form, those specified votes cast by the grantor had already been recorded in the computer in each related agenda before the Meeting.

In collecting the voting result, the disapproved and abstain votes shall be deducted from the total votes of the shareholders and proxy who attended the meeting and the remaining votes shall be the votes for approve. After the completion of vote counting, result of votes shall be announced to the Meeting in each agenda.

Then, the Chairman declared the Meeting duly convened to consider the agenda as follows:

Agenda 1 Inform that the invitation to this meeting is in accordance with Thai laws and regulations

The Company Secretary assigned by Chairman informed the shareholders that the invitation notice of this Extraordinary General Meeting of Shareholders No.1/2016 specifying the date, time, venue and

agenda including all necessary attachments had been delivered to the shareholders through Thailand Securities Depository Co., Ltd. who is the Company's registrar and was advertised on a daily newspaper in advance in compliance to Thai laws and the Company's Articles of Association. Therefore, such invitation notice is lawful.

Agenda 2 The announcement of the quorum

The Company Secretary was assigned to announce the quorum that there were 56 shareholders attended in person with the amount of 127,531,495 shares or equals to 8.36% of total issued shares and 174 attended by proxies with the amount of 771,572,417 shares or equals to 50.58% of total issued shares or a total of 230 persons totaling 899,103,912 shares, equal to 58.94% which exceeded one-third of the Company's total paid up capital of 1,525,385,251 shares and the quorum was constituted according to the Company's Articles of Association No. 33 which states that "In order to constitute a quorum, there shall be shareholders and proxies (if any) attending at a shareholders' meeting amounting to not less than twenty-five persons or not less than one half of the total number of shareholders and in either case such shareholders shall hold shares amounting to not less than one-third of the total number of paid up shares of the Company".

Agenda 3 To certify the Minutes of the Annual General Meeting of the shareholders 2016

The Chairman informed the Meeting that a copy of the Annual General Meeting of the shareholders 2016 minutes held on 28 April, 2016 has already been attached with the invitation notice of this meeting for the shareholders. The opinion of the Board of Directors here is that the minutes were recorded correctly reflecting the resolutions passed by the shareholders' meeting and therefore, recommends the shareholders to certify.

Resolution The Meeting considered and resolved to certify the Minutes of Annual General Meeting of the shareholders 2016 with the following votes:

Approved	903,513,529	votes	equivalent to	100.000	of the total number of
Disapproved	0	votes	equivalent to	0.0000	votes of shareholders
Abstained	100	votes	equivalent to	0.0000	who attended the meeting
					and have the right to vote

Remark : In this agenda, there were 8 shareholders with 4,409,717 more shares coming in so that the total attended shares were 903,513,629 shares.

Agenda 4 To consider and approve the reduction of the registered capital of the Company by the amount of Baht 6,894,683.50 from the existing registered capital of Baht 769,587,309 to Baht 762,692,625.50, by cancelling 13,789,367 shares authorized but unissued, at a par value of Baht 0.50 per share and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital.

The Chairman informed the Meeting that the Warrants to purchase ordinary shares of the Company ("**Warrants**") No. 7(GL-W3) has expired in November 2015 and currently there is no Warrants outstanding. In this regard, there are 13,789,367 remaining unissued shares of the Company still outstanding after the expiration of Warrants No. 7 (GL-W3) in November. Consequently, the Company shall reduce its registered capital by cancelling such 13,789,367 shares authorized but unissued, at a par value of Baht 0.50 per share, before the Company carries out its capital increase in order to comply with Section 136 of the Public Limited Companies Act B.E. 2535 (1992) (as amended) which provides that the Company may increase its registered capital by the increase of the newly issued shares only after all shares have been issued and paid up in full.

The Board of Directors' meeting no. 6/2016 held on 17 May 2016 (the "**BOD Meeting**"), therefore, resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 (the "**Meeting**") to consider and approve the reduction of the registered capital of the Company by the amount of Baht 6,894,683.50 from the existing registered capital of Baht 769,587,309 to Baht 762,692,625.50, by cancelling 13,789,367 shares authorized but unissued, at a par value of Baht 0.50 per share and the

amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital, by cancelling the existing provision and replacing it with the following provision which reads as follows:

New version:

"Clause 4. Registered Capital 762,692,625.50 Baht
(seven hundred sixty-two million six hundred ninety-two thousand six hundred and twenty-five Baht fifty Satang)

Divided into 1,525,385,251 shares
(one billion five hundred twenty-five million three hundred eighty-five thousand two hundred and fifty-one shares)

Par value 0.50 Baht (fifty Satang)

Categorized into:
Ordinary shares 1,525,385,251 shares
(one billion five hundred twenty-five million three hundred eighty-five thousand two hundred and fifty-one shares)

Preference shares — shares (—)"

The Chairman further reported that in this Agenda 4 the BOD Meeting had resolved that the Meeting also consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to the registration of the reduction of the registered capital of the Company and the registration of the amendment to Clause 4 of the Memorandum of Association of the Company with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or other relevant documents concerning such registration as requested by the relevant agencies or entities.

The Chairman gave opportunity for shareholders to ask questions.

In this regard, there is no additional questions. The Chairman then proposed the Meeting to consider and approve the reduction of the registered capital of the Company by the amount of Baht 6,894,683.50 from the existing registered capital of Baht 769,587,309 to Baht 762,692,625.50, by cancelling 13,789,367 shares authorized but unissued, at a par value of Baht 0.50 per share and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital and the authorization, details as per abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote.

Resolution The Meeting considered and resolved to approve the reduction of the registered capital of the Company by the amount of Baht 6,894,683.50 from the existing registered capital of Baht 769,587,309 to Baht 762,692,625.50, by cancelling 13,789,367 shares authorized but unissued, at a par value of Baht 0.50 per share and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the Company's registered capital and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	903,519,029	votes	equivalent to	100.0000	of the total number of
Disapproved	0	votes	equivalent to	0.0000	votes of shareholders who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

Remark : In this agenda, there were 3 shareholders with 5,500 more shares coming in so that the total attended shares were 903,519,129shares.

Before starting Agenda 5, the Chairman noted that the matters in Agenda 5, 7.1 and 8.1 which will be proposed for approval in the Extraordinary General Meeting of Shareholders No.1/2016 are related to and conditional upon each other. If any agenda item of Agenda 5, 7.1 and 8.1 is not approved by this Meeting, it shall be deemed that previous agenda items which were approved by this Meeting be canceled and there shall be no further proposal of any following agendas for consideration by this Meeting.

Agenda 5 To consider and approve the issuance and offering of warrants to purchase ordinary shares of the Company No. 8 (GL-W4) to the existing shareholders in proportion to their shareholdings.

The Chairman informed the Meeting that the BOD Meeting had resolved to propose to the Meeting to consider and approve the issuance and offering of Warrants No. 8 (GL-W4) to the existing shareholders in proportion to their shareholdings. In this regard, the Chairman further informed the Meeting of details of substantial preliminary information of the Warrants No. 8 (GL-W4), details of which are as per details of substantial preliminary information of the Warrants No. 8 (GL-W4) as attached in Attachment 2 together with the invitation to this Meeting, as follows:

Type	Warrants entitled to purchase ordinary shares of the Company (“Shares”)
Term	Not exceeding 2 years from the issuing date
Offering / Allocation	Allocated to the existing shareholders of the Company according to their shareholding at the ratio of 9 existing Shares to 1 unit of W4
Amount	170,000,000 units
Offering Price	Baht 0
Exercise Ratio	1 unit of W4 per 1 new Share
Exercise Price	Baht 40
Exercise Period	The last business day of every month until expiry date of W4.
Number of Shares Reserved for the Exercise of W4	Not exceeding 170,000,000Shares (par value at Baht 0.50 per Share)
Offering Period	Within 1 year after the approval from the shareholders
Dilution Effects	<p>1. Dilution in shareholdings (Control Dilution) As W4are issued to the existing shareholders proportionately, there is no control dilution effect in this case. However, should W4 are traded and exercised by investors other than the existing shareholders in full, the control dilution will be as follows: Control Dilution = $(Q_e / (Q_o + Q_e))$ Whereas; Q_o = Number of existing paid-up Shares = 1,525,385,251 Shares Q_e = Number of reserved Shares for W4 = 170,000,000 Shares Control Dilution = $170,000,000 / (1,525,385,251 + 170,000,000)$ = 10.03%</p> <p>2. Dilution in share price (Price Dilution) can be calculated with the following equation: Price Dilution = $(P_o - P_E) / P_o$ Whereas; $P_E = (P_o Q_o + P_e Q_e) / (Q_o + Q_e)$ P_o = Market Share price on determination date which is the 15-day average closing price from 21 April – 16 May 2016 = THB 24.49 per share P_e = Exercise price of W4 = THB 40 per share Q_o = Existing paid-up Shares = 1,525,385,251 Shares Q_e = Reserved Shares for W4 = 170,000,000 Shares Therefore:</p>

	$PE = \frac{(24.49 \times 1,525,385,251) + (40 \times 170,000,000)}{(1,525,385,251 + 170,000,000)}$ $= \text{THB } 26.05$ <p>As Po (THB 24.49, market price) is lower than PE (THB 26.05, price after exercising W4); therefore, there is no price dilution effect in this case.</p>
Listing of W4	The warrants will be listed in the Stock Exchange of Thailand
Adjustment Events for the Exercise Ratio and Exercise Price	<p>The Exercise Ratio and Exercise Price of W4 will be subject to adjustment in certain events, including the events set out below.</p> <ol style="list-style-type: none"> 1) If and whenever there shall be an alteration in the par value of the Shares as a result of consolidation, subdivision or reclassification of Shares; 2) If and whenever the Company shall offer to sell the newly issued shares at the offering price determined to have more than 10% discount from the price calculated by the methods specified in the terms and conditions of W4; 3) If and whenever the Company shall issue any warrants or convertible debentures at the offering price determined to have more than 10% discount from the price calculated by the methods specified in the terms and conditions of W4; 4) If and whenever the Company shall pay dividend in whole or in part in the form of newly issued shares to the shareholders; 5) If and whenever the Company shall pay dividend in cash at the rate of over 90% of the net profit recorded in the Company's separated financial statement after income tax deduction for the operating result and legal reserves of any financial period during the existing term of W4; and 6) In the cases other than those described in 1) to 5) above that cause any rights and benefits of the holder of W4 to be inferior to the existing status.

The Chairman further reported that the BOD Meeting considered that the issuance of Warrants No. 8 (GL-W4) to the existing shareholders will accommodate the source of fund for the Company's business expansion with the following details:

(a) Objectives for the issuance of Warrants No. 8 (GL-W4), and reasons and necessities for the capital increase

Objectives for the issuance of Warrants No. 8 (GL-W4), and reasons and necessities for the capital increase

- To fund the expansion and diversifying the products of the Digital Finance business in Laos
- To fund the expansion and diversify the products in Thailand
- To utilize as working capital for comprehensive digital financial platform to ASEAN markets.

Reasonableness of the issuance of Warrants No. 8 (GL-W4)

The Company has been successfully expanding its businesses in Thailand and ASEAN markets through internal expansions and acquisition for the past years. One of the most important source of funds that has supported such expansion and growth derived from the shareholders through the exercise of Warrants No. 5 (GL-W1) to Warrants No.7 (GL-W3)). The growth and appreciation of the enterprise value of the Company have been going in the

same direction, and thus provided the shareholders with the confidence in the Company. As such, Warrants No. 5 (GL-W1) and Warrants No.7 (GL-W3) have been successfully exercised by the Warrant holders, which provided strong equity base for the Company. The funding from the exercise of these warrants have enabled the Company to successfully expand the businesses in the past, either through acquisition of the business of Thanaban Co., Ltd., or expanding the portfolios in Thailand and in the ASEAN markets.

To further benefit from future business opportunities, which have been increasing both in Thailand and the ASEAN markets, the Company nevertheless plans to continue to expand its businesses further through both internal expansions and/or acquisitions following the successful business model in the past. Therefore the Company deems appropriate to continue to seek suitable funding to prepare for such business opportunities. Despite the low D/E ratio which enables the Company to finance growth through debt, it is wise to continue seeking funding support from the shareholders through warrants, similar to Warrants No. 5 (GL-W1) to Warrants No.7 (GL-W3). The issuance of warrants will provide a strong competitive advantage to the Company over the competitors in reacting quickly with any business opportunity which may arise due to funding readiness. The warrants will also provide opportunity to the shareholders to make an informed decision whether to provide further capital support to the Company on any business opportunity, similar to Warrants No. 5 (GL-W1) to Warrants No. 7 (GL-W3) which have been successfully exercised by the shareholders, when they had confidence in and supported the Company by exercising the warrants.

Therefore, the Company deems appropriate to propose to the Extraordinary General Meeting of Shareholders No.1/2016 to consider and approve the issuance of the Warrants No. 8 (GL-W4) to existing shareholders in proportion to their shareholdings. Warrants No. 8 (GL-W4) will be allocated to every existing shareholder for free; thus, the existing shareholders bear no initial investment cost. Similar to Warrants No. 5 (GL-W1) and Warrants No. 7 (GL-W3), they will have opportunity to support and participate in the future growth of the Company.

However, in case that the Warrants No. 8 (GL-W4) are not exercised sufficiently, the Company is still able to seek other alternative sources of funding in Baht without difficulties, given the Company's good creditability and strong capital structure.

The source and the appropriateness of exercise price and exercise period

The exercise price of the Warrants No. 8 (GL-W4) is Baht 40 which is equivalent to the conversion price of the convertible debentures to be issue to a specific foreign investor (Private Placement) as proposed in Agenda 6. The exercise price is considered fair to all parties, particularly to existing shareholders who bear no initial investment cost as the Warrants No. 8 (GL-W4) will be allocated to them for free. In this connection, the existing shareholders can also trade the Warrants No. 8 (GL-W4) in the Stock Exchange of Thailand if they no longer wish to hold the Warrants No. 8 (GL-W4). In addition, the exercise price does not create price dilution to the existing shareholders because the exercise price is approximately 63% higher than the market price which was determined by the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the BOD Meeting (17 May 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the Warrants No.8 (GL-W4), during the period of 21 April, 2016 to 16 May, 2016, equivalent to Baht 24.49 per share. Furthermore, the exercise period will be 2 years similar to Warrants No. 6 (GL-W2) and Warrants No.7 (GL-W3) and the warrant holders can exercise their right every month which provides flexibility to manage their fund and investment portfolios.

The impact on existing shareholders

The impact on the Company's shareholders from Warrants No. 8 (GL-W4) in case the holders of Warrants No. 8 (GL-W4) exercise the right to buy the ordinary shares of the Company in full can be analyzed as follows:

Control Dilution: There is no control dilution effect on the existing shareholders unless Warrants No. 8 (GL-W4) are traded and exercised by investors other than the existing ones in full. Then the control Dilution will be 10.03% for the existing shareholders.

Price Dilution: There is no Price Dilution as the exercise price is higher than the market price. (The market price is determined as the 15-day average closing price from 21 April, 2016 to 16 May, 2016 = THB 24.49 per share.)

(b) Use of proceeds derived from the issuance of ordinary shares of the Company upon the exercise of Warrants No. 8 (GL-W4)

Use of proceeds

The BOD Meeting considered that the issuance of ordinary shares of the Company upon the exercise of Warrants No. 8 (GL-W4) is an alternative of fund raising for bringing the proceeds to be used for the following purposes:

Period	Details	Proportion (percentage of total proceeds received from the exercise of Warrants No. 8 (GL-W4))
Within 2 years from the date of issuance and offering of Warrants No. 8 (GL-W4)	To fund the expansion of the business and the launch of new products in Laos	Approximately 50
Within 2 years from the date of issuance and offering of Warrants No. 8 (GL-W4)	To fund the enhancement of portfolios and the leasing of second-handed products and asset-backed loans in Thailand	Approximately 40
Within 2 years from the date of issuance and offering of Warrants No. 8 (GL-W4)	To utilize as working capital for comprehensive digital financial platform to ASEAN markets	Approximately 10

Feasibility of use of proceeds as planned

The track record of growth in the business in Laos has proven the need for additional funding and the efficient management by the Company. The Company's subsidiary in Laos has commenced the operation in June 2015 and grew rapidly to reach the leasing portfolios of approximately Baht 238million by the end of the first quarter in Y2016. The Company is now one of the top players in motorcycles market. With the experience in doing business in ASEAN, the Company foresees business growth through existing and new leasing products, such as energy related equipment, in Laos; thus, plan to raise fund accordingly.

In Thailand, portfolios of second-handed products (Smart Bike) and asset-backed loans (Motor for Cash and Car for Cash) keep increasing, with the higher interest rate and lower NPL ratio compared to financing of new motorcycles. The Company sees that this is the opportunity to grow the business in Thailand with high potential in aforementioned area.

Reasonableness of use of proceeds

The funds received from the exercise of Warrants No. 8 (GL-W4) are in Baht currency, which can be used in the business expansion of Thailand and Laos, where Baht currency is also acceptable in pursuing business. And with the positive outlook of Thailand's and Laos' markets and the Company's direction as discussed above, the proceeds can be used to fully support the growth of the Company.

(c) Expected impact to the Company's business operation

Once the Company receives the proceeds from the exercise of Warrants No. 8 (GL-W4), which is served as the Company's equity, it will enhance the Company's equity and reduce the debt-to-equity ratio. Consequently, this will allow more room for the Company to make further loans for the business expansion if needed. In addition, with the lower cost of funding by way of the issuance of Warrants No. 8 (GL-W4), the Company expects, compared to its peers, higher profitability from the operating result with rapid growth to enable the strong establishment in the ASEAN market. Furthermore, having a strong equity base and profitable operations will positively result in the increase of the Company's bargaining power in the future for fund raising from financial institutions or enhance its ability to access to other sources of fund in debt instruments market, including overseas funds with lower financial cost than the Company's current financial cost.

In this regard, the record date to determine the shareholders' right for the right offering of Warrants No. 8 (GL-W4) will be on 5 July 2016 and the closing date of the Share Register Book to suspend the share transfers which is compiled under Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) is determined on 6 July 2016.

The Chairman further reported that in this Agenda 5 the BOD Meeting had further resolved that the Meeting also consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to do the following:

- 1) to determine or amend the details, procedures and other conditions related to the issuance and offering of Warrants No. 8 (GL-W4) as appropriate, including but not limited to, the terms and conditions of Warrants No. 8 (GL-W4), issuing date, the determination of date on which the shareholders will be entitled to be offered Warrants No. 8 (GL-W4), the number of ordinary shares to reserve for the exercise of right of Warrants No. 8 (GL-W4), exercise period, or to determine the adjustment events requiring the Company to issue additional underlying shares to accommodate the exercise of Warrants No. 8 (GL-W4), provided that such determination or amendment made by Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be within the scope to be approved by the Extraordinary General Meeting of Shareholders No.1/2016, especially in relation to the term, exercise price and exercise ratio, as provided in the preliminary information of Warrants No. 8 (GL-W4); and
- 2) to enter into negotiations, agreements and execution of, amendment to agreements, documents, sale report, information disclosure, requests for waiver, reports, applications for approval and necessary evidence required in relation to the issuance and offering of Warrants No. 8 (GL-W4), as well as to communicate and submit the aforementioned documents for approval, together with the relevant documents and evidence, and make any arrangement, or contact and/or perform any acts with, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, government agencies and/or any other relevant entities concerning the issuance and offering of Warrants No. 8 (GL-W4), the listing of Warrants No. 8 (GL-W4) and the listing of the newly issued ordinary shares from the exercise of Warrants No. 8 (GL-W4) on the Stock Exchange of Thailand, and to have authority to take any other actions which are deemed necessary and appropriate for all of the aforementioned matters.

The Chairman gave opportunity for shareholders to ask questions.

In this regard, there is no additional questions. The Chairman then proposed the Meeting to consider and approve the issuance and offering of warrants to purchase ordinary shares of the Company No. 8 (GL-W4) to the existing shareholders in proportion to their shareholdings and the authorization, details as per abovementioned.

This agenda item requires majority votes of shareholders who attend the meeting and have the right to vote.

Resolution The Meeting considered and resolved to approve the issuance and offering of warrants to purchase ordinary shares of the Company No. 8 (GL-W4) to the existing shareholders in proportion to their shareholdings and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	912,601,129	votes	equivalent to	100.0000	of the total number of
Disapproved	0	votes	equivalent to	0.0000	votes of shareholders who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

Remark : In this agenda, there were 6 shareholders with 9,082,100 more shares coming in so that the total attended shares were 912,601,229 shares.

Before starting Agenda 6, the Chairman noted that the matters in Agenda 6, 7.2 and 8.2 which will be proposed for approval in this Meeting are related to and conditional upon each other. If any agenda item of Agenda 6, 7.2 and 8.2 is not approved by this Extraordinary General Meeting of Shareholders No.1/2016, it shall be deemed that previous agenda items which were approved by this Meeting be canceled and there shall be no further proposal of any following agendas for consideration by this Meeting.

Agenda 6 To consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) in the amount not exceeding US Dollar 130 million or an equivalent amount in other currencies.

The Chairman informed the Meeting that the BOD Meeting had resolved to propose to the Meeting to consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) i.e. J Trust Asia Pte. Ltd. (“JTA”) in the amount not exceeding US Dollar 130 million or an equivalent amount in other currencies. In this regard, the Chairman informed the Meeting of details of substantial preliminary information of the convertible debentures, details of which are as per details of substantial preliminary information of the convertible debentures as attached in Attachment 3 together with the invitation to this Meeting, as follows:

Type	Convertible debentures which grant the right to be converted into ordinary shares of the Company (“Shares”), unsecured, and without the representative of the holder of the convertible debentures.
Issue and Offering Method	To be entirely issued and offered to overseas investor.
Offering Size	Not exceeding US Dollar 130,000,000 or its equivalent amount in other currencies
Offering Price	US Dollar 100,000 per unit
Number of Units of Convertible Debentures	1,300 units
Term	5 years from the issuance date of the convertible debentures

Interest Rate	5% per annum
Transfer Restriction of Convertible Debentures	Any sale or transfer of the convertible debentures shall be made in foreign countries only and in accordance with the applicable regulations imposed by the relevant authorities.
Conversion Ratio for Each Convertible Debentures	Principal amount of each convertible debenture divided by the Conversion Price. The principal amount is based on the exchange rate of the amount of Baht 35.40 per one U.S.
Conversion Price	Baht 40
Fixed Exchange Rate for Calculation of Shares Reserved for Conversion Purpose	Baht 35.40
Number of Ordinary Shares Reserved for the Conversion	Not exceeding 115,050,000 Shares
Conversion Period	From the issuance date and ending on the maturity date, the holder of the convertible debentures is entitled to convert the convertible debentures into Shares, in which case the holder of the convertible debentures can exercise his conversion right at any last business day of the end of each quarter (being the last business day of March, June, September and December of each year), subject to the terms and conditions of the convertible debentures.
Compensation in Case of Failure by the Company to Provide Shares for the Convertible Debentures	The Company shall compensate only the holders of the convertible debentures who have notified their intention to exercise their conversion rights and to whom the Company is unable to provide sufficient Shares to accommodate the exercise of their conversion rights as calculated according to the terms and conditions of the convertible debentures.
Allocation Method	To be entirely offered for sale to J Trust Asia Pte. Ltd. incorporated in Singapore (“JTA”).
Dilution Effects	<p>1) Dilution in shareholdings (Control Dilution) can be calculated with the following equation:</p> $\text{Control Dilution} = (Q_e / (Q_o + Q_e))$ <p>Control Dilution can be illustrated in 3 scenarios:</p> <ol style="list-style-type: none"> 1.1) If all Warrants No. 8 (GL-W4) (“W4”) holders (including JTA) exercise W4 and JTA converts the convertible debentures in full. 1.2) If JTA converts the convertible debentures in full but none of W4 holders (including JTA) exercises W4. 1.3) If only JTA exercises W4 and also converts the convertible debentures in full. Other W4 holders do not exercise W4. (Worst Case Scenario) <p>The control dilution of each scenario is as follows:</p> <ol style="list-style-type: none"> 1.1) If all W4 holders (including JTA) exercise W4 and JTA converts the convertible debentures in full. Provided that; Number of existing Shares = 1,525,385,251 Shares. Number of reserved Shares for W4 = 170,000,000 Shares Number of reserved Shares for the convertible debentures= 115,050,000 Shares $\text{Control Dilution} = \frac{115,050,000}{(1,525,385,251 + 170,000,000 + 115,050,000)}$ $= 6.35\%$

1.2) If JTA converts the convertible debentures in full but none of W4 holders (including JTA) exercises W4.

Provided that;

Number of existing Shares = 1,525,385,251 Shares.

Number of reserved Shares for the convertible debentures = 115,050,000 Shares

$$\text{Control Dilution} = 115,050,000 / (1,525,385,251 + 115,050,000) = 7.01\%$$

1.3) If only JTA exercises W4 and also converts the convertible debentures in full. Other W4 holders do not exercise W4. (Worst Case Scenario)

Provided that;

Number of existing Shares = 1,525,385,251 Shares.

Number of reserved Shares for W4 that JTA will be entitled to = 10,900,000 Shares

Number of reserved Shares for the convertible debentures = 115,050,000 Shares

$$\text{Control Dilution} = \frac{(115,050,000 + 10,900,000)}{(1,525,385,251 + 115,050,000 + 10,900,000)} = 7.63\%$$

2) Dilution in share price (Price Dilution) can be calculated with the following equation:

$$\text{Price Dilution} = (P_o - P_E) / P_o$$

whereas;

$$P_E = (P_o Q_o + P_e Q_e) / (Q_o + Q_e)$$

Price Dilution can be illustrated in 3 scenarios as follows:

2.1) If all W4 holders (including JTA) exercise W4 and JTA converts the convertible debentures in full.

2.2) If JTA converts the convertible debentures in full but none of W4 holders (including JTA) exercises W4.

2.3) If only JTA exercises W4 and also converts the convertible debentures in full. Other W4 holders do not exercise W4. (Worst Case Scenario)

The price dilution of each scenario is as follows:

2.1) If all W4 holders (including JTA) exercise W4 and JTA converts the convertible debentures in full.

$$\text{Price Dilution} = (P_o - P_E) / P_o$$

Whereas:

$$P_E = (P_o Q_o + P_e W_4 * Q_e W_4 + P_e CD * Q_e CD) / (Q_o + Q_e W_4 + Q_e CD)$$

P_o = Market Share price on determination date which is the 15-day average closing price from 21 April – 16 May 2016 = THB 24.49 per Share

PeW4 = Exercise price of W4 = THB 40 per Share

PeCD = Convertible debentures conversion price = THB 40 per Share

Qo = Existing paid-up Shares = 1,525,385,251 Shares

QeW4 = Reserved Shares for W4 = 170,000,000 Shares

QeCD = Reserved Shares for the convertible debentures = 115,050,000 Shares

$$PE = \frac{(24.49 \times 1,525,385,251) + (40 \times 170,000,000) + (40 \times 115,050,000)}{(1,525,385,251 + 170,000,000 + 115,050,000)}$$

= THB 27

As Po (THB 24.49, market price) is lower than PE (THB 27, price after exercising conversion right); therefore, there is no price dilution effect in this case.

2.2) If JTA converts the convertible debentures in full but none of W4 holders (including JTA) exercises W4.

$$\text{Price Dilution} = (Po - PE) / Po$$

Whereas:

$$PE = (PoQo + PeCD * QeCD) / (Qo + QeCD)$$

Po = Market Share price on determination date which is the 15-day average closing price from 21 April – 16 May 2016 = THB 24.49 per Share

PeCD = Convertible debentures conversion price = THB 40 per Share

Qo = Existing paid-up Shares = 1,525,385,251 Shares

QeCD = Reserved Shares for the convertible debentures = 115,050,000 Shares

Therefore:

$$PE = \frac{(24.49 \times 1,525,385,251) + (40 \times 115,050,000)}{(1,525,385,251 + 115,050,000)}$$

= THB 25.58

As Po (THB 24.49, market price) is lower than PE (25.58, price after exercising conversion right); therefore, there is no price dilution effect in this case.

2.3) If only JTA exercises W4 and also converts the convertible debentures in full. Other W4 holders do not exercise W4. (Worst Case Scenario)

$$\text{Price Dilution} = (Po - PE) / Po$$

Whereas:

$$PE = \frac{(PoQo + PeW4 * QeW4JTA + PeCD * QeCD)}{(Qo + QeW4JTA + QeCD)}$$

Po = Market Share price on determination date which is the 15-day average closing price from 21 April – 16 May 2016 = THB

	<p style="text-align: center;">24.49per Share</p> <p>PeW4 = Exercise price ofW4 = THB 40 per Share</p> <p>PeCD = Convertible debentures conversion price= THB 40 per Share</p> <p>Qo =Existing paid-up Shares =1,525,385,251 Shares</p> <p>QeW4JTA = Reserved Shares for W4 that JTA will be entitled to = 10,900,000 Shares</p> <p>QeCD = Reserved Shares for the convertible debentures =115,050,000 Shares</p> <p>Therefore;</p> $PE = \frac{(24.49 \times 1,525,385,251) + (40 \times 10,900,000) + (40 \times 115,050,000)}{(1,525,385,251+10,900,000+115,050,000)}$ <p style="text-align: center;">= THB 25.67</p> <p>As Po (THB 24.49, market price) is lower than PE (THB 25.67, price after exercising conversion right); therefore, there is no price dilution effect in this case.</p>
<p>Early Redemption by the Company</p>	<p><u>Early Redemption by the Company</u></p> <ul style="list-style-type: none"> At any time from (including) the date falling 2 years from the issuance date and up until the maturity date, the Company shall have the right to early redeem at any time, any or all outstanding convertible debentures, as the Company deems appropriate, at the principal amount of such convertible debentures plus any interest accrued but unpaid as at the date of such early redemption; provided however that if the holder of the convertible debentures exercises the right to convert such convertible debentures into Shares within 10 days upon receipt of such Company's early redemption notice, the early redemption by the Company on such convertible debentures being converted shall expire. <p><u>Early Redemption by the holder of the convertible debentures</u></p> <ul style="list-style-type: none"> Following the occurrence of one or more of the following events, the Company shall redeem and each holder of the convertible debenture shall have the right to request the Company to early redeem at any time, any or all outstanding convertible debentures, at the principal amount of such convertible debentures plus any interest accrued but unpaid as at the date of such early redemption <ul style="list-style-type: none"> (a) Change of Control: if there shall occur a Change of Control; or (b) Delisting: In the event (i) the Shares cease to be listed or admitted to trading on the Stock Exchange of Thailand (the "SET") ; or (ii) the Shares cease to trade on the SET for 30 consecutive days or more, and such cessation to trade during such period does not result from the closure of the SET. <p>"Change of Control" means a change in ownership or control, in either case whether directly or indirectly, of at least 50% of all of (x) the shares or (y) the voting rights, voting shares or other voting interests in the Company; or a change of more than half of the total members of the board of directors of the Company as at the issuance date.</p>
<p>Adjustment Events Requiring the Company to Issue</p>	<p>The Conversion Price will be subject to adjustment in certain events, including the events set out below.</p> <ol style="list-style-type: none"> If and whenever there shall be an alteration in the par value of the

Additional Underlying Shares for a Change in the Exercising of Conversion Rights	<p>Shares as a result of consolidation, subdivision or reclassification of shares;</p> <ol style="list-style-type: none"> 2) If and whenever the Company shall offer to sell the newly issued shares at the offering price determined to have more than 10% discount from the price calculated by the methods specified in the terms and conditions of the convertible debentures; 3) If and whenever the Company shall issue any warrants or convertible debentures which by their terms of issue carry rights of conversion into shares to be issued by the Company upon conversion at a consideration per share which is more than 10% discount from the price calculated by the methods specified in the terms and conditions of the convertible debentures; 4) If and whenever the Company shall pay dividend in whole or in part in the form of newly issued shares to the shareholders; 5) If and whenever the Company shall pay dividend in cash at the rate of over 90% of the net income or retained earnings, whichever is higher, recorded in the Company's separated financial statement after income tax deduction for the operating result and legal reserves of any financial period during the existing term of the convertible debentures; and 6) In the case other than those described in 1) to 5) above that cause the holder of the convertible debentures to lose any rights and benefits obtainable by them, the Company shall fairly consider and determine the adjustment of the Conversion Price to ensure that the rights of the holder of the convertible debentures shall not be inferior to the existing status.
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The Chairman declared the information of JTA is that JTA is a subsidiary of J Trust Co. Ltd. (“**JT**”), a listed company in the Stock Exchange of Tokyo, Japan (“**TSE**”). JT provides integrated retail finance services and also involves in real estate, amusement and IT businesses. Its market capital in the TSE is approximately US Dollar 900 million (approximately Baht 32,000 million). JTA was established in Singapore in October 2013 with JT holding 100% of JTA shares. JTA conducts investment operations and provides management assistance services in South East Asia region.

On May 22, 2015, JTA made an investment in the Company by subscribing for the convertible debentures issued and offered by the Company in an aggregate amount of 30 Million USD (“**2015 CDs**”) and on December 30, 2015, JTA converted all 2015 CDs into the Company's shares and currently holds 98,100,000 shares, accounting for 6.43% of the paid-up shares of the Company. The funds received from the issuance and offering of 2015 CDs has been primarily utilized to finance the lending portfolios in Cambodia.

The BOD Meeting considered the relationship between the Company and JT and/or JTA following JTA's investment in 2015 CDs that JTA currently holds 98,100,000 shares, accounting for 6.43% of the paid-up shares of the Company due to the conversion of 2015 CDs in 2015. Apart from such shareholding, JT and/or JTA and their shareholders, executives and representatives has no connection with the Company or the management of the Company, and is not the connected person as per the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) and/or the Notification of Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (as amended).

However, Group Lease Holdings PTE. Ltd. (“GLH”), a subsidiary of the Company, incorporated in Singapore as a holding company, has made an investment in a joint venture company incorporated in Indonesia, PT. Group Lease Finance Indonesia (“GLFI”), in collaboration with JTA, whereby GLH holds 65% of total shares in GLFI and JTA holds 20% of total shares in GLFI. GLFI was established and commenced its operation in April 2016 in order to provide channeling and debt servicing services in case of bad debt (if any) to J Trust Bank (Indonesia), another group company of JT.

The Chairman explained about benefits which the Company will earn from this issuance and offering of convertible debentures to JTA that the BOD Meeting considered and was of the view that, as a reliable company with solid background in the ASEAN market, the ongoing investment of JT (through JTA) in the Company will continue to support the Company’s expansion in the ASEAN market with good source of funding. Moreover, at present the Company has low-leveraged capital structure, i.e. D/E ratio less than 0.5. The BOD Meeting considered and viewed that it should be proper to raise substantial fund via convertible debentures again with JT (through JTA) in foreign currency to further support ASEAN business expansion with the details as follows:

(e) Objectives, reasons and necessities for the issuance of the convertible debentures

Objectives, reasons and necessities for the issuance of the convertible debentures

- To fund the expansion of the business in Cambodia by increasing leasing portfolios of motorcycles, agricultural machines, energy related equipment as well as promoting SME financing for the business partners and/or product dealers in Cambodia.
- To enhance the diversification of the portfolios in Cambodia by launching new finance products such as electric appliances (White goods), second-handed motorcycles and MotorforCash.
- To utilize as working capital for comprehensive digital financial platform to ASEAN markets.

Reasonableness of the issuance of convertible debentures

1. Given low D/E (less than 0.5) at present, financing through the convertible debentures will help the Company better leverage its capital structure. Moreover, like 2015 CDs, there is no collateral requirement for this issuance of the convertible debentures.
2. Greater Flexibility in Financial Management: the convertible debenture holders can choose to convert the loan to the Company into the Company’s equity, if convertible debenture holders view that the Company’s business will positively develop. In case that the convertible debenture holders exercise a conversion right, the Company shall not be required to repay the principal amount;
3. Lower, and Non-Instantaneous, Dilution Effect: In case that the convertible debenture holders exercise the conversion right, it shall be regarded as an increase of share capital of the Company by issuing new shares, where the dilution takes effect, at the future date of such conversion, not the issuing date of the convertible debentures. Unlike issuing convertible debentures, the issuance of shares will cause the dilution effect as soon as the shares are issued;
4. By issuing the convertible debentures, the Company will be able to raise fund with higher premium than the share market price, compared to issuing shares and/or ordinary bonds.

5. In addition, this issuance of convertible debentures allows the Company to raise the fund in US Dollar currency at a competitive rate which will be used in foreign countries outside Thailand (Cambodia); therefore, mitigate foreign exchange risk for the Company.

The source and the appropriateness of conversion price and conversion period

The conversion price was commercially negotiated and agreed upon between the Company and JT. The conversion price of Baht 40 per share is approximately 63% higher than the market price which was determined by the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the BOD Meeting (17 May 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the convertible debentures, during the period of 21 April, 2016 to 16 May, 2016, equivalent to Baht 24.49 per share. Therefore, the conversion price does not create price dilution to the existing shareholders. In addition, the maximum conversion period of 5 years will provide opportunity to defer the control dilution of the existing shareholders. Nonetheless, the terms and conditions of the convertible debentures provide flexibility to the Company such that the Company has the right to redeem all or partial of the convertible debentures as deemed appropriate if JTA does not exercise its conversion right within 2 years after the issuance.

The impact on existing shareholders

The impact on the Company's shareholders from the convertible debentures in case the holder of the convertible debentures exercises the right to convert the convertible debentures in full is as follows:

Control Dilution: The control dilution can be analyzed in 3 scenarios, each of which assumes the exchange rate THB 40 for 1 USD. The dilution effect is ranged from 7.12% to 8.46% in the worst case scenario where JTA would be the only one who exercises the convertible debentures and Warrants No. 8 (GL-W4).

Price Dilution: There is no Price Dilution as the conversion price is higher than the market price. (The market price is determined as the 15-day average closing price from 21 April, 2016 to 16 May, 2016 = THB 24.49 per share.)

(f) Use of proceeds derived from the issuance of the convertible debentures

Use of proceeds

The BOD Meeting considered that the issuance of convertible debentures is an alternative of fund raising for bringing the proceeds to be used for the following purposes:

Period	Details	Proportion (percentage of total proceeds received from the conversion of convertible debentures)
Within 2 years from the date of issuance and offering of convertible debentures	To fund the expansion of the business and the launch of new products in Cambodia	Approximately 70
Within 2 years from the date of issuance and offering of convertible	To fund the SME financing for the business partners and/or product dealers in Cambodia	Approximately 20

debentures		
Within 2 years from the date of issuance and offering of convertible debentures	To utilize as working capital for comprehensive digital financial platform to ASEAN markets	Approximately 10

Feasibility for the use of proceeds as planned

The business in Cambodia has been growing significantly. The portfolios size grew from approximately Baht 642 million in Y2014 to circa Baht 1,980 million at the end of first quarter in Y2016. The Company continues to commit to the business in Cambodia and plan to steadily expand the business there. Its strategy to utilize its comprehensive digital financial platform has enabled the Company to diversify leasing portfolios to cover not only motorcycles (the Company as the exclusive leasing agent of Honda) and agricultural machines (partner with Siam Kubota), but also other household products as well as SME financing. Therefore, the proceeds from issuing the convertible debentures, together with the efficient digital financial platform and potential opportunity, will enhance the business growth in Cambodia (Phnom Penh and other cities).

Reasonableness of use of proceeds

The convertible debentures are issued in US Dollar currency and the fund raised from such convertible debentures will be used in the business expansion Cambodia, where US Dollar currency is acceptable in pursuing business. Thus, this can be considered as a natural hedge of the Company.

(g) Expected impact to the Company's business operation

Once the Company receives the proceeds from the issuance and offering of convertible debentures, the Company's debt-to-equity ratio will be 1 and upon the conversion of convertible debentures, the Company's debt-to-equity ratio will be reduced to less than 1. In addition, with the lower cost of funding by way of the issuance and offering of convertible debentures, the Company expects, compared to its peers, higher profitability from the operating result with rapid growth to enable the strong establishment in the ASEAN market. Furthermore, having a strong equity base and profitable operations will positively result in the increase of the Company's bargaining power in the future for fund raising from financial institutions or enhance its ability to access to other sources of fund in debt instruments market, including overseas funds with lower financial cost than the Company's current financial cost.

(h) The Company's ability to repay if the convertible debenture holder does not exercise the conversion right

The Company has a low D/E ratio; thus, still has room to borrow from other sources to repay the convertible debentures if the holder of convertible debentures does not exercise the conversion right. The Company is able also to capitalize on the diversification in terms of geographic presence in different countries and in terms of products, which can reduce business risk and generate more income to repay debt.

The Chairman further reported that in this Agenda 6 the BOD Meeting had further resolved that the Meeting also consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to do the following:

- 3) to determine or amend the details, procedures and other conditions related to the issuance and offering of convertible debentures as appropriate, including but not limited to, the terms

and conditions of the convertible debentures, issue date, the number of ordinary shares to reserve for the exercise of right of convertible debentures, par value, calculation and payment method of interest, conversion period, redemption, or to determine the adjustment events requiring the Company to issue additional underlying shares to accommodate the exercise of conversion rights, and conditions for adjustment of conversion rights, provided that such determination or amendment made by Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be within the scope to be approved by the Extraordinary General Meeting of Shareholders No.1/2016, especially in relation to the term, interest rate, conversion price and conversion ratio, as provided in the preliminary information of the convertible debentures; and

- 4) to enter into negotiations, agreements and execution of, amendment to agreements, documents, sale report, information disclosure, requests for waiver, reports, applications for approval and necessary evidence required in relation to the issuance and offering of the convertible debentures, as well as to communicate, submit the aforementioned documents for approval, together with the relevant documents and evidence, and make any arrangement, or contact and/or perform any acts with, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, government agencies and/or any other relevant entities concerning the issuance and offering of convertible debentures, the listing of convertible debentures on an overseas stock exchange, and the listing of the newly issued ordinary shares from the exercise of convertible debentures on the Stock Exchange of Thailand, and to have authority to take any other actions which are deemed necessary and appropriate for all of the aforementioned matters.

The Chairman gave opportunity for shareholders to ask questions, which can be summarized as follows,

Question: After JTA converted all 2015 CDs into the Company's shares at the end of 2015 and held 98,100,000 shares from such conversion. According to the information of major shareholders updated as of the latest book closing date, it showed that JTA only hold approximately 74 million shares which means that JTA sold approximately 25 million of the Company's shares. How could the Company be confident in the long-term partnership with JTA?

Answer: The Chairman responded that in fact JTA has never sold any shares, but due to the fact that JTA is a foreign entity, as one of the trading mechanism in the stock exchange, JTA has transferred some of its shares to be held by the custodian which will be more convenient to JTA. In this regard, Mr.Charin Satchayan, legal advisor, explained that JTA had converted all 2015 CDs at the price below the market price as at the conversion date. Therefore, according to the regulation of Stock Exchange of Thailand, JTA was prohibited from selling such shares during the silent period of one year. Also, as JTA is a foreign entity, it can either hold its shares in its own name or through the custodian. From such explanation, the Chairman expressed the confidence in a long-term partnership with JTA.

Once there is no additional questions, the Chairman proposed the Meeting to consider and approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) i.e. JTA in the amount not exceeding US Dollar 130 million or an equivalent amount in other currencies and the authorization, details as per abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of JTA who holds total 98,100,000 shares as shareholder who has special interest.

Resolution The Meeting considered and resolved to approve the issuance and offering of convertible debentures to a specific foreign investor (Private Placement) i.e. JTA in the amount not exceeding US Dollar 130 million or an equivalent amount in other currencies and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	811,400,157	votes	equivalent to	99.5758	of the total number of
Disapproved	3,456,200	votes	equivalent to	0.4241	votes of shareholders who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

Remark : In this agenda, there were 2 shareholders with 355,228 more shares coming in so that the total attended shares were 912,956,457 shares.

In this regard, JTA who held a total of 98,100,000 shares had special interest and had no right to vote in this Agenda.

Agenda 7 To consider and approve the increase in the registered capital of the Company by Baht 142,525,000, from the existing registered capital of Baht 762,692,625.50 to Baht 905,217,625.50, by issuing 285,050,000 newly issued ordinary shares at the par value Baht 0.50 per share and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital. (Attachment 4)

Agenda 7.1 To consider and approve the increase in the registered capital of the Company by Baht 85,000,000, by issuing 170,000,000 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital.

The Chairman informed the Meeting that the BOD Meeting had resolved to propose to the Meeting to consider and approve the increase in the registered capital of the Company by Baht 85,000,000, by issuing 170,000,000 newly issued ordinary shares at the par value Baht 0.50 per share for the purpose of reservation for the exercise of Warrants No. 8 (GL-W4) as required by relevant laws, the details of which is specified in Agenda 5 above and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital, by cancelling the existing provision and replacing it with the following provision which reads as follows:

New version:

"Clause 4. Registered Capital 847,692,625.50 Baht
(eight hundred forty-seven million six hundred ninety-two thousand six hundred and twenty-five Baht and fifty Satang)

Divided into 1,695,385,251 shares
(one billion six hundred ninety-five million three hundred eighty-five thousand two hundred and fifty-one shares)

Par value 0.50 Baht (fifty Satang)

Categorized into:

Ordinary shares 1,695,385,251 shares
(one billion six hundred ninety-five million three hundred eighty-five thousand two hundred and fifty-one shares)

Preference shares — shares (—)".

The Chairman further reported that in this Agenda 7.1 the BOD Meeting resolved to propose to the Meeting to further consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to such registration of the increase in the Company's registered capital and the registration of the amendment to Clause 4 of

the Memorandum of Association of the Company with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or other relevant documents concerning such registration as requested by the relevant agencies or entities.

The Chairman gave opportunity for shareholders to ask questions.

In this regard, there is no additional questions. The Chairman then proposed the Meeting to consider and approve the increase in the registered capital of the Company by Baht 85,000,000, by issuing 170,000,000 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital and the authorization, details as per abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote.

Resolution The Meeting considered and resolved to approve the increase in the registered capital of the Company by Baht 85,000,000, by issuing 170,000,000 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	912,956,357	votes	equivalent to	100.0000	of the total number of
Disapproved	0	votes	equivalent to	0.0000	votes of shareholder who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

Agenda 7.2 To consider and approve the increase in the registered capital of the Company by Baht 57,525,000 by issuing 115,050,000 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital.

The Chairman informed the Meeting that the BOD Meeting had resolved to propose to the Meeting to consider and approve the increase in the registered capital of the Company by Baht 57,525,000, by issuing 115,050,000 newly issued ordinary shares at the par value Baht 0.50 per share for the purpose of reservation for the conversion of the convertible debentures as required by relevant laws, the details of which is specified in Agenda 6 above and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital, by cancelling the existing provision and replacing it with the following provision which reads as follows:

New version:

"Clause 4. Registered Capital 905,217,625.50 Baht
(nine hundred five million two hundred seventeen thousand six hundred and twenty-five Baht and fifty Satang)

Divided into 1,810,435,251 shares
(one billion eight hundred ten million four hundred thirty-five thousand two hundred and fifty-one shares)

Par value 0.50 Baht (fifty Satang)

Categorized into:

Ordinary shares 1,810,435,251 shares
(one billion eight hundred ten million four hundred thirty-five thousand two hundred and fifty-one shares)

Preference shares — shares (—)

The Chairman further reported that in this Agenda 7.2 the BOD Meeting resolved to propose to the Meeting to further consider and approve the granting of the authorization to Chief Executive Officer and/or any person entrusted by Chief Executive Officer to take any actions in relation to such registration of the increase in the Company's registered capital and the registration of the amendment to Clause 4 of the Memorandum of Association of the Company with any government agencies and/or any other relevant entities and to make any additional statements or changes in the application or other relevant documents concerning such registration as requested by the relevant agencies or entities.

The Chairman gave opportunity for shareholders to ask questions.

In this regard, there is no additional questions. The Chairman then proposed the Meeting to consider and approve the increase in the registered capital of the Company by Baht 57,525,000 by issuing 115,050,000 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital and the authorization, details as per abovementioned.

This agenda item requires a vote of not less than three—fourths of the total number of votes of shareholders who attend the meeting and have the right to vote excluding the votes of JTA who holds total 98,100,000 shares as shareholder who has special interest.

Resolution The Meeting considered and resolved to approve the increase in the registered capital of the Company by Baht 57,525,000 by issuing 115,050,000 newly issued ordinary shares at the par value Baht 0.50 per share in order to reserve for the conversion of the convertible debentures and the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increase in the Company's registered capital and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	811,400,157	votes	equivalent to	99.5758	of the total number of
Disapproved	3,456,200	votes	equivalent to	0.4241	votes of shareholders who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

In this regard, JTA who held a total of 98,100,000 shares had special interest and had no right to vote in this Agenda.

Agenda 8 To consider and approve the allocation of newly issued ordinary shares in the amount up to 285,050,000 shares with the par value of Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) for the amount of up to 170 million newly issued ordinary shares and/or the exercise of conversion rights by holders of convertible debentures for the amount of up to 115,050,000 newly issued ordinary shares.

Agenda 8.1 To consider and approve the allocation of newly issued ordinary shares in the amount up to 170,000,000 shares with the par value of Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4).

The Chairman informed the Meeting that following the approval of the increase in the registered capital of the Company as detailed in Agenda 7.1, the BOD Meeting had resolved to propose to the Meeting to consider and approve the allocation of newly issued ordinary shares in the amount up to

170,000,000 shares with the par value of Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) as per the details in Agenda 5 above.

In this regard, the exercise price of the newly issued shares of Baht 40 per share will not be lower than 90 percent of the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the BOD Meeting (17 May 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the Warrants No. 8 (GL-W4), during the period of 21 April, 2016 to 16 May, 2016, equivalent to Baht 24.49 per share. Therefore, it is not considered the offer of Warrants at discount under the Notification of Office of Securities and Exchange Commission No. SorJor 39/2551 re: calculation of offering price and determination of market price for the purpose of offering newly issued shares at discount.

The Chairman further reported that in this Agenda 8.1, in connection with the allocation of 170,000,000 newly issued ordinary shares of the Company to reserve for the exercise of Warrants No. 8 (GL-W4), the BOD Meeting also resolved to propose to the Meeting to further consider and approve that Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be empowered to determine details and conditions in connection with the allocation of newly issued ordinary shares of the Company including entering into negotiations and agreements and the execution of the documents and the relevant agreements in connection with the allocation of such newly issued shares; and the execution of any relevant applications for approval, requests for waiver and necessary evidence in connection with the allocation of the newly issued ordinary shares of the Company and listing of such shares on the Stock Exchange of Thailand, as well as to communicate and submit such applications for approval, requests for waiver, documents and evidence to, and make any arrangement, contact and/or perform any acts with, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, government agencies or any other relevant entities, including performing any acts necessary for the purpose of the allocation of the newly issued ordinary shares of the Company.

The Chairman gave opportunity for shareholders to ask questions.

In this regard, there is no additional questions. The Chairman then proposed the Meeting to consider and approve the allocation of newly issued ordinary shares in the amount up to 170,000,000 shares with the par value of Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) and the authorization, details as per abovementioned.

This agenda item requires majority votes of shareholders who attend the meeting and have the right to vote.

Resolution The Meeting considered and resolved to approve the allocation of newly issued ordinary shares in the amount up to 170,000,000 shares with the par value of Baht 0.50 per share in order to reserve for the exercise of Warrants No. 8 (GL-W4) and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	912,956,357	votes	equivalent to	100.0000	of the total number of
Disapproved	0	votes	equivalent to	0.0000	votes of shareholders who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

Agenda 8.2 To consider and approve the allocation of newly issued ordinary shares in the amount up to 115,050,000 shares with the par value of Baht 0.50 per share in order to reserve for the conversion of the convertible debentures.

The Chairman informed the Meeting that following the approval of the increase in the registered capital of the Company as detailed in Agenda 7.2, the BOD Meeting had resolved to propose to the Meeting to consider and approve the allocation of newly issued ordinary shares in the amount up to

115,050,000 shares with the par value of Baht 0.50 per share in order to reserve for the exercise of conversion rights by holders of convertible debentures as per the details in Agenda 6 above.

In this regard, the conversion price of the newly issued shares of Baht 40 per share will not be lower than 90 percent of the weighted average of the Company's shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the BOD Meeting (17 May 2016) resolved to propose to the Extraordinary General Meeting of Shareholders No.1/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the convertible debentures, during the period of 21 April, 2016 to 16 May, 2016, equivalent to Baht 24.49 per share. Therefore, it is not considered the offer of convertible debentures at discount under the Notification of Office of Securities and Exchange Commission No. SorJor 39/2551 re: calculation of offering price and determination of market price for the purpose of offering newly issued shares at discount.

The Chairman further reported that in this Agenda 8.2, in connection with the allocation of 115,050,000 newly issued ordinary shares of the Company to reserve for the exercise of conversion rights by holders of convertible debentures, the BOD Meeting also resolved to propose to the Meeting to further consider and approve that Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be empowered to determine details and conditions in connection with the allocation of newly issued ordinary shares of the Company including entering into negotiations and agreements and the execution of the documents and the relevant agreements in connection with the allocation of such newly issued shares; and the execution of any relevant applications for approval, requests for waiver and necessary evidence in connection with the allocation of the newly issued ordinary shares of the Company and listing of such shares on the Stock Exchange of Thailand, as well as to communicate and submit such applications for approval, requests for waiver, documents and evidence to, and make any arrangement, contact and/or perform any acts with, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, government agencies or any other relevant entities, including performing any acts necessary for the purpose of the allocation of the newly issued ordinary shares of the Company.

The Chairman gave opportunity for shareholders to ask questions.

In this regard, there is no additional questions. The Chairman then proposed the Meeting to consider and approve the increase in the allocation of newly issued ordinary shares in the amount up to 115,050,000 shares with the par value of Baht 0.50 per share in order to reserve for the conversion of the convertible debentures and the authorization, details as per abovementioned.

This agenda item requires majority votes from the shareholders who attend the meeting and have the right to vote excluding the votes of JTA who holds total 98,100,000 shares as shareholder who has special interest.

Resolution The Meeting considered and resolved to approve the allocation of newly issued ordinary shares in the amount up to 115,050,000 shares with the par value of Baht 0.50 per share in order to reserve for the conversion of the convertible debentures and the authorization, details as per abovementioned in all respects, with the following votes:

Approved	811,400,157	votes	equivalent to	99.5758	of the total number of
Disapproved	3,456,200	votes	equivalent to	0.4241	votes of shareholders who
Abstained	100	votes	equivalent to	0.0000	attended the meeting and
					have the right to vote

In this regard, JTA who held a total of 98,100,000 shares had special interest and had no right to vote in this Agenda.

Agenda 9 To consider any other business (if any)

-none-

The Chairman then provided the opportunity for the shareholders to ask more questions, which can be summarized as follows:

Question: According to the Company's plan to use proceeds derived from the issuance of ordinary shares of the Company upon the exercise of Warrants No. 8 (GL-W4) to fund the expansion of the business in Laos in Thai Baht, and the plan to use the proceeds derived from the issuance of the convertible debentures to fund the expansion of the business in Cambodia in US Dollar, what is the source of fund that the Company will use for the investment in Indonesia?

Answer: The Chairman responded that the investment in Indonesia will mainly use Indonesian Rupiah. In this regard, GLFI, a joint venture company in Indonesia, had already contracted with J Trust Bank, an affiliate of JT, that J Trust Bank will back up all financing in Indonesian Rupiah. Therefore, there is no need to raise any additional fund. As of now, the capital of US Dollar 8 million has already been injected. Also, as the Chief Executive Officer of JT mentioned in the press conference that JT is ready to provide additional funding of approximately US Dollar 4 Billion to support the Company's business expansion, this is one of the reasons that the Company chose JTA as the partner.

Question: Have the Company and JT study carefully about the investment in solar energy business in Indonesia which is island country and has monsoon regularly, and also has coal as its famous source of energy rather than the solar power?

Answer: The Chairman responded that the energy is a critical issue. The increase in population in ASEAN results in more energy consumption, therefore, the alternative energy is now becoming popular and solar power is one of the alternatives being used as it is clean energy with attractive price, compared to the more expensive price in the past, and efficient. In this regard, the Company will provide financing in a total package of US Dollar 750 which includes the solar panel, converter and battery per customer. Based on the customers' experience, the cost of energy become cheaper when they use the Company's financing service. The Company also considered that Indonesia has large population, and therefore a huge market which the Company, affiliates and JT have already carefully studied in this investment in Indonesia.

Question: Please update the progress of obtaining license in Indonesia which the Company mentioned that the Company is waiting for such license to be granted at the end of Quarter 2.

Answer: The Chairman informed that currently the Company is still waiting for the Indonesian Authority to approve and grant such license, which hopefully, the Company will receive such license at the end of this Quarter; however, it is an uncontrollable matter. In this regard, as soon as the Company receives the license, the Company can start business operation immediately, as the Company has already prepared all the operation, both procedure-wise and system-wise. In this regard, Mr. Tatsuya Konoshita, Chairman of Executive Board also informed that on 23 May 2016, the Company has published, via the Company's website and press, the news regarding the Company and JT to join forces to expand business in Indonesia.

Question: Is there any expectation of profit from the investment in Indonesia this year?

Answer: The Chairman responded that the Company definitely expected the profit from its business, not only in Indonesia, but also in other countries. From the Company's experience, it took about 1 year and 7 months to make the first profit in Cambodia as the Company had to build the platform in Cambodia while it only took 4 months to reach the break-even point in Laos. As Company considered that its Digital Finance Platform which could work well in Cambodia would also work well in Indonesia, the Company, therefore, expected quite a short period of time to make profit in Indonesia. Anyway, the Company and shareholder will need to wait and see the future result.

Question: As the Company call itself a "Digital Finance Provider", and currently in Thailand, the Thai government has started to promote the policy on Digital Economy, does the Company see any opportunity from such policy?


Answer: The Chairman responded that the Company started its business from traditional motorcycle leasing business. Once the Company expanded its business into Cambodia, the Company created and developed the real network such as POS system and Digital Finance system which helped

the Company to get closer to the customers than any other finance companies. While considering the situation 5 years ago, the transfer of information via the internet was not very efficient; fortunately, the current situation has changed in a better way as the speed and stability of internet connection has improved, together with people's recognition on social network which help support the Company's Digital Finance system. For example, in case that the customer is 300 kilometer away from Phnom Penh, literally the Company could still get close to the customers and efficiently follow-up with them by using technology like Line Call which help reducing the Company's OPEX and providing better profitability. In this regard, the Company has adopted the concept to operate the business by using its Digital Finance and IT system, which was wholly developed by the Company from start of its business in Cambodia, which the Company has already adopted such system in Thailand. In this regard, if there is any opportunity for the Company to conduct the business in accordance with the government policy which supports Digital Economy, the Company would not hesitate to take such opportunity.

As there was no more question, the Chairman declared the Meeting adjourned at 11.00 a.m.

Signed : 

(Ms. Siriphen Pongchaireks)
Company Secretary

Signed : 

(Mr. Mitsuji Konoshita)
Chairman

**Information Memorandum on Connected Transactions of
Group Lease Public Company Limited
Re: Share Acquisitions**

The Board of Directors' Meeting of Group Lease Public Company Limited (the "**Company**" or "**GL**") No. 12/2016 held on 30 September 2016 has passed a resolution to approve the share acquisition in a listed company in Sri Lanka, namely Commercial Credit and Finance PLC ("**CCF**"), and the share acquisition in a private company in Myanmar, namely BG Microfinance Myanmar Co., Ltd. ("**BGMM**") and to enter into the acquisition of assets of a listed company and the connected transactions. In this regard, the Company will enter into the share acquisitions via a subsidiary, Group Lease Holdings Pte. Ltd. (the "**Subsidiary Company**" or "**GLH**"), a wholly-owned subsidiary of the Company, incorporated in Singapore as a holding company. Details of the share acquisitions are as follows;

- 1) The acquisition of 95,390,500 ordinary shares in CCF, representing 29.99% of total share capital in CCF, at a purchase price at LKR 111 per share (equivalent to approximately Baht 26.35 per share, exchange rate Baht 0.2374 per 1 LKR – 29 Sep. 16), amounting to the total value of LKR 10,588,345,500 (equivalent to approximately Baht 2,513.67 million), from BG Investments (PVT) Ltd., Creation Investments Sri Lanka LLC ("**Creation SL**") and Mr. Stephen L Lafrance Jr. ("**CCF Acquisition**"); and
- 2) The acquisition of 1,387,680 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing 100% of total share capital in BGMM, at a purchase price at approximately USD 5.77 per share (equivalent to approximately Baht 199.79 per share, exchange rate 34.6250 baht per 1 USD – 29 Sep. 16), amounting to the total value of USD 8,006,913.60 (equivalent to approximately Baht 277.24 million), from BG Investments (PVT) Ltd., BG International (PVT) Ltd., BG Capital (PVT) Ltd. and CCF ("**BGMM Acquisition**").
(CCF Acquisition and BGMM Acquisition will be collectively referred to as the "**Acquisitions**")

In this regards, as Mr. Patrick Fisher, a current director of the Company, is the founder and managing partner of Creation SL, one of the sellers of CCF's shares, and he is also a Non-Executive Director of CCF, one of the sellers of BGMM's shares, and Creation SL has a significant shareholding in CCF of 28.66%, the CCF Acquisition from Creation SL and the BGMM Acquisition from CCF are considered the connected transactions of the Company according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (the "**Connected Transaction Notifications**") in the type of assets and services with the value of transaction as follows:

- the purchase by the Subsidiary Company of CCF shares from Creation SL in the amount of 70,822,537 ordinary shares in CCF, representing 22.27% of total share capital in CCF at a purchase price at LKR 111 per share amounts to the total value of LKR 7,861,301,607 (equivalent to approximately Baht 1,866.27 million) or 25.07% of Net Tangible Assets (“**NTA**”) (equal to approximately Baht 7,442.85, calculated from consolidated financial statement of the Company as of 30 June 2016) (“**CCF Connected Transaction**”); and
- the purchase by the Subsidiary Company of BGMM shares from CCF in the amount of 389,852 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing 28.09% of total share capital in BGMM at a purchase price at approximately USD 5.77 per share amounts to the total value of USD 2,249,446.04 (equivalent to approximately Baht 77.89 million) or 1.05% of NTA (“**BGMM Connected Transaction**”).

(CCF Connected Transaction and BGMM Connected Transaction will be collectively referred to as the “**Connected Transactions**”)

The Connected Transactions specified above have the total value of approximately Baht 1,944.16 million (or equal to 26.12% of NTA) which is more than Baht 20 million or 3 percent of NTA according to the Connected Transaction Notifications. Therefore, the Company is required to disclose information on the Connected Transactions to the Stock Exchange of Thailand (the “**SET**”) and to seek the shareholders’ approval for entering into such Connected Transactions by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders who have interest. In this regard, the Board of Directors will set the date of the Shareholders’ Meeting and further inform the shareholders. In addition, Grant Thornton Services Limited has been appointed as an independent financial advisor to express opinion on such Connected Transactions whether it is reasonable and beneficial to the Company, and on the fairness of price and conditions of the Connected Transactions to the shareholders of the Company.

In addition, the Acquisitions of shares in CCF and BGMM are considered the acquisitions of Subsidiary Company’s assets according to the Notification of the Capital Market Supervisory Board No. Tor Jor 20/2008 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Asset 2004 (as amended) (the “**Acquisition and Disposition Notifications**”). When considering the total acquisition and disposal transactions that the Company and/or Subsidiary Company have completed in the past 6 months, the total value of the Acquisitions is equivalent to 20.07% on Net Profit basis. The Acquisitions are therefore categorized as a Type-2 transaction according to the Acquisition and Disposition Notifications, the Company is required to disclose the details of the Acquisitions through the Stock Exchange of Thailand (the “**SET**”) and deliver an information memorandum containing specified information required by the Acquisition and Disposition Notifications to all the shareholders within 21 days

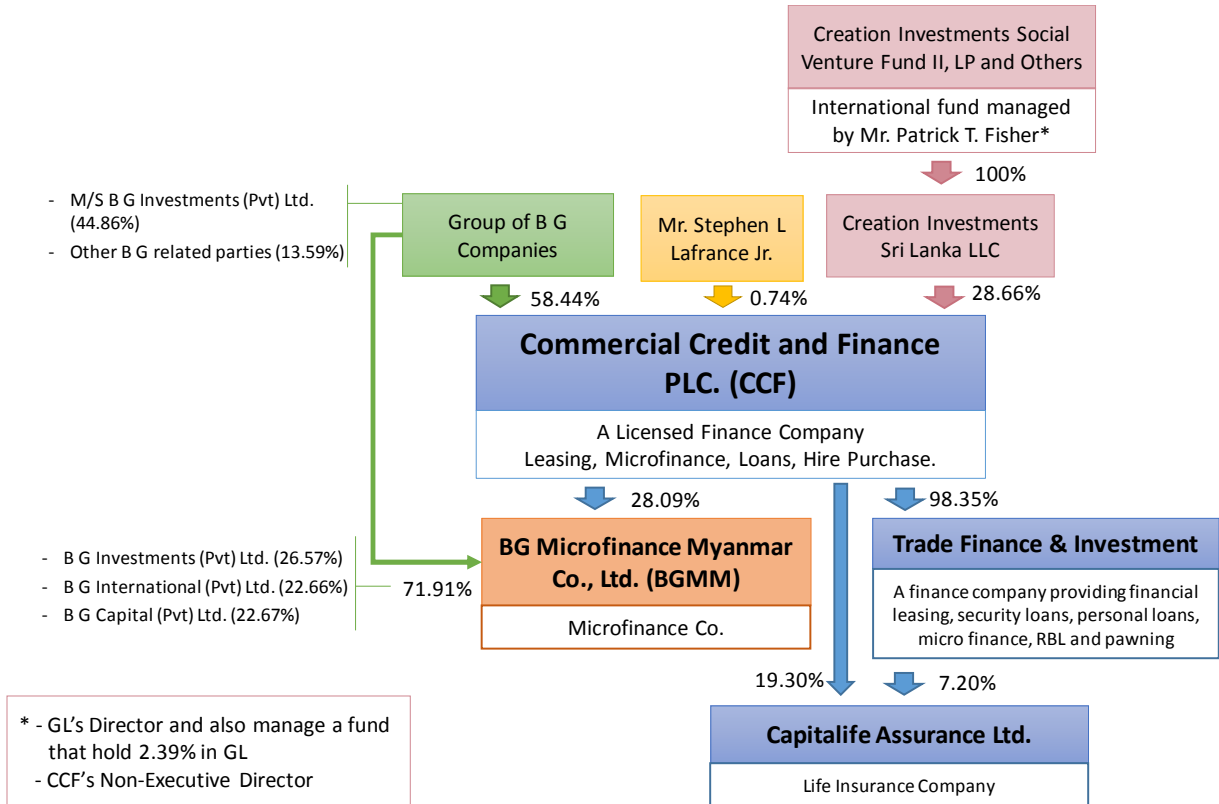
from the date the Company makes the disclosure through the SET. Please see more details in Information Memorandum on Acquisition of Assets of Group Lease Public Company Limited Re: Shares Acquisitions

Furthermore, according to Section 107 of the Public Limited Company Act B.E. 2535 (as amended), the acquisition of business of other companies by a public company is required a shareholders' approval. As a result, the Company shall obtain the Company's shareholders approval by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote prior to the completion of the BGMM Acquisition. The Board of Directors will set the date of the Shareholders' Meeting and further inform the shareholders.

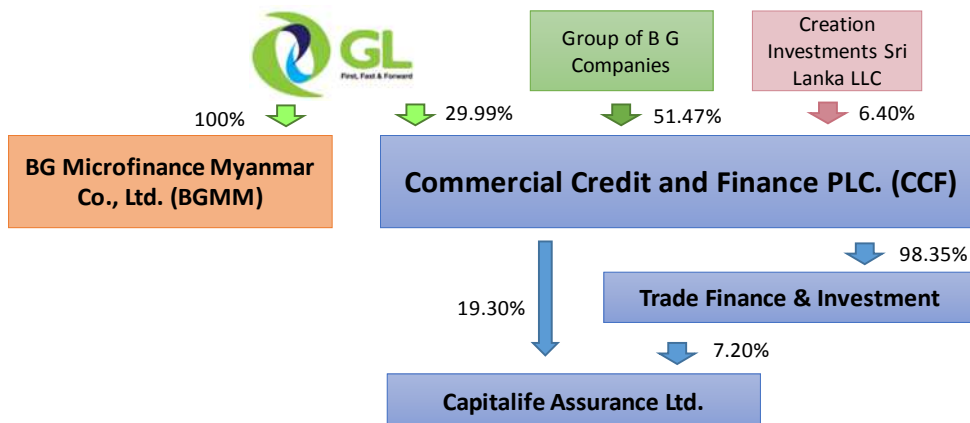
The details of the Acquisitions can be depicted as follows;

Structure of Acquisitions

Pre-Acquisition



Post –Acquisition



1) Date, Month and Year of the Connected Transactions

Transaction 1: CCF Connected Transaction

The Company is going to enter into an agreement for the sale and purchase of the shares in CCF (the “**CCF Agreement**”) with BG Investments (PVT) Ltd., Creation SL and Mr. Stephen L Lafrance Jr. (the “**CCF Sellers**”) and the shareholders’ agreement with BG Investments (PVT) Ltd. and Creation SL on 3 October 2016 under which the Subsidiary Company will acquire 95,390,500 ordinary shares in CCF, representing 29.99% of total share capital in CCF from CCF Seller.

Prior to the completion of the CCF Connected Transaction, the Company will seek for shareholders’ approval in Shareholders’ Meeting in connection with the CCF Connected Transaction.

Transaction 2: BGMM Connected Transaction

The Company is going to enter into an agreement for the sale and purchase of the shares in BGMM (the “**BGMM Agreement**”) with BG Investments (PVT) Ltd., BG International (PVT) Ltd., BG Capital (PVT) Ltd. and CCF (the “**BGMM Sellers**”) on 3 October 2016 under which the Subsidiary Company will acquire 1,387,680 ordinary shares in BGMM with a par value of Kyat 1,000 per share, representing 100% of total share capital in BGMM.

Prior to the completion of the BGMM Connected Transaction, the Company will seek for shareholders’ approval in Shareholders’ Meeting in relation to the acquisition of business of other companies by a public company according to Section 107 of the Public Limited Company Act B.E. 2535 (as amended), and the BGMM Connected Transaction.

2) Parties Involved and their Relationships with the Company

Transaction 1: CCF Acquisition

- Seller:
- BG Investments (PVT) Ltd.
(22,200,000 shares, 6.98% of CCF’s total shares)
 - Creation SL
(70,822,537 shares, 22.27% of CCF’s total shares)
 - Mr. Stephen L Lafrance Jr.
(2,367,963 shares, 0.74% of CCF’s total shares)

Relationship with the Company

- BG Investments (PVT) Ltd. and Mr. Stephen L Lafrance Jr. have no relationship with the Company in a manner as a connected person under the Connected Transaction Notifications.
- Creation SL is an SPV found and managed by Mr. Patrick T. Fisher to raise fund from international investors to invest in CCF. Mr. Fisher is a member of GL’s Board of Directors. He also manages another SPV, Creation Investments ASEAN LLC, to invest in GL at approximately 2.39%.

Purchaser: The Company, through the Subsidiary Company

Transaction 2: BGMM Acquisition

- Seller:
- BG Investments (Pvt) Ltd.
(368,704 shares = 26.57% of BGMM's total shares)
 - BG International (Pvt) Ltd.
(314,546] shares = 22.67% of BGMM's total shares)
 - BG Capital (Pvt) Ltd.
(314,577 shares = 22.67% of BGMM's total shares)
 - CCF
(389,852 shares = 28.09% of BGMM's total shares)
 - Mr Lawrance Gregory Shriyantha Perera
(1 share)

Relationship with the Company

- BG Investments (PVT) Ltd., BG International (PVT) Ltd. and BG Capital (PVT) Ltd. have no relationship with the Company in a manner as a connected person under the Connected Transaction Notifications.
- CCF is 28.66% held by Creation SL, an SPV found and managed by Mr. Patrick T. Fisher who is a member of GL's Board of Directors. He also manages another SPV, Creation Investments ASEAN LLC, to invest in GL at approximately 2.39%.

Purchaser: The Company, through the Subsidiary Company

3) General Characteristics of the Connected Transactions

Transaction 1: CCF Connected Transaction

The Subsidiary Company has agreed to acquire shares of CCF from the CCF Sellers by entering into the CCF Agreement with the CCF Sellers. The acquisition of the shares will be made by Subsidiary Company (GLH), a wholly-owned subsidiary, incorporated in Singapore as a holding company. Following completion of the CCF Acquisition, of which the CCF Connected Transaction is a part, GLH will become a direct shareholder of CCF, holding 95,390,500 ordinary shares, representing approximately 29.99% of CCF's total share capital and the Company will become an indirect shareholder of CCF through its shareholding in GLH. The total transaction value is equal to approximately not more than LKR 10,588,345,500 (equivalent to approximately Baht 2,513.67 million) which is equal to LKR 111 (approximately equivalent to Baht 26.35) per CCF's share pursuant to the terms of the CCF Agreement.

Out of 95,390,500 ordinary shares to be acquired by the Subsidiary Company, 70,822,537 shares, representing circa 74% of total of the CCF Acquisition, will be acquired from Creation

SL. The purchase price per share is LKR 111 (approximately equivalent to Baht 26.35). Therefore, the total consideration to be paid to Creation SL will not be more than LKR 7,861,301,607 (equivalent to approximately Baht 1,866.27 million).

The Company's NTA as of 30 June 2016 was Baht 7,442.85 million; thus, 3% of NTA is Baht 223.28 million. The above total consideration is higher than 3% of NTA; thus, is considered a large transaction value which required an approval from the shareholders' meeting according to the Connected Transaction Notifications.

In addition, the CCF Acquisition under the CCF Agreement is subject to the negotiation between the parties with regard to the terms and conditions of the CCF Agreement and the shareholders' agreement, the satisfaction of the due diligence result and the conditions precedent agreed by the parties to be satisfied in full or waived.

In this regard, after consummation of CCF Connected Transaction, the Company will nominate 2 directors to the Board of Directors of CCF and shall be entitled to require that its nominated directors are appointed to CCF's Audit and Risk Management Committees. In addition, a list of important reserved matters requires affirmative vote of GLH's appointed directors. However, the general control and management of CCF's business will remain with the current management as they have demonstrated their abilities to efficiently grow CCF's business during the past years.

Transaction 2: BGMM Connected Transaction

The Subsidiary Company has agreed to acquire shares of BGMM from the BGMM Sellers by entering into the BGMM Agreement with the BGMM Sellers. The acquisition of the shares will be made by Subsidiary Company (GLH), a wholly-owned subsidiary, incorporated in Singapore as a holding company. Following completion of the BGMM Acquisition, of which the BGMM Connected Transaction is a part, GLH will become a direct shareholder of BGMM, holding 1,387,680 ordinary shares, representing 100% of BGMM's total share capital and the Company will become an indirect shareholder of BGMM through its shareholding in GLH. The total transaction value is equal to approximately not more than USD 8,006,913.60 (equivalent to approximately Baht 277.24 million which is equal to USD 5.77 per BGMM's share (approximately T Baht 199.79) pursuant to the terms of the BGMM Agreement.

Out of 1,387,680 ordinary shares to be acquired by the Subsidiary Company, 389,852 shares, representing 28.09% of BGMM's total ordinary shares, will be acquired from CCF. The purchase price per share is USD 5.77 (approximately equivalent to Baht 199.79). Therefore, the total consideration to be paid to CCF will not be more than USD 2,249,446.04 (equivalent to approximately Baht 77.89 million,

The Company's NTA as of 30 June 2016 was Baht 7,442.85 million; thus, 0.03% of NTA is Baht 2.23 million and 3% of NTA is Baht 223.28 million. The total consideration to be paid to CCF will not be more than USD 2,249,446.04 (equivalent to approximately Baht 77.89 million)

equivalent to 1.05% of NTA. However, pursuant to the Connected Transaction Notifications, the Company has to combine BGMM Connected Transaction to CCF Connected Transaction. The total transaction value will therefore be approximately equivalent to Baht 1,944.16 million. Such total consideration is higher than 3% of NTA; thus, is considered a large transaction value which required an approval from the Shareholders' meeting according to the Connected Transaction Notifications.

In addition, the BGMM Acquisition under the BGMM Agreement is subject to the negotiation between the parties with regard to the terms and conditions of the BGMM Agreement, the satisfaction of the due diligence result and the conditions precedent agreed by the parties to be satisfied in full or waived.

In this regard, after consummation of BGMM Connected Transaction, the Company will nominate a new set of the Board of Directors to run BGMM. The Company will also nominate a Chief Executive Officer and a Deputy General Manager to be relocated in Myanmar, and provide assistance to the operations there. In addition, the Company plans to keep all management and current staffs of BGMM to facilitate the future growth and since BGMM has proven good results.

3.1 General Business Information of CCF

3.1.1 Overview of CCF

Company Registration name	Commercial Credit and Finance Public Limited Company
Company Registration Number	PB 269 PQ
Date of Incorporation	4 th of October 1982 (Re incorporated under the new Companies Act on 8 th of April 2008)
Place of Incorporation	Sri lanka
Type of Business	Finance and Leasing
Registered Office	No. 106, Yatinuwara Veediya, Kandy
Listing status	Listed on the second board – Diri Savi
Directors	<ul style="list-style-type: none"> • Mr. K.J.C. Perera (Independent Non-Executive Director) – Chairman • Mr. R.S. Egodage (Executive Director) – Chief Executive Officer • Mr. P.S.R.C. Chitty (Executive Director) – Chief Operating Officer • Mr. S.K. Gunaratne (Non-Executive Director) • Mrs. G.R. Egodage (Executive Director) • Mr. M.S.D. Pinto (Independent Non-Executive Director) • Mr. D. Soosaipillai (Independent Non-Executive Director) • Mr. P. Fisher (Non-Executive Director) • Mr. K. Vander Weele (Non-Executive Director)

Registered and Paid-up Share Capital	318,074,365 shares (as of 20 Sep. 2016) LKR 2,150,640,315 (equivalent to approximately Baht 510.56 million)
Major Shareholders	<u>Major 10 shareholders as of 20 Sep 2016</u> <ol style="list-style-type: none"> 1. M/S B G Investments (PVT) LTD, 142,676,872 shares (44.86%) 2. Creation Investment Sri Lanka LLC, 91,169,757 shares (28.66%) 3. Lanka Orix Finance PLC/ B G Investments (PVT) LTD, 26,700,000 shares (8.39%) 4. DR. E Fernando, 12,904,463 shares (4.06%) 5. MR G G Hemachandra, 7,107,652 shares (2.23%) 6. Assetline Leasing CO. LTD/BG Investments (PVT) LTD, 7,003,224 shares (2.2%) 7. Peoples Leasing & Finance /MS S N Egodage, 4,264,380 shares (1.34%) 8. Ceylinco Insurance PLC A/C NO.1 (Life Fund), 4,014,843 shares (1.26%) 9. First Capital Markets LIMITED / BG Investments (PVT) LTD, 3,750,000 shares (1.18%) 10. MR S L Lafrance JR, 2,367,963 shares (0.74 %)
License obtained	<ul style="list-style-type: none"> • License issued to carry on finance business; • License issued to carry on business as a registered finance leasing establishment; • License under the Pawnbrokers' Ordinances; and • Approval for Secondary Participation on the Common ATM Switch (CAS)
Number of Employees	<u>3,500</u>
Number of Branches	<u>124</u>
Real Properties	<ul style="list-style-type: none"> • Per the most recent annual report, 2014-2015, CCF owned three investment properties with a fair market value of LKR 537.6 million (Baht 14.5 million); • Leasehold for 99% of branch locations
Connected Persons of the Company and their Shareholding	Creation SL is considered a connected person of the Company as Mr. Patrick T. Fischer, a member of the Company's Board of Director, is the founder and Managing Director of Creation SL, one of the sellers of CCF's shares, which invests 28.66% in CCF from fund

	raised internationally. He also found another SPV, Creation Investments ASEAN LLC, that invests in the Company's shares approximately 2.39%.
Subsidiaries and Associated Companies	<p><u>Subsidiary</u></p> <ul style="list-style-type: none"> - Trade Finance & Investments PLC <p><u>Associates</u></p> <ul style="list-style-type: none"> - BG Microfinance Myanmar Co., Ltd. - Capitalife Assurance Limited

3.1.2 Business Description

CCF is engaged in finance business providing a broad variety of products and services. It is registered under Finance Business Act and also Finance Leasing Act. The products and services include Leasing & Hire Purchase, Loans, Microfinance, Factoring, Gold Loan, Real estate & Land sales and Investment Advice.

CCF's major assets are Loans and Receivables, representing approximately 46.56% of the total assets (unaudited financial position as at 30 Jun. 16). Loans are offered to a diverse group of borrowers. The largest loan portfolio is Microfinance which provides financial services to low-income clients in rural areas who seek self-employment, and traditionally lack access to banking and related services. Microfinance loans are granted without the guarantee of any collateral on specified repayment bases. For example, CCF provides Micro Loans which are small loans designed to cater the financial needs of underprivileged/low income communities especially in the rural areas. These loans are coupled with non-financial services such as entrepreneurship training and business development support which are necessary for sustainable development of low income families. Another type of Microfinance is SME Loan which targets at the upgraded customers from Micro Loans where they need advanced finance facilities to fulfill their finance requirements. SME Loans are also provided with additional services to build their business further.

Leasing business is another major business of CCF, representing approximately 34.48% of the total assets (unaudited financial position as at 30 Jun. 16). CCF offers personalized leasing solutions to a wide range of vehicles and equipment including personal and commercial vehicles, three wheelers, motor bikes, special purpose vehicles, machinery and agricultural equipment.

CCF's major source of fund comes from fixed deposits from customers who invest their money and obtain a high return on the capital invested based on its tenure. Deposits can be for a period of 1 month to 5 years and the minimum deposits should be LKR 5,000.- (Baht 1,200.-). Interest will be paid on monthly and maturity basis.

In this connection, based on the legal advice retained by the Company, the CCF Acquisition will not affect the operating licenses of CCF nor trigger any event that

would prejudice the ownership or leasehold of CCF in real properties. However, there is no condition or restriction under CCF's material agreements with respect to GLH's acquisition of CCF shares, except for the termination of the Shareholders' Agreement between BG and Creation SL dated 31 December 2013 and the notification to the banks of the change in the shareholding in CCF.

3.1.3 Key Selected Financial Information of CCF

Key Financials	Group Financial Statements					
	30 Jun. 16 (3-month, unaudited)		31 Mar. 16 (annual, audited)		31 Mar. 15 (annual, audited)	
	LKR (million)	THB (million)	LKR (million)	THB (million)	LKR (million)	THB (million)
Interest Income	4,622	1,114	16,418	3,955	11,472	2,764
Net Interest Income	3,003	723	10,212	2,460	7,255	1,748
Total Operating Income	2,559	616	11,571	2,787	8,285	1,996
Profit (Loss) before Tax	916	221	3,027	729	2,635	635
Net profit	675	163	2,322	559	2,194	528
Total Assets	75,168	18,108	72,494	17,464	59,027	14,220
Net Loans & receivables	34,126	8,221	34,276	8,257	28,980	6,981
Net Lease rentals receivables and Stocks out on hire	27,536	6,633	26,692	6,430	19,150	4,613
Total Liabilities	66,484	16,016	64,480	15,533	53,057	12,781
Deposit Base (Due to customers)	50,807	12,239	50,381	12,137	43,231	10,414
Total Equity	8,684	2,092	8,014	1,931	5,970	1,438
Stated capital	2,151	518	2,151	518	2,151	518
Reserves (excl. non-controlling interest)	6,513	1,569	5,844	1,408	3,804	916
% NPL	5.9%		4.3%		4.1%	
Additional information on allowance for impairment and NPLs						
Allowance for impairment loss on Loans & Receivables	(1,593)		(1,238) (298)		(680) (164)	
Ratio of Allowance to Loans and Receivables	4.46%		3.49%		2.29%	
Allowance for impairment loss on Lease rentals receivables and Stocks out on hire	(1,695)		(1,462) (352)		(1,062) (256)	
Ratio of Allowance to Leasing and Stock out on hire	5.80%		5.19%		5.25%	
Total allowance for impairment losses on Loans and Receivables, Leasing and Stock out on Hire	(3,288)		(2,701) (651)		(1,741) (419)	
Ratio of Allowance to Loans and Receivables, Leasing and Stock out on hire	5.06%		4.24%		3.49%	

Note: Convert into Thai baht by applying exchange rate on 30 June 2016 at THB 0.2409 per LKR
The auditor has been Ernst and Young, Colombo, Sri Lanka.

Interest income and lending portfolio

Interest income for the year ended 31 Mar. 16 (Y15/16) grew approximately 43.1% from the previous year (Y14/15). The sharp increase was a result of an aggressive business expansion during the year. Net Loan and Receivables as of Y15/16 went up circa 18.3% while Lease Rental and Stock out on Hire rose 39.4% from Y14/15. However, the Net profit increased only 5.9% due to high operation expense as CCF has carried out a number of projects to improve its efficiencies. The major improvements are as follows:

With regards to Leasing and Hire Purchase, CCF expanded the service network, a large number of marketing personnel were recruited during the year. Extensive training for marketing officers were conducted throughout the year so that they would be better equipped

with the practical field knowledge. A majority of the locations were assigned separate marketing agents to effectively reach out to a wider customer base.

For Term Loan portfolio, CCF introduced numerous processes to further streamline the Term Loan operations including system to handle customer evaluation and online approve.

Microfinance portfolio in Y15/16 was maintained as in Y14/15. Microfinance is a key product that serves CCF's Purpose which is to provide financial assistance to those who have no access to banking facilities for the purpose of establishing or developing an enterprise of their own. The service network already spread across 122 locations with the number of customers at the end of the fiscal year at 355,633. In Y15/16, CCF has established several teams to review and upgrade internal processes and systems with the objective of providing a continuously improved customer service and higher levels of service excellence. Two of these teams are the Quality Assurance Team and the Operation Team. The Quality Assurance team is responsible for preventing and detecting mistakes or defects of Microfinance products as well as avoiding problems when delivering solutions or services. The Operations team is responsible for following the Microfinance budget while improving the service quality in line with the Purpose of CCF.

NPLs and Allowance for Impairment Losses

Overall Gross NPLs of CCF increased from 4.3% to 5.9% during the first quarter ended Jun. 16. There was floods and landslides during the month of May 2016 in certain areas led to disruption of recovery function and collectability issues in relation to the customers affected by the floods. Such incidents adversely affected microfinance portfolio and lease portfolio. In addition, the collection process was disrupted due to the introduction of the new ERP system in the quarter. It is noted that CCF's portfolio is concentrated on the low income customer segment which primarily consists of self-employed and salaried individuals earning low monthly income who has high propensity to default in the context of a deteriorating macroeconomic environment.

The Allowance for Impairment Losses during the first quarter ended Jun. 16 have been raised significantly in the first quarter ended Jun. 16, in line with the rise in NPLs. As of 30 June 2016, 73.62% of the total lending portfolio was of current status. The aging receivable is as follows:

Days Overdue	% of Loan Outstanding
Current	73.62%
31-60	9.08%
61-90	6.62%
91-120	2.04%
121 and over	8.64%
Total	100%

3.2 General Business Information of BGMM

3.2.1 Overview of BGMM

Company Registration name	BG Microfinance Myanmar Co., Ltd.
Company Registration Number	483FC/2013-2014
Date of Incorporation	20 th of September 2013
Place of Incorporation	Myanmar
Type of Business	Finance
Registered Office	15 F, Sakura Tower, No.339 , Bogyoke Aung San Road, Kyauktada Township, Yangon
Listing Status	Not listed
Directors	<ul style="list-style-type: none"> • Mr Lawrence Gregory Shriyantha Perera • Mr Kasturi Arachilage Chaminada Janaka Jayathilake • Mr Roshan Sanjaya Egodage • Mr Don Dhanushka Rushan Udugama • Mr Anuradha Senarath Ranaweera
Registered and Paid-up Share Capital	1,387,680 shares (as of 20 Sep. 2016) KYAT 1,387,680,000 (equivalent to approximately Baht 28.74 million, exchange rate Baht 0.0277 per Kyat)
Major Shareholders	<ol style="list-style-type: none"> 1. BG Investments (Pvt) Ltd., 368,704 shares (26.57%) 2. BG International (Pvt) Ltd., 314,546 shares (22.67%) 3. B G Capital (Pvt) Ltd., 314,577 shares (22.67%) 4. CCF, 389,852 shares (28.09%) 5. Mr Lawrence Gregory Shriyantha Perera (1 share)
License obtained	Microfinance Service Authorized License
Number of Employees	32
Number of branches	3
Real Properties	<ul style="list-style-type: none"> • BGMM does not own any real properties. • Leasehold for branch location.
Connected Persons of the Company and their Shareholding	CCF is deemed a connected person of the Company through shareholding structure as CCF is 28.66% held by Creation SL, an SPV found and managed by Mr. Patrick T. Fisher who is a member of GL's Board of Directors and also a director in CCF. He also manages another SPV, Creation Investments ASEAN LLC, to invest in GL at approximately 2.39%.
Subsidiaries and Associated Companies	None

3.2.2 Business Description

BGMM is a Microfinance company which has been doing business in Myanmar for more than 2 years and obtained its permanent license on 5 November 2015, with the

objective to uplift the social and economic status of the Grassroots population in Myanmar, by establishing comprehensive economic and social development approach through financial and non-financial services in an efficient and effective way. BGMM is providing micro loans to women considered as focal point of overall development of the family unit, and by group of five members each collectively responsible on each member. Loan maturity is fixed as 50 weeks and repayment collection is made on a weekly basis

In this connection, based on the legal advice retained by the Company, upon the consent from Myanmar authorities for the sale and purchase of shares in BGMM, the BGMM Acquisition will not affect the operating licenses of BGMM and the leasehold of real properties. In addition, there is no condition or restriction under CCF's material agreements with respect to GLH's acquisition of CCF shares.

3.2.3 Key Selected Financial Information of BGMM

Key Financials	30 Jun. 16		31 Mar. 16		31 Mar. 15	
	Kyat (million)	THB (million)	Kyat (million)	THB (million)	Kyat (million)	THB (million)
Interest Income	98	3	319	10	43	1
Net Interest Income	92	3	304	9	43	1
Gross Income	99	3	387	12	51	2
Profit (Loss) before Tax	39	1	198	6	(21)	(1)
Net profit	39	1	149	4	(21)	(1)
Total Assets	1,609	48	1,446	43	568	17
Loans & receivables	1,354	40	1,269	38	661	20
Total Liabilities	325	10	299	9	68	2
Deposit Base (Due to customers)	216	6	189	6	30	1
Total Equity	1,284	38	1,146	34	499	15
Stated capital	1,038	31	1,038	31	540	16
Reserves	246	7	109	3	(40)	(1)

Note: Convert into Thai baht by applying exchange rate on 30 June 2016 at THB 0.0298 per Kyat

The auditor has been Daw Myint Myint Toe, CPA.

BGMM was incorporated in September 2013 but obtained its microfinance license in November 2015. There had not much lending activities as CCF did in Sri Lanka. Nonetheless, the lending portfolio in Y15/16 was Kyat 1,269 million which was almost doubled the portfolio size in Y14/15. The interest income went up from Kyat 43 million in Y14/15 to Kyat 319 million in Y15/16 equivalent to 742%. The net profit turned positive in Y15/16 to reach Kyat 149 million. At present, BGMM has 3 branches with 32 staff.

BGMM has yet recorded NPL. Nonetheless, the Microfinance Supervisory Committee of Myanmar has issued Notification No. 5/2016) dated 29th August 2016 requiring all microfinance company to set Loan Loss Provision for each Loan category as follows:

Days past due	Provision as % of Loan Outstanding
a) Current – performing loans	1%
b) Sub-standard loans – 30 days past due	10%
c) Watch loans – 31 – 60 days past due	50%
d) Doubtful Loans – 61 - 90 days past due	75%
e) Loan Loss – over 91 days past due	100%

f) Rescheduled one time	50%
g) Rescheduled two times	100%

According to the management report, as of September 2016 BGMM has total lending contracts of 10,135 accounts with the total portfolio size of Kyat 1,671.68 million (approximately Baht 49.8 million). Of which, 10,121 contracts with the total loans of Kyat 1,668.04 million (approximately Baht 49.7 million equivalent to circa 99.8% of total portfolio) are of current status. Applying the newly enacted Notification, BGMM would have to set a provision of at maximum Kyat 1.5 million (approximately Baht 45,000, equivalent to circa 0.09% of total portfolio).

4) Total Value and Criteria Used in Determining Total Value of the Connected Transactions

4.1 Connected Transactions Value

Transaction 1: CCF Connected Transaction

Out of 95,390,500 ordinary shares to be acquired by the Subsidiary Company, 70,822,537 shares, representing circa 74% of total of the CCF Acquisition, will be acquired from Creation SL. The purchase price per share is LKR 111 (approximately equivalent to Baht 26.35). Therefore, the total consideration to be paid to Creation Investment Sri Lanka, LLC will not be more than LKR 7,861,301,607 (equivalent to approximately Baht 1,866.27 million).

The Company's NTA as of 30 June 2016 was Baht 7,442.85 million; thus, 3% of NTA is Baht 223.28 million. Such total consideration above is higher than 3% of NTA; thus, is considered a large transaction value which required an approval from the shareholders' meeting according to the Connected Transaction Notifications.

Transaction 2: BGMM Connected Transaction

Out of 1,387,680 ordinary shares to be acquired by the Subsidiary Company, 389,852 shares, representing 28.09% of BGMM's total ordinary shares, will be acquired from CCF. The purchase price per share is USD 5.77 (approximately equivalent to Baht 199.79). Therefore, the total consideration to be paid to CCF will not be more than USD 2,249,446.04 (equivalent to approximately Baht 77.89 million).

The Company's NTA as of 30 June 2016 was Baht 7,442.85 million; thus, 0.03% of NTA is Baht 2.23 million and 3% of NTA is Baht 223.28 million. The above total consideration to be paid to CCF is equivalent to 1.05% of NTA. However, pursuant to the Connected Transaction Notifications, the Company has to combine BGMM Connected Transaction to CCF Connected Transaction. The total transaction value will therefore be approximately Baht 1,944.16 million. Such total consideration is higher than 3% of NTA; thus, is considered a large transaction value which required an approval from the Shareholders' meeting according to the Connected Transaction Notifications.

4.2 Total Value of Consideration

Transaction 1: CCF Connected Transaction

The value of consideration is derived from negotiations between the CCF Seller and the Company. The Company adopted a number of methodologies which are internationally accepted. The Company and the financial advisor have considered that Residual Income methodology is the most appropriate methodology of valuation for the CCF Acquisition, which has the result of valuation of approximately ranging from LKR 83.56 per share up to LKR 114.24 per share million. The total consideration, thus, ranges from approximately LKR 7,970.83 million to LKR 10,897.41 million (equivalent to circa Baht 1,892.27 million to Baht 2,587.04 million at the exchange rate of Baht 0.2374 per 1 LKR). The price per share derived from negotiations between the CCF Seller and the Company is not more than LKR 111 per share; thus, total consideration will not be more than LKR 10,588,345,500 (equivalent to approximately 2,513.67 million). PricewaterhouseCoopers has acted as the financial advisor to the Company for the CCF Acquisition.

In valuing the purchase price of the CCF Acquisition at LKR 111 per share (equivalent to approximately Baht 26.35 per share, exchange rate Baht 0.2374 per LKR 1 – 29 Sep. 16), based on advice provided by PwC, the Company's financial advisor in this connection, the Board of Directors view that the Discounted Cashflow methodology is not useful for valuing financial companies because the lending/deposit holding nature of banks, leasing companies, and other financial firms, separating operating and financing activities, is nearly impossible due to interest, investments, and debt are related to the company's core operations. Instead, earnings and dividends should be the primary intrinsic valuation methods (residual income approach and dividend discount model). EBITDA valuation multiples (a proxy for free cash) which is commonly used for valuation, is also not a meaningful indicator because interest is a critical component of both revenue and expenses. This means value of financial firms should focus on relative and intrinsic valuation relative to earnings for shareholders. As such, Residual Income, P/E and the Dividend Discount Model are accurate and commonly accepted intrinsic valuation methods that focus on earnings rather than cash flow.

The Board of Directors further view that equity value for finance firms is most accurately measured in terms of earnings.

In PwC's valuation report, PwC employs Residual Income Approach to value the share price of CCF since this is a financial company.

Residual Income emphasizes on valuing the shareholders' equity directly. It is expressed as the net income minus the capital charge for each year. Discounting the residual incomes with the cost of equity and adding it to the book value of current equity gives the

value of equity according to the residual income model. The idea here is to compare a company's Return on Equity (ROE) and its Cost of Equity (Ke) and see if they're the same or if one exceeds the other. Cost of Equity represents the return that investors expect to earn to make it worth their while, and Return on Equity (Net Income / Shareholders' Equity) represents the return that the firm actually achieves. If $ROE = Ke$ then the firm's P / BV multiple should be 1x, because it's worth exactly what its balance sheet is worth. the Residual Income each year ($ROE * \text{Shareholders' Equity} - Ke * \text{Shareholders' Equity}$) and then discount and sum those up instead.

In PwC's valuation report, PwC carefully analyses key assumptions step by step by looking at CCF's historical data of the last 3 years and the first quarter of fiscal year 2016/17 as well as peers' data. Peers are those financial companies operated in Sri Lanka which mean they are operating in the same environment. The analyses and discussion cover Net Interest Margin, Loan to Deposit Ratio, Branch and Staff Cost analysis, Customer Cost analysis, Composition of Loan Portfolio, Quality of Loan Portfolio, Non-Performing Loan analysis, Performance of CCF's key subsidiary (Trade Finance and Investments Plc - TFI). After thoroughly analyses the data, PwC independently prepares 5-year financial projection. Key assumptions are as follows:

Operating Performance Ratios

- Net interest margin – steady growth from 17.1% in Y16/17 to 21.1% in Y20/21.
- Cost to income – 75.9% in Y16/17 to 69% in Y20/21.

Balance Sheet Ratios

- Loan to Deposit Ratio – 123.9% in Y16/17 to 149.9% in Y20/21
- NPL ratio – 5% straight
- YoY growth in loan portfolio – 30.5% in Y16/17 to 14.9% in Y20/21
- YoY growth in deposit base – 17.3% in Y16/17 to 4.2% in Y20/21
- Impairment as a percentage of average loan portfolio – 3.0% in Y16/17 to 1.4% in Y20/21

PwC projects 5-year earnings and residual income with terminal growth of 3.5%. The discount rate used in the model is 16%. After obtaining the discounted value, the value is subtracted by the net book value of CCF and TFI as of 30 June 16 and added with future value of TFI (the key subsidiary) to obtain the net value CCF. The model computes the fair share price of LKR 95 – 97 per share. The sensitivity analysis yields the share price in a range of LKR 83.56 to 114.24 per share. This pricing also exclude the identified valuation of the brand of CCF which was attributed in 2016 the most valuable brand in Sri Lanka across all industries and valued at an additional LKR 10 per share per Brand Finance , the world's leading independent branded business valuation and strategy consultancy company.

The Board of Directors, therefore, is of the view that such purchase price is reasonable because PwC employed Residual Income Approach which is the methodology widely accepted for valuing a financial company and has independently, thoroughly and conservatively analyzed the business and operation with an understanding of business environment in Sri Lanka before coming up with the assumptions. The Board of Directors acknowledges that the purchase price is at the high end of the price range, however, investing in CCF is a critical strategic move that will provide potential business expansion for the Company in the future. In addition, acquiring the sizeable amount of shares at a time typically involves paying share price at premium. The purchase price is LKR 111 per share which is circa 16% above fair price of LKR 95 per share. Nonetheless, the price is still in the suggested range of LKR 83.56 to 114.24.

Transaction 2: BGMM Connected Transaction

The value of consideration is derived from negotiations between the BGMM Seller and the Company. The Company adopted a number of methodologies which are internationally accepted. The Company has considered that Residual Income methodology is the most appropriate methodology of valuation for the BGMM Acquisition, which has the result of valuation of approximately up to USD 8,006,913.6 (equivalent to Baht 277.24 million (at the exchange rate of 1 USD per Baht 34.625).

In valuing the purchase price of the BGMM Acquisition at approximately USD 5.77 per share (equivalent to approximately Baht 199.79 per share, exchange rate 34.6250 baht per 1 USD – 29 Sep. 16), as discussed in Agenda 2, the Board of Directors view that Residual Income and the Dividend Discount Model are two accurate and commonly accepted intrinsic valuation methods that focus on earnings and cash flow to shareholders respectively. For BGMM, the P/E valuation approach would not make sense considering the early stage of the company.

The Board of Directors further view that equity value for finance firms is most accurately measured in terms of earnings.

Using a similar approach as CCF, the forecast of BGMM was prepared conservatively based on the actual results of the last 2 years and GL management targets for the next 5 years.

Branches expansion has been made on an average of 8 per year over the next 5 years, the growth of the income, portfolio and expenses based on the actual average figures per branch.

Conservatively, a discount on interest income of 5% was included.

Overall over 5 years the portfolio grew to 27.67 M USD which in comparison with Cambodia or Laos operations is relatively low.

The forecast also included a discount rate of 16% and a similar growth rate of 3 to 4%.

The sensitivity analysis yields the share price in a range of Baht 208.25 to 239.80 per share based on the Residual Income and Dividend Discount Model methods.

The Board of Directors, therefore, is of the view that such purchase price is reasonable because conservatively the projections and analysis of the business and operations show tremendous prospects. The fact that the company is already profitable and the country potential in the microfinance industry provides additional reasons to agree on the reasonableness of the price. The Board of Directors acknowledges that the purchase price represents a certain premium in comparison of the existing level of equity, however, investing in BGMM is a critical strategic move that will provide potential business expansion for the Company in the future.

4.3 Payment Method

Transaction 1: CCF Connected Transaction

Payment method will be in cash at the Closing Date.

Transaction 2: BGMM Connected Transaction

Payment method will be in cash at the Closing Date.

5) Details of Connected Person

Transaction 1: CCF Connected Transaction

Creation SL is one of the CCF Sellers and is an SPV found and managed by Mr. Patrick T. Fisher to raise fund internationally and presently investing in CCF at 28.66% of CCF total paid-up ordinary shares. Mr. Fisher is a member of the Company's Board of Director. He also found another SPV, Creation Investments ASEAN LLC, that invests in the Company's shares approximately 2.39%.

Transaction 2: BGMM Connected Transaction

CCF is one of the BGMM Sellers and its 28.66% of total shares is held by Creation SL, the connected person of the Company in the CCF Connected Transaction. In addition, Mr. Patrick T. Fisher who is a member of GL's Board of Directors, is also a director in CCF.

6) Characteristics and Scope of Interest of Connected Persons

Transaction 1: CCF Connected Transaction

The Subsidiary Company will acquire 95,390,500 ordinary shares in CCF, representing 29.99% of CCF's total ordinary shares. Of which, 70,822,537 shares, representing circa 74% of CCF's total to-be-acquired ordinary shares, will be acquired from Creation SL. The purchase price per share is LKR 111 per share (approximately equivalent to Baht 26.35). Therefore, the total consideration to be paid to Creation SL, the connected person, will not be more than LKR 7,861,301,607 (equivalent to approximately Baht 1,866.27 million).

Transaction 2: BGMM Connected Transaction

The Subsidiary Company will acquire 1,387,680 ordinary shares in BGMM, representing 100% of BGMM's total ordinary shares. Of which, 389,852 shares, representing 28.1% of BGMM's total ordinary shares, will be acquired from CCF. The purchase price per share is USD 5.77 (approximately equivalent to Baht 199.79). Therefore, the total consideration to be paid to CCF, deemed connected person, will not be more than USD 2,249,446.04 (equivalent to approximately Baht 77.89 million).

7) Source of fund

The Company is in consideration to fund the Acquisitions by the proceeds received from the convertible debentures issued to JTrust Asia Pte. Ltd. on 1 August 2016 (the Company has proposed to the Extraordinary General Meeting of Shareholders No.2/2016's to consider and approve the amendment of the use of proceed received from such convertible debentures).

8) Directors who have interest and/or directors who are connected persons

Mr. Patrick Fisher, who is a director with interest and a connected person did not attend the Board of Directors' Meeting of the Company No. 12/2016 held on 30 September 2016 and did not have the right to votes in the agendas relating to the CCF Connected Transaction and the BGMM Connected Transaction.

9) Opinion of the Board of Directors

For CCF Connected Transaction, as Creation SL is one of the major shareholders in CCF, alongside with BG Investments (PVT) Ltd. from whom GL will also acquire the other portion of shares in CCF, the acquisition of shares from connected person will enable GL to acquire the significant number of shares in CCF at once rather than acquiring the shares of CCF through the minor shareholders in the Sri Lanka's Colombo Stock Exchange. By having significant portion of shares in CCF from such acquisition, it will help GL expand the business in South Asia as well as give GL a good collaboration with the existing major shareholder of CCF, mainly BG Investments (PVT) Ltd., which is currently the management team of CCF.

In this regard, the Board of Directors considered that the CCF Acquisition will render benefits and advantages to the Company in many respects, including GL business in relation with CCF will be enhanced with the acquisition of new methodology of Microfinance Industry

which will benefit activities in Sri Lanka and in all ASEAN markets where GL wants to expand as detailed below.

- a. Expansion into a new market - Sri Lanka has seen excellent recent economic growth as evidenced by GDP in the last 5 years averaging more than 6.1% and per capita income increasing from USD 1,259 (Baht 43,995) in 2005 to USD 3,926 (Baht 137,192) in 2015, representing a 206% increase in 10 years. According to the Asian Development Bank, Sri Lanka's GDP growth is expected to be 5.0% and 5.5% in 2016 and 2017 respectively.
- b. Acquisition of a highly profitable company - CCF is growing fast and the Company will be able to consolidate USD 7 million (approximately Baht 244.6 million) per year in year 1 and, based on the financial projection of CCF, USD 13.5 million (approximately Baht 471.75 million) in FY 2020/2021. CCF, a publicly listed company on the Sri Lanka stock market, is one of the country's most successful and respected finance firms. It is a market leader with about one million Microfinance customers.
- c. Access to Know-how on microfinance - GL will have chances to learn new know-how of Microfinance, which will help the Company to efficiently expand its business in Cambodia, Laos, Indonesia, and Thailand where the Company's operation has already existed. Moreover, the Company will get a new promising business with lots of synergies.
- d. GL's Value Added to CCF - GL will bring additional value to CCF with the development of leasing and digital finance model in Sri Lanka– increasing CCF's value and therefore our investment in return.
- e. CCF's Expansion into other sectors in Sri Lanka - CCF is looking to expand in other industries such as banking and life insurance, which could be another synergy for GL in the coming years. GL will also benefit from its investment into a profitable, dynamic and well established company in Sri Lanka.
- f. CCF as a Well-organized and Managed Company – CCF is a company with organized network, strong image, access to deposits, educated staff, and performant IT system. Its employees are well qualified and all employees in the head office can speak English competently. CCF is audited and organized in good governance practices with identified processes and workflow.

On the other hand, the Board of Directors has also carefully considered the relevant risks involved in CCF Acquisition and has the following views:

- a. Risk of Not Recovering Investment Costs
GL's investment into CCF is not a near term investment, but rather part of GL's long term growth plan to be a leading finance company in Asia. Additionally, GL has no plan to exit our investment in the near term as GL will gain valuable microfinance expertise which GL

can transfer to its current markets. While it is true if GL tried to exit the investment in CCF quickly GL would likely be forced to sale at a discount, there is no valid reason to suggest GL plan or GL need to do in the near term.

b. Risk of Inadequacy of Sri Lanka's Capital Reserve

GL has not been informed of any US Dollar dividends being prevented from being transferred outside of Sri Lanka for international investors such as GL. The government has announced it will liberalize exchange rate controls—moving towards a freer market. Sri Lanka is expected to have strong growth in the near term, between 5.0% and 5.5% in 2016 and 2017, which GL will limit the chance that the Sri Lankan Central Bank will take such drastic actions like preventing foreign currency from leaving the country.

c. Currency and Exchange Rate Risk

Exchange rate risk will always be a consideration as GL expands into more developing markets. Sri Lanka is expected to outperform most ASEAN economies in the near term and as such helps reduce this risk.

d. Political Risk

Sri Lanka's civil war ended in 2011 and the economy has transformed towards a free market. There does not appear to be any signs of a change of course from our due diligence.

e. Possibility of Delisting in Sri Lanka

The Sri Lankan stock exchange requires at least 10% of a company's stock float publicly and CCF's public float is around 14.5%. GL is not buying any public float shares so there is no change in the amount of public float for CCF. Maintaining the free float necessary to maintain public trading is covered in the addendum to the shareholders' agreement.

f. NPLs

NPLs are a given in the financing/hiring purchase business that CCF and GL are in. Both CCF and GL have demonstrated the ability to maintain a target quality of NPL and any changes in NPLs are not expected given this ability.

g. No Authority

GL is entering CCF as a minority shareholder. While GL will have a significant portion of the equity, 2 Directors and a shareholder agreement cover control on most important reserved matters related to CCF and protection against any selling of shares from BG and Creation Investments, and first right refusal option if GL would like to increase its shares in CCF in the future.

Also to be noted GL is willing to let the control and management to the current team as they have demonstrated their ability to grow the company.

For BGMM Connected Transaction, as GL would like to acquire 100% of shares in BGMM, a promising microfinance and leasing company in Myanmar, therefore, GL is required to purchase 100% of shares from CCF, as well as the other shareholders of BGMM. As BGMM is formerly the subsidiary of CCF and the acquisition will be done through the same group of people as the CCF Acquisition, acquiring BGMM will enable GL to fully expand its business in Myanmar in the future. The Board of Directors considered that the BGMM Acquisition will render benefits and advantages to the Company in many respects, including GL business in relation with BGMM will be enhanced with the acquisition of new methodology of Microfinance Industry in Myanmar which will benefit activities in Myanmar and in all ASEAN markets where GL wants to expand as detailed below.

- a. Entering in a new market with high economic growth - Myanmar has averaged more than 7.4% GDP growth in the last five years and is expected to have the highest economic growth of any Southeast Asian countries with 8.4% and 8.3% for 2016 and 2017 respectively. The Company expect huge potential of profit generation from BGMM in the future as current net profitability is close to 50% bottom line and Myanmar population is more than 60MM population with high growth of financing demand.
- b. Opportunity to become an early leader - Microfinance in Myanmar is still in the early stages. Only one firm has a portfolio greater than USD 10 million (Baht 350 million) and per The Myanmar Times, March 2016, there are only 2.6 financial institution branch locations per population of 100,000 compared to 4.8 in neighboring Cambodia. Myanmar microfinance market if population equivalent could still grow 55 times as much Cambodian market.
- c. Enjoying Profitable portfolio - BGMM has been in existence for more than 2 years with a portfolio of more than USD 1.2 million (Baht 41.9 million) and close to 10,000 customers with no overdue. The transaction will increase the profitability of GL since BGMM is already profitable after 2 years only. Objective of GL will be to scale up the number of branches to benefit from the business model.
- d. Securing Microfinance License - Ownership of the microfinance license is very difficult to obtain and the central bank does not provide new licenses for foreign entities.
- e. Synergies with other companies in Myanmar and within the Group - Synergies with Century Finance transaction will open the door for BGMM to the network of more than 22,000 retail and wholesale stores in association with Grand Royal Group – Century Finance parent company. In addition, GL will have chances to learn new know-how of

Microfinance, which will help the Company to efficiently expand its business in its current markets as well.

- f. Inclusion of IT- IT software is included in the price which can be used in other countries as well

On the other hand, the Board of Directors has also carefully considered the relevant risks involved in the BGMM Acquisition and has the following views:

- a. Risk of Not Recovering Investment Costs

The purchase consideration for BGMM is roughly Baht 277.27 million. Based on projections, BGMM will generate earnings of Baht 364 million between 2016 – 2021, so GL anticipate recovering in purchase cost within the first five years. As for the capital injection needed into BGMM to achieve that growth, GL can provide a shareholders' loan at the interest rate of 7%, which is higher than GL's cost of capital, therefore even the capital injection into BGMM will be profitable.

- b. Risks of Loan Repayment

Based on projections, BGMM will be able to meet its debt obligations with GL. However, BGMM is also in the process of requesting funding from international financial institutions such as the World Bank and United Nations Capital Development Fund (UNCDF). In addition to being low cost options, these other financing options could allow for the repayment of GL's shareholders' loan to BGMM.

- c. Exchange Rate Risk

Exchange rate risk will always be a consideration as GL expands into more developing markets. Myanmar is expected to outperform most ASEAN economies in the near term and as such helps reduce this risk.

- d. Operational Risk due to CCF

BGMM has received operational support from CCF as CCF is a partial owner, however GL will acquire CCF's ownership interest in BGMM. If GL does not also complete the CCF Acquisition, then CCF will have no relationship with BGMM, but both transactions are expected to occur so there will still be a relationship. Also, GL can and will provide operational support and expertise to help BGMM grow.

- e. Business Expansion Risks

Office space and human resources in Myanmar are in demand due to the growing economy. This is an issue, but it is exactly that growth that is the reason GL wants to enter Myanmar via BGMM, and was previously successful in Cambodia or Laos with similarities.

f. Risk related to Infrastructure of Myanmar

Myanmar is underdeveloped, yet growing quickly. While that presents a terrific growth opportunity, it will come with challenges of working with Myanmar's infrastructure. Other microfinance organizations in Myanmar, such as ACLEDA Myanmar and UNDP-PACT, have been able achieved growth and operational size at or exceeding GL's growth estimates.

g. Political Risk

It is acknowledged that Myanmar until recently has been political adverse to foreign investment and ownership, but the country has liberalized many of these policies to attract growth and a freer market based economy. There has not been any signs of a policy reversal from the government.

h. NPLs

NPLs are a given in the financing business that BGMM and GL are both in. GL have demonstrated the ability to maintain a target quality of NPL and both BGMM and GL will continue to learn the microfinance business from CCF, so changes in NPLs are not expected given this ability.

Moreover NPL have remained at 0 since the existence of BGMM more than 2 years and collection from customers is done weekly reducing the risk of non-repayment.

i. Interest Rate Policy

The microfinance industry is highly regulated and one such regulation places a maximum interest rate that can be charged. While this can be adjusted and reduced by the government, it can also be increased. Myanmar has shown interest in growing the microfinance industry and GL do not anticipate the government will act to reduce growth.

10) Opinion of the Audit Committee and/or Directors of the Company which is Different from the Board of Directors

-None-

**Details of Substantial Preliminary Information of Convertible Debentures
to be issued to JTrust Asia Pte. Ltd.**

Type	Convertible debentures which grant the right to be converted into ordinary shares of the Company (“ Shares ”), unsecured, and without the representative of the holder of the convertible debentures.
Issue and Offering Method	To be entirely issued and offered to an overseas investor.
Offering Size	Not exceeding USD 50,000,000 or its equivalent amount in other currencies
Offering Price	USD 100,000 per unit
Number of Units of Convertible Debentures	500 units
Term	3 years from the issuance date of the convertible debentures
Interest Rate	5% per annum
Transfer Restriction of Convertible Debentures	Any sale or transfer of the convertible debentures shall be made in foreign countries only and in accordance with the applicable regulations imposed by the relevant authorities.
Conversion Ratio for Each Convertible Debentures	Principal amount of each convertible debenture divided by the Conversion Price. The principal amount is based on the exchange rate of the amount of Baht 34.6548 per one U.S.
Conversion Price	Baht 70
Fixed Exchange Rate for Calculation of Shares Reserved for Conversion Purpose	Baht 34.6548
Number of Ordinary Shares Reserved for the Conversion	Not exceeding 24,753,449 Shares
Conversion Period	From the issuance date and ending on the maturity date, the holder of the convertible debentures is entitled to convert the convertible debentures into Shares, in which case the holder of the convertible debentures can exercise his conversion right at any last business day of the end of each quarter (being the last business day of March, June, September and December of each year), subject to the terms and conditions of the convertible debentures.
Compensation in Case of Failure by the Company to Provide Shares for the Convertible Debentures	The Company shall compensate only the holders of the convertible debentures who have notified their intention to exercise their conversion rights and to whom the Company is unable to provide sufficient Shares to accommodate the exercise of their conversion rights as calculated according to the terms and conditions of the convertible debentures.
Allocation Method	To be offered for sale to JTrust Asia Pte. Ltd. incorporated in Singapore.
Dilution Effects	<p>3) Dilution in shareholdings (Control Dilution) can be calculated with the following equation: Control Dilution = $(Q_e / (Q_o + Q_e))$ Whereas: Q_o = Number of existing GL’s paid up shares = 1,525,489,317 shares Q_{eW4} = Total number of remaining reserved shares for W4 = 164,994,903 shares Q_{eW4-JTA} = Number of reserved shares for GL-W4 held by JTA = 10,900,000 shares Q_{eCD2016JTA-1} = Number of reserved shares for CD2016 issued to JTA on 1 August 2016 = 115,050,000 shares Q_{eCD2016JTA-2} = Number of reserved shares for new CD to be issued to JTA = 24,753,449 shares Q_{eCD2016CreationSL} = Number of reserved shares for new CD to be issued</p>

to CreationSL = 9,901,380 shares

Control Dilution can be considered in 4 scenarios.

- a. JTA convert CD2016JTA-2 only, no other CDs or W4 are converted or exercised.

$$\begin{aligned}\text{Control Dilution} &= \text{QeCD2016JTA-2} / (\text{Qo} + \text{QeCD2016JTA-2}) \\ &= 24,753,449 / (1,525,489,317 + 24,753,449) \\ &= 1.60\%\end{aligned}$$

- b. JTA converts only CD2016JTA-1 and -2 in full but not convert its W4, none of the other CD and W4 are converted or exercised.

$$\begin{aligned}\text{Control Dilution} &= (\text{QeCD2016JTA-1} + \text{QeCD2016JTA-2}) / (\text{Qo} + \\ &\quad \text{QeCD2016JTA-1} + \text{QeCD2016JTA-2}) \\ &= (115,050,000 + 24,753,449) / (1,525,489,317 + \\ &\quad 115,050,000 + 24,753,449) \\ &= 8.40\%\end{aligned}$$

- c. JTA converts CD2016JTA-1 and CD2016JTA-2 in full and exercises W4 in full, none of the other CD and W4 are converted or exercised (worst case scenario)

$$\begin{aligned}\text{Control Dilution} &= (\text{QeCD2016JTA-1} + \text{QeCD2016JTA-2} + \text{QeW4-JTA}) \\ &\quad / (\text{Qo} + \text{QeCD2016JTA-1} + \text{QeCD2016JTA-2} + \\ &\quad \text{QeW4-JTA}) \\ &= (115,050,000 + 24,753,449 + 10,900,000) / \\ &\quad (1,525,489,317 + 115,050,000 + 24,753,449 + \\ &\quad 10,900,000) \\ &= 8.99\%\end{aligned}$$

- d. JTA converts CD2016JTA-1 and CD2016JTA-2 in full and exercises its W4 in full and the other CD and W4 are also converted / exercised in full.

$$\begin{aligned}\text{Control Dilution} &= (\text{QeCD2016JTA-1} + \text{QeCD2016JTA-2} + \text{QeW4-JTA}) \\ &\quad / (\text{Qo} + \text{QeCD2016JTA-1} + \text{QeCD2016JTA-2} + \\ &\quad \text{QeCD2016CreationSL} + \text{QeW4}) \\ &= (115,050,000 + 24,753,449 + 10,900,000) / \\ &\quad (1,525,489,317 + 115,050,000 + 24,753,449 + \\ &\quad 9,901,380 + 164,994,903) \\ &= 8.19\%\end{aligned}$$

4) Dilution in share price (Price Dilution) can be calculated with the following equation:

$$\text{Price Dilution} = (\text{Po} - \text{PE}) / \text{Po}$$

whereas;

$$\text{PE} = (\text{PoQo} + \text{PeQe}) / (\text{Qo} + \text{Qe})$$

Po = Market share price (Average closing prices of 15 consecutive days prior to BOD date) = 40.02 baht

PeW4 = Exercise price of W4 = 40 baht

PeCD2016JTA-1 = Conversion price of CD2016 issued to JTA on 1 August 2016 = 40 baht

PeCD2016JTA-2 = Conversion price of new CD to be issued to JTA = 70 baht

PeCD2016CreationSL = Conversion price of new CD to be issued to Creation SL = 70 baht

	<p>Price dilution can be considered in 4 scenarios:</p> <p>a. JTA convert CD2016JTA-2 only, no other CDs or W4 are converted or exercised (worst case scenario).</p> $PE = ((Po * Qo) + (Pe_{CD2016JTA-2} * Qe_{CD2016JTA-2})) / (Qo + Qe_{CD2016JTA-2})$ $= ((40.02 * 1,525,489,317) + (70 * 24,753,449)) / (1,525,489,317 + 24,753,449)$ $= 40.50 \text{ baht}$ <p>As PE > Po; therefore, no price dilution effect.</p> <p>b. JTA converts only CD2016JTA-1 and -2 in full but not convert its W4, none of the other CD and W4 are converted or exercised.</p> $PE = ((Po * Qo) + (Pe_{CD2016JTA-1} * Qe_{CD2016JTA-1}) + (Pe_{CD2016JTA-2} * Qe_{CD2016JTA-2})) / (Qo + Qe_{CD2016JTA-1} + Qe_{CD2016JTA-2})$ $= ((40.02 * 1,525,489,317) + (40 * 115,050,000) + (70 * 24,753,449)) / (1,525,489,317 + 115,050,000 + 24,753,449)$ $= 40.46 \text{ baht}$ <p>As PE > Po; therefore, no price dilution effect.</p> <p>c. JTA converts CD2016JTA-1 and CD2016JTA-2 in full and exercises W4 in full, none of the other CD and W4 are converted or exercised (worst case scenario)</p> $PE = ((Po * Qo) + (Pe_{CD2016JTA-1} * Qe_{CD2016JTA-1}) + (Pe_{CD2016JTA-2} * Qe_{CD2016JTA-2}) + (Pe_{W4} * Qe_{W4-JTA})) / (Qo + Qe_{CD2016JTA-1} + Qe_{CD2016JTA-2} + Qe_{W4-JTA})$ $= ((40.02 * 1,525,489,317) + (40 * 115,050,000) + (70 * 24,753,449) + (40 * 10,900,000)) / (1,525,489,317 + 115,050,000 + 24,753,449 + 10,900,000)$ $= 40.46 \text{ baht}$ <p>As PE > Po; therefore, no price dilution effect.</p> <p>d. JTA converts CD2016JTA-1 and CD2016JTA-2 in full and exercises its W4 in full and the other CD and W4 are also converted / exercised in full.</p> $PE = ((Po * Qo) + (Pe_{CD2016JTA-1} * Qe_{CD2016JTA-1}) + (Pe_{CD2016JTA-2} * Qe_{CD2016JTA-2}) + (Pe_{CD2016CreationSL} * Qe_{CD2016CreationSL}) + (Pe_{W4} * Qe_{W4})) / (Qo + Qe_{CD2016JTA-1} + Qe_{CD2016JTA-2} + Qe_{CD2016CreationSL} + Qe_{W4})$ $= ((40.02 * 1,525,489,317) + (40 * 115,050,000) + (70 * 24,753,449) + (70 * 9,901,380) * (40 * 164,994,903)) / (1,525,489,317 + 115,050,000 + 24,753,449 + 9,901,380 + 164,994,903)$ $= 40.58 \text{ baht}$ <p>As PE > Po; therefore, no price dilution effect.</p>
<p>Early Redemption</p>	<p><u>Early Redemption by the Company</u></p> <ul style="list-style-type: none"> At any time from (including) the date falling 2 years from the issuance date and up until the maturity date, the Company shall have the right to early redeem at any time, by giving not less than 30 nor more than 60 days'

	<p>notice prior to the specified date of redemption, any or all outstanding convertible debentures, as the Company deems appropriate, at the principal amount of such convertible debentures plus any interest accrued but unpaid as at the date of such early redemption; provided however that if the holder of the convertible debentures exercises the right to convert such convertible debentures into Shares within 10 days upon receipt of such Company's early redemption notice, the early redemption by the Company on such convertible debentures being converted shall expire.</p> <p><u>Early Redemption by the holder of the convertible debentures</u></p> <ul style="list-style-type: none"> • Following the occurrence of one or more of the following events, the Company shall redeem and each holder of the convertible debenture shall have the right to request the Company to early redeem at any time, upon the deposit at the specified office of the Issuer a duly completed and signed notice of redemption by not later than 30 days following the occurrence of one or more of the following events, any or all outstanding convertible debentures, at the principal amount of such convertible debentures plus any interest accrued but unpaid as at the date of such early redemption <ul style="list-style-type: none"> (a) Change of Control: if there shall occur a Change of Control; or (b) Delisting: In the event (i) the Shares cease to be listed or admitted to trading on the Stock Exchange of Thailand (the "SET") ; or (ii) the Shares cease to trade on the SET for 30 consecutive days or more, and such cessation to trade during such period does not result from the closure of the SET. <p>"Change of Control" means a change in ownership or control, in either case whether directly or indirectly, of at least 50% of all of (x) the shares or (y) the voting rights, voting shares or other voting interests in the Company; or a change of more than half of the total members of the board of directors of the Company as at the issuance date.</p>
<p>Adjustment Events Requiring the Company to Issue Additional Underlying Shares for a Change in the Exercising of Conversion Rights</p>	<p>The Conversion Price will be subject to adjustment in certain events, including the events set out below.</p> <ol style="list-style-type: none"> 1) If and whenever there shall be an alteration in the par value of the Shares as a result of consolidation, subdivision or reclassification of shares; 2) If and whenever the Company shall offer to sell the newly issued shares at the offering price determined to have more than 10% discount from the price calculated by the methods specified in the terms and conditions of the convertible debentures; 3) If and whenever the Company shall issue any warrants or convertible debentures which by their terms of issue carry rights of conversion into shares to be issued by the Company upon conversion at a consideration per share which is more than 10% discount from the price calculated by the methods specified in the terms and conditions of the convertible debentures; 4) If and whenever the Company shall pay dividend in whole or in part in the form of newly issued shares to the shareholders; 5) If and whenever the Company shall pay dividend in cash at the rate of over 90% of the net income or retained earnings, whichever is higher, recorded in the Company's separated financial statement after income tax deduction for the operating result and legal reserves of any financial period during the existing term of the convertible debentures; and 6) In the case other than those described in 1) to 5) above that cause the

	<p>holder of the convertible debentures to lose any rights and benefits obtainable by them, the Company shall fairly consider and determine the adjustment of the Conversion Price to ensure that the rights of the holder of the convertible debentures shall not be inferior to the existing status.</p>
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**Details of Substantial Preliminary Information of Convertible Debentures
to be issued to Creation Investments Sri Lanka LLC**

Type	Convertible debentures which grant the right to be converted into ordinary shares of the Company (" Shares "), unsecured, and without the representative of the holder of the convertible debentures.
Issue and Offering Method	To be entirely issued and offered to an overseas investor.
Offering Size	Not exceeding USD 20,000,000 or its equivalent amount in other currencies
Offering Price	USD 100,000 per unit
Number of Units of Convertible Debentures	200 units
Term	3 years from the issuance date of the convertible debentures
Interest Rate	5% per annum
Transfer Restriction of Convertible Debentures	Any sale or transfer of the convertible debentures shall be made in foreign countries only and in accordance with the applicable regulations imposed by the relevant authorities.
Conversion Ratio for Each Convertible Debentures	Principal amount of each convertible debenture divided by the Conversion Price. The principal amount is based on the exchange rate of the amount of Baht 34.6548 per one U.S.
Conversion Price	Baht 70
Fixed Exchange Rate for Calculation of Shares Reserved for Conversion Purpose	Baht 34.6548
Number of Ordinary Shares Reserved for the Conversion	Not exceeding 9,901,380 Shares
Conversion Period	From the issuance date and ending on the maturity date, the holder of the convertible debentures is entitled to convert the convertible debentures into Shares, in which case the holder of the convertible debentures can exercise his conversion right at any last business day of the end of each quarter (being the last business day of March, June, September and December of each year), subject to the terms and conditions of the convertible debentures.
Compensation in Case of Failure by the Company to Provide Shares for the Convertible Debentures	The Company shall compensate only the holders of the convertible debentures who have notified their intention to exercise their conversion rights and to whom the Company is unable to provide sufficient Shares to accommodate the exercise of their conversion rights as calculated according to the terms and conditions of the convertible debentures.
Allocation Method	To be offered for sale to Creation Investments Sri Lanka LLC incorporated in Sri Lanka.
Dilution Effects	<p>1. Dilution in shareholdings (Control Dilution) can be calculated with the following equation:</p> $\text{Control Dilution} = (Q_e / (Q_o + Q_e))$ <p>Whereas: Q_o = Number of existing GL's paid up shares = 1,525,489,317 shares Q_{eW4} = Total number of remaining reserved shares for W4 = 164,994,903 shares Q_{eW4-JTA} = Number of reserved shares for GL-W4 held by JTA = 10,900,000 shares Q_{eW4-CreationASEAN} = Number of reserved shares for GL-W4 held by CreationASEAN = 4,056,066 shares Q_{eCD2016JTA-1} = Number of reserved shares for CD2016 issued to JTA on 1 August 2016 = 115,050,000 shares</p>

QeCD2016JTA-2 = Number of reserved shares for new CD to be issued to JTA = 24,753,449 shares

QeCD2016CreationSL = Number of reserved shares for new CD to be issued to CreationSL = 9,901,380 shares

Control Dilution can be considered in 3 scenarios.

1.1 CreationSL converts only CD2016CreationSL in full, none of the other CDs and W4 are converted or exercised.

$$\begin{aligned} \text{Control Dilution} &= \text{QeCD2016CreationSL} / (\text{Qo} + \text{QeCD2016CreationSL}) \\ &= 9,901,380 / (1,525,489,317 + 9,901,380) \\ &= 0.64\% \end{aligned}$$

1.2 CreationSL converts CD2016CreationSL in full and CreationASEAN exercises W4 in full, none of the other CDs and W4 are converted or exercised (worst case scenario)

$$\begin{aligned} \text{Control Dilution} &= (\text{QeCD2016CreationSL} + \text{QeW4-CreationASEAN}) / (\text{Qo} + \text{QeCD2016CreationSL} + \text{QeW4-CreationASEAN}) \\ &= (9,901,380 + 4,056,066) / (1,525,489,317 + 9,901,380 + 4,056,066) \\ &= 0.91\% \end{aligned}$$

1.3 Creation SL converts CD2016CreationSL in full and CreationASEAN exercises W4 in full and the other CD and W4 are also converted / exercised in full.

$$\begin{aligned} \text{Control Dilution} &= (\text{QeCD2016CreationSL} + \text{QeW4-CreationASEAN}) / (\text{Qo} + \text{QeCD2016JTA-1} + \text{QeCD2016JTA-2} + \text{QeCD2016CreationSL} + \text{QeW4}) \\ &= (9,901,380 + 4,056,066) / (1,525,489,317 + 115,050,000 + 24,753,449 + 9,901,380 + 164,994,903) \\ &= 0.76\% \end{aligned}$$

2. Dilution in share price (Price Dilution) can be calculated with the following equation:

$$\text{Price Dilution} = (\text{Po} - \text{PE}) / \text{Po}$$

whereas;

$$\text{PE} = (\text{PoQo} + \text{PeQe}) / (\text{Qo} + \text{Qe})$$

Po = Market share price (Average closing prices of 15 consecutive days prior to BOD date) = 40.02 baht

PeW4 = Exercise price of W4 = 40 baht

PeCD2016JTA-1 = Conversion price of CD2016 issued to JTA on 1 August 2016 = 40 baht

PeCD2016JTA-2 = Conversion price of new CD to be issued to JTA = 70 baht

PeCD2016CreationSL = Conversion price of new CD to be issued to JTA = 70 baht

Price dilution can be considered in 3 scenarios:

2.1 Creation SL converts only CD2016CreationSL in full, none of the other CDs and W4 are converted or exercised.

$$\text{PE} = ((\text{Po} * \text{Qo}) + (\text{PeCD2016CreationSL} * \text{QeCD2016CreationSL})) /$$

	$\begin{aligned} & (Qo + QeCD2016CreationSL) \\ & = ((40.02 * 1,525,489,317) + (70 * 9,901,380)) / (1,525,489,317 + 9,901,380) \\ & = 40.21 \text{ baht} \end{aligned}$ <p>As PE > Po; therefore, no price dilution effect.</p> <p>2.2 CreationSL converts CD2016CreationSL in full and CreationASEAN exercises W4 in full, none of the other CDs and W4 are converted or exercised (worst case scenario).</p> $\begin{aligned} PE & = ((Po * Qo) + (PeCD2016CreationSL * QeCD2016CreationSL) + (PeW4 * QeW4 - CreationASEAN)) / (Qo + QeCD2016CreationSL + QeW4 - CreationASEAN) \\ & = ((40.02 * 1,525,489,317) + (70 * 9,901,380) + (40 * 4,056,066)) / (1,525,489,317 + 9,901,380 + 4,056,066) \\ & = 40.21 \text{ baht} \end{aligned}$ <p>As PE > Po; therefore, no price dilution effect.</p> <p>2.3 CreationSL converts CD2016CreationSL in full and CreationASEAN exercises W4 in full and the other CD and W4 are also converted / exercised in full.</p> $\begin{aligned} PE & = ((Po * Qo) + (PeCD2016JTA-1 * QeCD2016JTA-1) + (PeCD2016JTA-2 * QeCD2016JTA-2) + (PeCD2016CreationSL * QeCD2016CreationSL) + (PeW4 * QeW4)) / (Qo + QeCD2016JTA-1 + QeCD2016JTA-2 + QeCD2016CreationSL + QeW4) \\ & = ((40.02 * 1,525,489,317) + (40 * 115,050,000) + (70 * 24,753,449) + (70 * 9,901,380) * (40 * 164,994,903)) / (1,525,489,317 + 115,050,000 + 24,753,449 + 9,901,380 + 164,994,903) \\ & = 40.58 \text{ baht} \end{aligned}$ <p>As PE > Po; therefore, no price dilution effect.</p>
<p>Early Redemption</p>	<p><u>Early Redemption by the Company</u></p> <ul style="list-style-type: none"> At any time from (including) the date falling 2 years from the issuance date and up until the maturity date, the Company shall have the right to early redeem at any time, by giving not less than 30 nor more than 60 days' notice prior to the specified date of redemption, any or all outstanding convertible debentures, as the Company deems appropriate, at the principal amount of such convertible debentures plus any interest accrued but unpaid as at the date of such early redemption; provided however that if the holder of the convertible debentures exercises the right to convert such convertible debentures into Shares within 10 days upon receipt of such Company's early redemption notice, the early redemption by the Company on such convertible debentures being converted shall expire. <p><u>Early Redemption by the holder of the convertible debentures</u></p> <ul style="list-style-type: none"> Following the occurrence of one or more of the following events, the Company shall redeem and each holder of the convertible debenture shall have the right to request the Company to early redeem at any time, upon the deposit at the specified office of the Issuer a duly completed and signed notice of redemption by not later than 30 days following the occurrence of one or more of the following events, any or all outstanding convertible debentures, at the principal amount of such convertible debentures plus any interest accrued but unpaid as at the date of such early redemption <ul style="list-style-type: none"> (a) Change of Control: if there shall occur a Change of Control; or

	<p>(b) Delisting: In the event (i) the Shares cease to be listed or admitted to trading on the Stock Exchange of Thailand (the "SET") ; or (ii) the Shares cease to trade on the SET for 30 consecutive days or more, and such cessation to trade during such period does not result from the closure of the SET.</p> <p>"Change of Control" means a change in ownership or control, in either case whether directly or indirectly, of at least 50% of all of (x) the shares or (y) the voting rights, voting shares or other voting interests in the Company; or a change of more than half of the total members of the board of directors of the Company as at the issuance date.</p>
<p>Adjustment Events Requiring the Company to Issue Additional Underlying Shares for a Change in the Exercising of Conversion Rights</p>	<p>The Conversion Price will be subject to adjustment in certain events, including the events set out below.</p> <ol style="list-style-type: none"> 1) If and whenever there shall be an alteration in the par value of the Shares as a result of consolidation, subdivision or reclassification of shares; 2) If and whenever the Company shall offer to sell the newly issued shares at the offering price determined to have more than 10% discount from the price calculated by the methods specified in the terms and conditions of the convertible debentures; 3) If and whenever the Company shall issue any warrants or convertible debentures which by their terms of issue carry rights of conversion into shares to be issued by the Company upon conversion at a consideration per share which is more than 10% discount from the price calculated by the methods specified in the terms and conditions of the convertible debentures; 4) If and whenever the Company shall pay dividend in whole or in part in the form of newly issued shares to the shareholders; 5) If and whenever the Company shall pay dividend in cash at the rate of over 90% of the net income or retained earnings, whichever is higher, recorded in the Company's separated financial statement after income tax deduction for the operating result and legal reserves of any financial period during the existing term of the convertible debentures; and 6) In the case other than those described in 1) to 5) above that cause the holder of the convertible debentures to lose any rights and benefits obtainable by them, the Company shall fairly consider and determine the adjustment of the Conversion Price to ensure that the rights of the holder of the convertible debentures shall not be inferior to the existing status.

**Information Memorandum on Connected Transactions of
Group Lease Public Company Limited
Re: Issuance and Offering of Convertible Debentures**

The Board of Directors' Meeting of Group Lease Public Company Limited (the "**Company**" or "**GL**") No. 15/2016 held on 31 October 2016 has passed a resolution to approve the issuance and offering of convertible debentures (the "**CD**" or "**CDs**") to a specific foreign investor (Private Placement), namely Creation Investments Sri Lanka LLC ("**Creation SL**"), in the amount not exceeding US Dollar 20 million or an equivalent amount in other currencies (the "**Issuance and Offering of CDs**"). In this regard, as Mr. Patrick Fisher, a current director of the Company, is the founder and managing partner of Creation SL, the subscriber for the CDs, the Issuance and Offering of CDs is considered the connected transaction of the Company according to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 (the "**Connected Transaction Notifications**") in the type of receipt of financial assistance with the value of transaction as follows:

- USD 20 million (approximately Baht 693.10 million, applying exchange rate of circa Baht 34.65/USD which is the average buying rate of the Bank of Thailand of the last 3 months)

When considering the total connected transactions taking place during the past 6 months which the Company and/or Subsidiary Company have entered into with Mr. Patrick Fisher and/or his related persons as a connected person, which are the CCF Connected Transaction and BGMM Connected Transaction (the details of which are as per the Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Share Acquisitions) including the Issuance and Offering of CDs as specified above (collectively referred to as the "**Connected Transactions**"), the total value of the Connected Transactions is approximately Baht 2,637.26 million (or equal to 35.43%% of Net Tangible Assets ("**NTA**")) which is more than Baht 20 million or 3 percent of NTA according to the Connected Transaction Notifications. Therefore, the Company is required to disclose information on the transaction to the Stock Exchange of Thailand (the "**SET**") and to seek the shareholders' approval for entering into such Connected Transactions by the votes of not less than $\frac{3}{4}$ of the total number of votes of the shareholders attending the meeting and having the right to vote, excluding the votes of the shareholders who have conflict of interest. In this regard, the Board of Directors set the date of the Extraordinary General Meeting of Shareholders No. 2/2016 on 6 December 2016. In addition, Grant Thornton Services Limited has been appointed as an independent financial advisor to express opinion on such Connected Transactions whether it is reasonable and beneficial to the Company, and on the fairness of price and conditions of the Connected Transactions to the shareholders of the Company.

In this regard, the Company would like to disclose information on the Issuance and Offering of CDs as follows:

1) Date, Month and Year of the Issuance and Offering of CDs

The Company is going to enter into the Investment Agreement for the Issuance and Offering of CDs to Creation SL after the approval by the Board of Directors of the Company (the “**Investment Agreement**”), under which the Company will issue and offer the CDs to Creation SL and will receive the payment of the CDs from Creation SL after approval has been granted by the Extraordinary General Meeting of Shareholders No. 2/2016 to be held on 6 December 2016 and after all the conditions precedent in the Investment Agreement have been fulfilled, including the approval for the Issuance and Offering of CDs is granted by the SEC. The transaction is expected to be completed within March 2017.

2) Parties Involved and their Relationships with the Company

Issuer of CDs	:	The Company
Subscriber of CDs	:	Creation SL
Relationship with listed company	:	Mr. Patrick Fisher, a current director of the Company, is the founder and managing partner of Creation SL, the subscriber of the CDs. He also manages the SPV, Creation Investments ASEAN LLC which invests in GL at approximately 2.39% (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) and holds the warrants of the Company (GL-W4) which was issued to the existing shareholders in 2016 in the amount of 4,056,066 units.

3) General Characteristics of the Issuance and Offering of CDs

The Issuance and Offering of CDs to Creation SL

Number of CDs under Private Placement issuance and offering to connected person	:	200 units with par value of USD 100,000 per CD.
Offering price	:	100,000 per CD with conversion price at Baht 70 per share
Term	:	3 years from the issuance date of CDs
Interest Rate	:	5% per annum

4) **Total Value and Criteria Used in Determining Total Value of the Issuance and Offering of CDs**

4.1 Connected Transactions Value

The total value of the Issuance and Offering of CDs is USD 20 million (approximately Baht 693.10 million or equal to 9.31 percent of NTA). When considering the total Connected Transactions which have taken place during the past 6 months which the Company and/or Subsidiary Company have entered into with Mr. Patrick Fisher and/or his related persons as a connected person, the total value of the Connected Transactions is approximately Baht 2,637.26 million or equal to 35.43% of NTA) which is more than Baht 20 million or 3 percent of NTA according to the Connected Transaction Notification.

4.2 Total Value of Consideration

The total value of consideration for the Issuance and Offering of CDs is USD 20 million (approximately Baht 693.10 million or equal to 35.43% of NTA) with the conversion price of Baht 70 per share. In this regard, the total value of the Issuance and Offering of CDs as well as the conversion price were commercially negotiated and agreed upon between the Company and Creation SL. The conversion price of Baht 70 per share is approximately 75% higher than the market price of Baht 40.02 per share which was determined by 15-day average closing price before BOD date. Therefore, the conversion price does not create price dilution to the existing shareholders. In addition, the maximum conversion period of 3 years will provide opportunity to defer the control dilution of the existing shareholders. In addition, the terms and conditions of the CDs provide flexibility to the Company such that the Company has the right to redeem all or part of the CDs as deemed appropriate if Creation SL does not exercise its conversion right within 2 years after the issuance of CDs, as detailed in the Details of Substantial Preliminary Information of Convertible Debentures.

CD Valuation: CD has 2 components – regular debenture component and convertible component. The valuation, thus, can be considered in 2 aspects as follows:

- a) **Regular Debenture Component Valuation:** CD is issued with USD denominator. One of the market approaches for consider the reasonableness of CD with foreign currency is to combine the market interest rate with the cost of currency swap. GL has conducted the following:
- Discussions with Kasikorn Bank lead to the conclusion that based on the loan amount and our creditworthiness that GL could acquire the capital in BAHT at roughly 5%;
 - A BAHT to USD swap would cost an additional 0.05%;
 - Total interest rate cost: 5.05%.

The new CD has interest rate of 5.0% per annum which is lower than the market rate plus currency swap cost.

Convertible Component Valuation: To value the CD which has convertible feature embedded, GL has considered its W4 warrant as an excellent market based comparison. W4 provides the option to purchase a share of GL at Baht 40 within 2 years (same time length as GL's ability to redeem the CD). The market price of W4 is circa Baht 15 (Baht 14.90 as 8/11/2016 close). Thus, combining the market price of W4 with its conversion price of Baht 40 suggests a fair total conversion price of Baht 55 for the option to convert per GL share. The present value of the CD conversion price of Baht 70 is approximately Baht 55, in line with current market based conversion prices.

4.3 Payment Method

On the closing date for the subscription of CDs which shall be specified after the approval of the SEC for the issuance of CDs has been obtained, Creation SL shall make the payment by way of fund transfer to the Company's designated account in US Dollar as detailed in the conditions in the Investment Agreement.

The Company will pay the interest in the arrear of 6-month from the CDs issuance date, at the interest rate of 5% per annum in US Dollar.

5) **Details of Connected Person**

Mr. Patrick Fisher, a current director of the Company is the founder and managing partner of Creation SL, the subscriber of the CDs. He also manages the SPV, Creation Investments ASEAN LLC, which invests in GL at approximately 2.39% (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) and holds the warrants of the Company (GL-W4) which was issued to the existing shareholders in 2016 in the amount of 4,056,066 units.

In this regard, Creation SL and Creation Investments ASEAN LLC are two of the SPVs established and managed under Creation Investments Capital Management, LLC ("**Creation**"), a leading alternative investment management company with a focus on private equity investments in Microfinance Institutions, Small-and-Medium Enterprise lenders, Emerging Market Banks, and other Bottom of the Economic Pyramid (BOP) Financial Services Providers. Creation currently manages several private funds and other investment vehicles for individual, family, office and institutional investors and directly serve 8.1 million entrepreneurs with over USD 4.2 billion in small business loans outstanding. Creation was established in Chicago in 2007.

6) **Characteristics and Scope of Interest of Connected Persons**

If the shareholders' meeting of the Company resolves to approve the Issuance and Offering of CDs and entering into the connected transaction with Creation SL, the Company will issue and offer 200 units of CDs at the offering price of USD 100,000 per unit to Creation SL. Therefore, the Company will receive USD 20 million (approximately equivalent to Baht 693.10 million) from the Issuance and Offering of CDs with the terms as detailed in Details of Substantial Preliminary Information of Convertible Debentures. In this regard, Creation SL may exercise its right to convert the CDs into the shares of the Company according to the terms and conditions of the CDs

7) Dilution Effects and Restriction on the Dividend Payment

For dilution effects, please see the details as per the Details of Substantial Preliminary Information of Convertible Debentures. In this regard, the Issuance and Offering of CDs has no restriction on the dividend payment.

8) Directors who have interest and/or directors who are connected persons

Mr. Patrick Fisher, who is a director with interest and a connected person did not attend the Board of Directors' Meeting of the Company No. 14/2016 held on 26 October 2016 and did not have the right to votes in the agendas relating to the Connected Transactions including the Issuance and Offering of CDs.

9) Opinion of the Board of Directors on the entering into the connected transaction

The Board of Directors considered and was of the opinion that the Issuance and Offering of CDs to Creation SL, which is considered the entering into the connected transaction, is reasonable and beneficial to the Company as Creation SL is an SPV under Creation Investments Capital Management, LLC ("**Creation**") which is a reliable company with solid background in the investment in Microfinance Institutions as well as in Emerging Market Financial Institutions; thus, the ongoing investment of Creation in the Company will continue to support the Company's expansion in the ASEAN market with good source of funding. Moreover, as at present the Company has low-leveraged capital structure, i.e. D/E ratio less than 0.5 time (Statement of Financial Position as of 30 June 2016), the Board of Directors considered and viewed that it should be proper to raise substantial fund via convertible debentures with Creation in foreign currency to further support ASEAN business expansion.

Benefit of Issuing CD

In this regard, The Board of Directors carefully considered the transaction and unanimously had an opinion that issuing CD to Creation SL will render benefits and advantages to the Company in many respects as follows:

- a) **Lower than GL's 3-year historical financial cost of 6.14%** - the CD has interest rate of 5% per annum which is lower than GL's existing average financial cost of 6.14%. The CD which has a large size in USD currency will be offered to one party; hence, secure the certainty of the funding for GL.
- b) **Flexibility** - the CD will provide flexibility for GL in many aspects as follows:
- Flexibility for GL to match capital with investment opportunities as they arise;
 - Redemption option for GL after 2 years;
 - No restrictive covenants which are typical in most debt financings.
- c) **Shows the investor that Creation Investments has confidence in GL**: provided that GL's current price of BAHT ~40/share, dilution/conversion within 3 years will only be feasible if GL's valuation increases by 75% to BAHT 70. Therefore, the subscription for CD by Creation SL suggests that international investor has much confidence in the future of GL.
- d) **Strengthen GL's relationship with Creation Investments Group**: the CD issuance to Creation SL will further strengthen GL's relationship with Creation Investments Group who has an extensive network of investors and broad experience in many emerging markets including ASEAN.

Financial Impact, Risks, and Mitigation of the CD Issuance

The CD could be converted at Baht 70/share, representing a possible discount relative to the market. However, this would require a 75% increase in GL stock price within the next 3 years. If the CDs is converted, D/E ratio will decrease which will provide lower cost financing options as GL continues to grow.

On the contrary, if the price does not increase to Baht 70 over the next 3 years, GL will have to repay the debt. At present, GL's D/E is 0.38x and less than 1.1x post transaction, which suggests ample debt capacity for refinancing in the future. Nonetheless, GL has the option to redeem after 2 years and could use cheaper options if they arise.

10) Opinion of the Audit Committee and/or directors of the Company which is different from that of the Board of Directors

-None-

(F 53-4)

Capital Increase Report Form
Group Lease Public Company Limited
October 31, 2016

Group Lease Public Company Limited (the “**Company**”), would like to report to the Stock Exchange of Thailand (the “**SET**”) about the resolutions of the Board of Directors’ Meeting No. 15/2016, held on October 31, 2016 from 2.00 p.m. to 4.00 p.m., in respect of the capital increase and the allocation of newly issued shares as follows:

1. Capital increase

The Board of Directors’ Meeting resolved to approve the increase in its registered capital of the Company from the existing registered capital of Baht 905,217,625.50 to Baht 922,545,040.00, by issuing 34,654,829 newly issued ordinary shares at the par value Baht 0.50 per share, totaling Baht 17,327,414.50 according to the details below:

Type of Capital Increase	Type of Shares	Number of Shares	Par Value (Baht/Share)	Total (Baht)
Specifying the purpose: to reserve for the exercise of conversion rights of the convertible debentures	Ordinary	34,654,829	0.50	17,327,414.50
General Mandate	-	-	-	-

2. Allocation of newly issued shares

The Board of Directors’ Meeting resolved the allocation of up to 34,654,829 ordinary shares at the par value of Baht 0.50 per share, the details of which are as follows:

2.1. Specifying the purpose of proceeds utilization

Allocated to	No. of Shares	Ratio (old : new)	Sale Price (Baht/Share)	Subscription and Payment Period	Remarks
To reserve for the exercise of conversion right of convertible debentures issued for a specific foreign investors (Private Placement)	Up to 34,654,829	-	The conversion price of the newly issued shares reserved for the exercise of conversion rights of the convertible debentures will not be lower than 90 percent of the weighted average of the Company’s shares closing price on the Stock Exchange of Thailand for 15 consecutive days prior to the date the Board of Directors resolved to propose to the Extraordinary General Meeting of Shareholders No. 2/2016 of the Company to consider and approve the issuance and offering of shares to reserve for the convertible debentures, during the period of 4 October, 2016 to 25 October, 2016, equivalent to Baht 38.58 per share.	Please refer to <u>Attachment 3</u> and <u>Attachment 4</u>	Please refer to <u>Attachment 3</u> and <u>Attachment 4</u> and please see other condition below

Allocated to	No. of Shares	Ratio (old : new)	Sale Price (Baht/Share)	Subscription and Payment Period	Remarks
			Please also refer to <u>Attachment 3</u> and <u>Attachment 4</u>		

2.2. The Company's plan in case where there is a fraction of Shares remaining

The Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be empowered to use discretion to round down such fraction or undertake other actions as necessary and appropriate in order to have a successful share capital increase.

2.3. The number of shares remaining from the allotment

- None –

Other Conditions

The Board of Directors consider and approve that Chief Executive Officer and/or any person entrusted by Chief Executive Officer shall be empowered to determine details and conditions in connection with the allocation of newly issued ordinary shares of the Company including entering into negotiations and agreements and the execution of the documents and the relevant agreements in connection with the allocation of such newly issued shares; and the execution of any relevant applications for approval, requests for waiver and necessary evidence in connection with the allocation of the newly issued ordinary shares of the Company and listing of such shares on the stock exchange, as well as to communicate and submit such applications for approval, requests for waiver, documents and evidence to, and make any arrangement, contact and/or perform any acts with, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, government agencies or any other relevant entities, including performing any ac

3. Schedule for shareholders' meeting to approve the allotment of shares

The Company determined the date for the Extraordinary General Meeting of Shareholders No. 2/2016 of the Company to be convened on 6 December, 2016, at 10.00 a.m. at Magic 2 Room, 2nd floor, Miracle Grand Convention Hotel, No.99 Kamphang Phet 6 Rd., Laksi, Don Muang, Bangkok 10210, whereby the date on which the recorded shareholders have the right to attend the Extraordinary General Meeting of Shareholders No. 2/2016 of the Company is determined on 14 November, 2016 (Record Date), and the closing date of the Share Register Book to suspend the share transfers which is compiled under Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) is determined on 15 November, 2016.

4. Approval of the capital increase/allocation of newly issued shares by relevant governmental agency and conditions thereto

4.1 The Company is required to register the increase in registered capital, the amendment of the Memorandum of Association and the amendment in paid-up capital with the Department of Business Development, Ministry of Commerce.

4.2 The Company is required to obtain an approval for the issuance and offering of the convertible debentures and newly issued shares reserved for the conversion of convertible debentures from the Office of Securities and Exchange Commission.

4.3 The Company is required to obtain approval for the listing of the newly issued ordinary shares as the listed securities from the Stock Exchange of Thailand in accordance with the relevant provisions and criteria after the holders of convertible debentures have exercised such rights to convert the convertible debentures into the Company's ordinary shares (if there is any exercise of such rights).

5. Objectives of the capital increase and utilization of proceeds received from the capital increase

- To reserve the newly issued shares for the conversion of the CDs.
- Proceeds from the CDs will be used (1) to replace the proceeds received from the convertible debentures issued to JTrust Asia Pte. Ltd. on 1 August 2016 (the Company has proposed to the Extraordinary General Meeting of Shareholders No.2/2016's to consider and approve the amendment of the use of proceed received from such

convertible debentures), which will be used to fund the approved acquisition transactions;
 (2) to fund the expansion of the business and the diversification of the portfolios in ASIA
 and (3) to utilize as working capital for comprehensive digital financial platform to ASEAN
 markets.

6. Benefits which the Company will receive from the capital increase and the allocation of newly issued shares

The Company will receive the fund from the issuance of CDs by allocating the newly issued shares to be reserved for the conversion of the CDs. Upon the conversion of CDs, the Company is no longer obliged to repay the principal and the interest of the CDs.

7. Benefits which the shareholders will receive from the capital increase and the allocation of newly issued shares

7.1 Dividend Policy

Shareholders who have invested in the Company's shares will receive the benefits in forms of dividend and the value of shares which may be higher. The Company has a dividend policy as its Board of Directors deems appropriate pursuant to the operating results of the Company each year and subject to an approval of the shareholders' meeting, except for the payment of an interim dividend which must be approved by the Board of Directors.

7.2 Holders of the convertible debentures who exercise the conversion rights to convert into ordinary shares of the Company shall be entitled to receive dividends from the Company's operating results since the conversion rights of the convertible debentures are exercised and being registered as the shareholders of the Company.

8. Other details necessary for shareholders to approve the shares allotment

In case that the convertible debentures are exercised, the Company expects that there will be Control Dilution and Price Dilution as per the details specified in Attachment 3 and Attachment 4.

9. Schedule of action where the Board of Directors passed the resolutions approving the capital increase and the allocation of newly issued shares:

No.	Procedures	Date / Month / Year
1	Board of Directors' Meeting No.14/2016	31 October, 2016
2	Record Date to determine shareholders' entitlement to attend the Extraordinary General Meeting of Shareholders No. 1/2016 of the Company	14 November, 2016
3	the closing date of the Share Register Book to suspend the share transfers which is compiled under Section 225 of the Securities and Exchange Act B.E. 2535 (1992) (as amended)	15 November, 2016
4	The Extraordinary General Meeting of Shareholders No. 2/2016 of the Company	6 December, 2016
5	Registration of the increase in the registered capital and the amendment of the Memorandum of Association of the Company with the Ministry of Commerce	Within 14 days from the date of shareholders' approval

The Company hereby certifies that the information contained in this report is true and complete in all respects.

Signature _____ Authorized Director
 (Mr. Tatsuya Konoshita)

-With the Company's Seal-

Information Memorandum pursuant to Clause 20 (2) of the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003

1. Brief information concerning the company and its business operation.

Group Lease Public Company Limited or GL was established on May 6, 1986, undertaking automobile hire purchase business in Bangkok and upcountry. During the year 1990, the new group of shareholders acquired the business from the existing shareholders, and focus on the hire purchase business of motorcycles while slowing down the automobile hire purchase. Then the Company expanded hire purchase of other thing such as trucks, machineries, printing presses as well as financial leasing, factoring contracts, asset financing and personal loans. Since 2004, the core business of the Company had been concentrated only on hire purchase of motorcycles.

In 2007 the new shareholder APF Group through a Take Over Bid in the stock market became the major shareholder until now. From 2011 the company improved the management, started the rapid expansion to ASEAN market, and launched the new business model in Cambodia. Today GL's business model has shifted into 'Digital Finance Platform Provider' which aim to create a new market between the consumer durables suppliers and individual consumers through GL's own distinctive Platform, an original combination of POS and E-Finance system networks

2. List of the management and list of the first 10 shareholders as at the date of close of share register book.

List of Directors as of 15 November 2016, includes 12 directors as follows:

No.	Name	Position
1.	Mr. Mitsuji Konoshita	Chairman of the Board of Directors and Chief Executive Officer
2.	Mr. Tatsuya Konoshita	Director and Chairman of Executive Board
3.	Mr. Somchai Limpattanasin	Director
4.	Mr. Muneo Tashiro	Director
5.	Mr. Patrick Fisher	Director
6.	Mr. Riki Ishigami	Director
7.	Mr. Yusuke Kozuma	Director
8.	Mr. Regis Martin	Director
9.	Gen. Suebsan Dardarananda	Chairman of the Audit Committee and Independent Director
10.	Mr. Krit Phanratanamala	Audit Committee and Independent Director
11.	Mr. Pholdej Therdphithakvanij	Audit Committee and Independent Director
12.	Mr. Sonit Pichyangkul	Audit Committee and Independent Director

List of Management as of 15 November 2016:

No.	Name	Position
1.	Mr. Mitsuji Konoshita	Chief Executive Officer
2.	Mr. Tatsuya Konoshita	Chairman of Executive Board
3.	Mr. Somchai Limpattanasin	Chief Operation Officer
4.	Mr. Regis Martin	Group Chief Financial Officer
5.	Mr. Muneo Tashiro	Executive Director
6.	Mr. Freddy Marie	Group IT Director
7.	Mr. Boris Zschorsch	Deputy CFO Accounting and Audit
8.	Mr. Jonathan Meuret	Chief of New Business Development Officer

List of 10 major shareholders as of 6 July 2016 (Please refer to the updated List of 10 major shareholders as of 15 November 2016, the latest date of close of share register book of the Company, in the Addendum to the Invitation for the Extraordinary General Meeting of Shareholders No.2/2016):

Rank	Name	No. of shares	Per cent
1.	A.P.F.Group: Engine Holdings Asia Pte.Ltd ¹ A.P.F.Holdings Co., Ltd. ²	402,565,553 158,911,191	26.39 10.42
2.	Thai NVDR Co., Ltd.	195,457,256	12.81
3.	SIX SIS LTD	185,846,489	12.18
4.	DBS Vickers Securities (Singapore) Pte Ltd A/C Clients	99,312,757	6.51
5.	Mr. Sutthipong Vesvarut	64,610,000	4.24
6.	K.R. Capital Co., Ltd.	46,200,000	3.03
7.	Cougar Pacific Holdings Co., Ltd.	40,715,663	2.67
8.	Thailand Securities Depository Co., Ltd. For depositor	39,486,322	2.59
9.	Merrill Lynch, Pierce, Fenner & Smith Inc.	36,504,600	2.39
10.	Mr. Prayong Vanitsuwan	30,195,900	1.98

Remark ¹Engine Holdings Asia Pte.Ltd.undertakes investment business. Shareholder is Wedge Holdings Co.,Ltd. which is a listed company incorporated in Japan holding 58 million shares (or 100% of the paid-up capital)

²A.P.F.Holdings Co.,Ltd. Undertakes investment business. Shareholder is Sanwa World Service Co.,Ltd. Which undertakes accounting advisory business holding 27 million shares(or 49% of paid-up capital) and A.P.F.Capital Thailand Co.,Ltd. Which undertakes investment business holding 12 million shares(or 21.71% of paid-up capital)

3. Inter-transactions during the past year and present year until the latest quarter

(Unit: Thousand Baht)

	Consolidated		financial	
	statements		Separate	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Hire purchase and installment sales receivables				
Subsidiary company				
GL Finance Plc.	-	-	637	1,031
Total	-	-	637	1,031
Short-term loans to and interest receivable from subsidiary				
Subsidiary company				
Group Lease Holdings Pte. Ltd.	-	-	5,070,062	4,016,390
Total	-	-	5,070,062	4,016,390
Other current assets				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	4,096	4,096
GL Finance Plc.	-	-	345	359
Thanaban Co.,Ltd.	-	-	8,920	8,859
Related parties				
Director of the Company and subsidiaries	9,574	11,275	-	-
A.P.F. Group Co., Ltd.	4,684	4,872	-	-
Engine Holdings Asia Pte. Ltd	1,353	2,813	-	-
Asia Partnership Fund Pte., Ltd.	13	-	-	-
Cambodian People Micro Insurance PLC.	18	-	-	-
APF Trading Plc.	142,577	-	-	-
PT Bank JTrust Indonesia Tbk.	1,341	-	-	-
Total	159,560	18,960	13,361	13,314
Short-term loans from and interest payable to related parties				
Subsidiary company				
Thanaban Co.,Ltd.	-	-	130,000	-
Related parties				
Director of the Company and subsidiary	240	250	-	-
Cambodian People Micro Insurance PLC.	3,942	3,865	-	-
Total	4,182	4,115	130,000	-
Long-term loans from and interest payable to related parties				
Subsidiary company				
Thanaban Co.,Ltd.	-	-	63,980	-
Total	-	-	63,980	-

Accrued expenses**Subsidiary companies**

Group Lease Holdings Pte. Ltd.	-	-	49,826	49,826
GL Finance Plc.	-	-	1,427	334
GL Leasing (Lao) Company Limited	-	-	-	77

Related party

JTrust Asia Pte. Ltd.	37,172	-	-	-
Total	37,172	-	51,253	50,237

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Other current liabilities				
Subsidiary companies				
Group Lease Holdings Pte. Ltd.	-	-	227	236
Thanaban Co., Ltd.	-	-	1,319	1,571
Related parties				
Director of the Company and subsidiaries	187	92	-	-
Total	187	92	1,546	1,807
Convertible debentures				
Related party				
JTrust Asia Pte. Ltd.	4,510,987	-	4,510,987	-
Total	4,510,987	-	4,510,987	-

4. Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the explanation and analysis of financial condition and operating result in the past year and the present year until the latest quarter.

Statement of financial position

Consolidated financial statements

Unit: Million Baht

	30 September 2016		31 December 2015		31 December 2014	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	5,684.88	35.23	1,044.89	9.71	357.45	4.92
Current portion of hire purchase and installment sales receivables	3,077.52	19.07	3,198.88	29.71	3,172.39	43.62
Current portion of asset-backed loan receivables	202.10	1.25	113.09	1.05	-	-
Current portion of loans and interest receivables	1,352.49	8.38	2,152.93	20.00	24.78	0.34
Assets foreclosed	45.79	0.28	32.95	0.31	23.60	0.32
Short-term loan to and interest receivable from related parties	-	-	-	-	38.43	0.53
Other current assets	452.29	2.80	227.41	2.11	142.30	1.96
Total current assets	10,815.07	67.01	6,770.15	62.89	3,758.95	51.69
Non-current assets						
Pledged fixed deposit at financial institution	0.33	0.00	0.33	0.01	0.32	0.01
Long-term portion of hire purchase and installment sales receivables	3028.85	18.77	2,848.47	26.46	2,922.96	40.20
Long-term portion of asset-backed loan receivables	50.61	0.31	28.06	0.26	-	-
Long-term portion of loans and interest receivables	1751.39	10.85	604.59	5.61	-	-
Property, plant and equipment	116.01	0.72	115.98	1.08	100.64	1.38
Intangible assets	98.57	0.61	101.07	0.94	95.92	1.32
Goodwill	120.57	0.75	122.52	1.14	118.13	1.62
Deferred tax assets	44.93	0.28	62.87	0.58	112.65	1.55
Other non-current assets	112.67	0.70	111.08	1.03	162.35	2.23
Total non-current assets	5,323.93	32.99	3,994.97	37.11	3,512.97	48.31
Total assets	16,138.99	100.00	10,765.12	100.00	7,271.92	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	353.97	2.19	349.05	3.24	250.00	3.44
Trade accounts payable	22.16	0.14	46.45	0.43	9.08	0.12
Short-term loans from and interest payable to related parties	4.18	0.03	4.11	0.04	19.80	0.27
Current portion of long-term loans	646.61	4.01	1,557.85	14.47	2,547.81	35.04
Current portion of debentures	497.77	3.08	-	-	-	-
Income tax payable	48.94	0.30	53.32	0.50	-	-
Insurance premium payables	9.77	0.06	11.21	0.10	11.72	0.16
Accrued expenses	136.40	0.85	77.73	0.72	56.53	0.78
Other current liabilities	131.18	0.81	76.08	0.71	54.36	0.75
Total current liabilities	1,850.98	11.47	2,175.80	20.21	2,949.30	40.56

Consolidated financial statements

Unit: Million Baht

	30 September 2016		31 December 2015		31 December 2014	
	Amount	%	Amount	Amount	%	Amount
Non-current liabilities						
Long-term portion of long-term loans	356.94	2.21	504.59	4.69	1,312.05	18.04
Long-term portion of debentures	1,448.94	8.98	493.61	4.58	488.30	6.71
Convertible debentures - liability component	4,495.14	27.85	-	-	-	-
Provision for long-term employee benefits	7.48	0.05	7.48	0.07	6.38	0.09
Cash guarantee for damage on hire purchase agreements	2.18	0.01	2.18	0.02	2.32	0.03
Total non-current liabilities	6,310.68	39.10	1,007.86	9.36	1,809.05	24.87
Total liabilities	8,161.66	50.57	3,183.66	29.57	4,758.35	65.43
Equity						
Issued and paid-up ordinary shares of Baht 0.50 each	762.74	4.73	713.64	6.63	542.88	7.47
Share premium	5,190.13	32.16	4,254.63	39.52	1,084.25	14.91
Share subscription received in advance	0.62	0.00	981.05	9.11	-	-
Capital reserve for share-based payment transactions	-	-	-	-	3.58	0.05
Retained earnings						
Appropriated - statutory reserve	90.52	0.56	76.96	0.72	72.09	0.99
Unappropriated	1,778	11.02	1,283.83	11.93	774.52	10.65
Other components of shareholders' equity	62.17	0.38	271.35	2.52	36.25	0.05
Total shareholders' equity	7,884.18	48.85	7,581.46	70.43	2,513.57	34.57
Non-controlling interests of the subsidiary	93.15	0.58	-	-	-	-
Total equity	7,977.33	49.43	7,581.46	70.43	2,513.57	34.57
Total liabilities and equity	16,138.99	100.00	10,765.12	100.00	7,271.92	100.00

Statement of financial position

Separate financial statements

Unit: Million Baht

	30 September 2016		31 December 2015		31 December 2014	
	Amount	%	Amount	Amount	%	Amount
Assets						
Current assets						
Cash and cash equivalents	4,550.48	29.97	552.22	5.52	71.16	0.99
Current portion of hire purchase and installment sales receivables	1,978.37	13.03	2,095.26	20.93	2,330.50	32.38
Current portion of loans and interest receivables	2.20	0.01	18.78	0.19	-	-
Assets foreclosed	26.30	0.17	14.91	0.15	14.07	0.20
Short-term loans to and interest receivables from subsidiary	5,070.06	33.39	4,016.39	40.13	1,190.17	16.54
Other current assets	103.66	0.68	109.58	1.09	115.22	1.59
Total current assets	11,731.07	77.26	6,807.14	68.01	3,721.12	51.70
Non-current assets						
Pledged fixed deposit at financial institution	0.33	0.00	0.33	0.01	0.32	0.01
Investment in subsidiary companies	1,476.28	9.72	1,200.12	11.99	1,071.21	14.88
Long-term portion of hire purchase and installment sales receivables	1,774.24	11.68	1,786.82	17.85	2,202.28	30.60
Property, plant and equipment	77.27	0.51	73.82	0.74	62.42	0.87
Intangible assets	14.59	0.10	15.50	0.15	6.45	0.09
Deferred tax assets	35.09	0.23	51.32	0.51	70.81	0.98
Other non-current assets	75.63	0.50	74.10	0.74	63.00	0.87
Total non-current assets	3,453.43	27.74	3,202.01	31.99	3,476.49	48.30
Total assets	15,184.50	100.00	10,009.15	100.00	7,197.61	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	317.97	2.09	349.05	3.49	250.00	3.47
Trade accounts payable	19.18	0.13	5.10	0.05	6.35	0.09
Short-term loans from and interest payable to related parties	130.00	0.86	-	-	-	-
Current portion of long-term loans	549.00	3.62	1,522.18	15.21	2,547.81	35.40
Current portion of long-term loans from related parties	63.98	0.42	-	-	-	-
Current portion of debentures	497.77	3.28	-	-	-	-
Income tax payable	-	-	29.48	0.29	-	-
Insurance premium payables	7.10	0.05	7.01	0.07	9.68	0.13
Accrued expenses	118.31	0.78	74.24	0.74	26.30	0.36
Other current liabilities	95.24	0.63	49.39	0.49	29.60	0.41
Total current liabilities	1,798.55	11.86	2,036.45	20.34	2,869.74	39.86

Separate financial statements

Unit: Million Baht

	30 September 2016		31 December 2015		31 December 2014	
	Amount	%	Amount	Amount	%	Amount
Non-current liabilities						
Long-term portion of long-term loans	241.32	1.59	360.49	3.60	1,312.05	18.23
Long-term portion of debentures	1,448.94	9.54	493.61	4.94	488.30	6.79
Convertible debentures - liability component	4,495.14	29.60				
Provision for long-term employee benefits	7.48	0.05	7.48	0.07	6.38	0.09
Cash guarantee for damage on hire purchase agreements	2.06	0.01	2.06	0.02	2.20	0.03
Total non-current liabilities	6,194.94	40.79	863.64	8.63	1,808.93	25.14
Total liabilities	7993.49	52.65	2,900.09	28.97	4,678.67	65.00
Equity						
Issued and paid-up ordinary shares of Baht 0.50 each	762.74	5.02	713.64	7.13	542.88	7.55
Share premium	5,190.13	34.18	4,254.63	42.51	1,084.25	15.06
Share subscription received in advance	0.62	0.00	981.05	9.80	-	-
Capital reserve for share-based payment transactions	-	-	-	-	3.59	0.05
Retained earnings						
Appropriated - statutory reserve	90.52	0.60	76.96	0.77	72.09	1.00
Unappropriated	1,136.96	7.49	1,082.78	10.82	816.13	11.34
Other components of shareholders' equity	10.04	0.06	-	-	-	-
Total equity	7,191.01	47.35	7,109.06	71.03	2,518.94	35.00
Total liabilities and equity	15,184.50	100.00	10,009.15	100.00	7,197.61	100.00

Statement of comprehensive income

Consolidated financial statements

Unit: Million Baht

	For the nine-month period ended 30 September				For the year ended 31 December			
	2016		2015		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Hire purchase interest income	1,464.97	68.55	1,425.37	78.39	1,898.44	76.28	1,676.42	90.02
Asset - backed loan interest income	80.42	3.76	9.54	0.52	25.48	1.03	-	-
Interest on loan receivables	351.33	16.44	-	-	-	-	-	-
Other income	240.23	11.25	383.36	21.09	564.78	22.69	185.93	9.98
Total revenues	2,136.95	100.00	1,818.27	100.00	2,488.70	100.00	1,862.35	100.00
Expenses								
Service and administrative expenses	693.80	32.47	576.06	31.68	784.37	31.52	547.64	29.41
Bad debts and doubtful accounts	232.53	10.88	278.34	15.31	356.57	14.33	494.86	26.57
Loss on disposals of foreclosed assets	162.16	7.59	280.39	15.42	355.03	14.27	431.82	23.19
Total expenses	1,088.49	50.94	1,134.79	62.41	1,495.97	60.12	1,474.32	79.16
Profit before finance cost and income tax								
expenses	1,048.46	49.06	683.48	37.59	992.73	39.89	388.03	20.84
Finance cost	(173.22)	(8.11)	(200.66)	(11.04)	(266.77)	(10.72)	(250.42)	(13.45)
Income tax expenses	(136.82)	(6.40)	(92.84)	(5.10)	(143.07)	(5.75)	(19.89)	(1.07)
Profit for the period	738.42	34.55	389.98	21.40	582.89	23.42	117.72	6.32
Basic earnings per share (Baht)	0.48		0.34		0.49		0.11	

Statement of comprehensive income

Separate financial statements

Unit: Million Baht

	For the nine-month period ended 30 September				For the year ended 31 December			
	2016		2015		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Hire purchase interest income	898.55	67.80	1,018.91	74.89	1,332.84	74.46	1,389.65	86.51
Other income	426.76	32.20	341.55	25.11	457.17	25.54	216.72	13.49
Total revenues	1,325.31	100.00	1,360.46	100.00	1,790.01	100.00	1,606.37	100.00
Expenses								
Service and administrative expenses	456.32	34.43	362.81	26.67	476.32	26.61	353.96	22.03
Bad debts and doubtful accounts	173.89	13.12	251.36	18.48	322.57	18.02	441.37	27.48
Loss on disposals of foreclosed assets	157.29	11.87	239.79	17.62	309.20	17.27	377.81	23.52
Total expenses	787.50	59.42	853.96	62.77	1,108.09	61.90	1,173.14	73.03
Profit before finance cost and income tax								
expenses	537.81	40.58	506.50	37.23	681.92	38.10	433.23	26.97
Finance cost	(163.78)	(12.36)	(194.70)	(14.31)	(256.91)	(14.35)	(250.39)	(15.59)
Income tax expenses	(75.05)	(5.66)	(62.32)	(4.58)	(84.80)	(4.74)	(36.89)	(2.30)
Profit for the period	298.98	22.56	249.48	18.34	340.21	19.01	145.95	9.08
Basic earnings per share (Baht)	0.19		0.22		0.29		0.14	

The explanation and analysis of financial condition and operating result

Statement of comprehensive income

GL PCL announced reviewed operating results for the third quarter of 2016, with a record consolidated net profit of Baht 738.42 million, a 89.35% increase from the 3Q 2015 net profit of Baht 389.98 million. The profit during the third quarter of 2016 records as the highest quarterly profit ever.

Total revenue for the nine months ended September 30, 2016 in the consolidated financial statement, was Baht 2,136.96 million, increasing Baht 318.69 million or 17.53%, due mainly to an increase of hire purchase interest income which slightly increased by Baht 39.60 million or 2.78% to Baht 1,464.97 million (68.55% of total revenue) due mainly to an increase of interest income from the subsidiaries in Cambodia, Laos and Indonesia by Baht 208.17 million, Baht 55.98 million and Baht 0.51 million respectively, in tandem with rising loan volume. However, an increase was partially offset by decreasing in interest income from GL and from local subsidiary by Baht 120.36 million and Baht 104.72 million respectively. This is in line with our strategy to expand the portfolios of the subsidiaries in foreign countries which have higher growth opportunities and lower NPL. Asset-backed interest income increased Baht 70.89 million, totally from the Thai new subsidiary made new business expansion successfully. Interest on loan receivables increased Baht 351.33 million.

The total revenue for the year 2015 in the consolidated financial statement, was Baht 2,488.70 million, increasing Baht 626.35 million or 33.63%, due mainly to an increase of hire purchase interest income which slightly increased by Baht 222.02 million or 13.24% to Baht 1,898.44 million (76.28% of total revenue) due mainly to an increase of interest income from the subsidiaries in Cambodia and Laos which started their operation in 2015. Asset-backed interest income increased Baht 25.48 million, totally from the Thai subsidiary made new business expansion successfully. Interest on loan receivables increased Baht 170.63 million.

Expenses before finance cost and corporate income tax comprises of 3 parts: service and administrative expenses, bad debts and doubtful accounts and loss on disposals of foreclosed assets.

For the nine months ended September 30, 2016, service and administrative expenses totaled Baht 693.80 million, increasing by Baht 117.74 million or 20.44% when compared to the same quarter of previous year. Increasing of expenses was the investment expense made by company's strong and strategic intention to expand into other Southeast Asian countries.

Bad debts and doubtful accounts which comprised of bad debts and allowance for doubtful accounts was set aside lower comparing to the same period of the previous year or decreased by Baht 45.81 million or 16.46 % relate to better quality of the portfolio from more strict on credit approval and improvement on debt follow up process. Moreover, the business in Cambodia and Laos are continually growing with very low percentage overdue because of the highly effective Approval, Scoring, and Collection system in newly and originally developed in Cambodian subsidiary as a part of the new business of GL so call "Digital Finance"

There were a decrease in loss on disposals of asset foreclosed from Baht 280.39 million to Baht 162.17 million representing decreased by Baht 118.22 million or 42.16%, which resulted from a gradually increasing market value of asset foreclosed and increasing of repossession units relate to the hire-purchase portfolio expansion. Additionally, no loss on disposals of foreclosed asset was recorded from subsidiaries in foreign countries. When compared ratio between the loss on disposals of foreclosed assets and the hire purchase receivables for Q3/2016, the ratio was only 3.26% decreased from Q3/2015 which was 5.83%.

Finance cost was Baht 173.22 million, decreasing by Baht 27.44 million, or 13.67%, compared to Baht 200.66 million in Q3/2015. As for interest-bearing debt has decreased as well as the average cost of funding has slightly decreased.

For the year 2015, service and administrative expenses totaled Baht 992.73 million, increasing by Baht 604.70 million or 155.84 % when compared to the previous year. Bad debts and doubtful accounts decreased by Baht 138.29 million or 27.95% due to better quality of the portfolio. Loss on disposals of asset has reduced to Baht 355.03 million from Baht 431.82 million for the year 2014, resending decreased by Baht 76.79 million or 17.78%

For the year 2015, the Company's expenses before finance cost and corporate income tax were recorded at Baht 604.70 million which increased from the year 2014 amount of Baht 388.03 million or an increase of 155.84%.

Statement of financial position

As at 30 September 2016, the Company had total assets Baht 16,138.99 million which increased Baht 5,373.87million or 49.92% from Baht 10,765.12 million at the end of 2015. Motorcycle hire purchase receivables and asset-backed loan receivables which were the main assets, were recorded at Baht 6,359.07 million (or 39.40% of total assets), increased from Baht 6,188.50 million at the end of the year 2015 by Baht 170.57 million or 2.76%. The hire purchase was reduced due to the economic situations as well as the company's screening procedure for potential customers. Besides, the company's loan and interest receivables were at Bath 3,103.88 million (or 19.23% of the total assets) increased from 2015 in which there was a short-term loan and interest receivable of Baht 2,757.52 million at Bath 346.36 million or 12.56% to support the business operation of the subsidiary.

As at 30 September 2016, the Company's total liabilities were Baht 8,161.65 million which decreased from the previous year recording at Bath 3,183.66 million by Baht 4,977.99 million 156.36%. Majority of liabilities were loans from financial and debentures in order to support business expansion for regional business and other countries.

The Company's shareholders' equity recorded at Baht 7,977.34million which comprised of the issued and paid-up capital Baht 762.74million, share premium Baht 5,190.13 million, and the retained earnings of Baht 1,778.00 million. The overall shareholders' equity increased Baht 395.88million from the year 2015or 5.22%, due to exercising of convertible debenture at the amount of Baht 981.05 million, resulting in the issued and paid-up account increased by Bath 49.05 million and the share premium account increased by Bath 935.50 million. In addition, the retain earning increased by Bath 169.65 million calculating from the deduction of dividend payment of Bath 507.74 million from the other comprehensive income of Bath 231.24 million.

For the capital structure at 30 September 2016and the end of the years 2015 and 2014, the Company's debt to equity ratio were 1.02, 0.42and 1.86 times, respectively. The ratio in 2016 was affected by the increasing of liability from the advance received for issuance of convertible debentures, amounting of 4,495.15 million Baht and debentures, amounting of 1,448.94 million Baht. The ratio in 2015 decreased because an increase of capital from an internal source in 2015 were an increasing of shareholders' equity from warrant exercising share and exercising of convertible debenture.

5. Other information that may materially affect the decision of investors (if any).

-None-

6. Connected persons and/or shareholders having interests who have no right to vote in the agenda to approve the Connected Transactions in the Extraordinary General Meeting of Shareholders to be held on 2 December 2016.

As of 6 July 2016, the latest date of close of share register book of the Company, Mr. Patrick Fisher, a current director of the Company, who is a connected person, manages the SPV, Creation Investments ASEAN LLC which holds the shares in the Company in the amount of 36,504,600 shares, equal to approximately 2.39 per cent (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) which is considered as shareholder having interests (Please refer to the updated shareholding of Creation Investments ASEAN LLC as of 15 November 2016, the latest date of close of share register book of the Company, in the Addendum to the Invitation for the Extraordinary General Meeting of Shareholders No.2/2016). Mr. Patrick Fisher is also the founder and managing partner of Creation SL, one of the sellers of CCF's shares and the subscriber of the convertible debentures from the Company, and is also a Non-Executive Director of CCF, one of the sellers of BGMM's shares. In this regard, Creation SL has a significant shareholding in CCF of 28.66%. Therefore, Mr. Patrick Fisher, a director of the Company who holds the shares of the Company through Creation Investments ASEAN LLC (with Merrill Lynch, Pierce, Fenner & Smith Inc. as its custodian) is a connected person and shareholder having interest; and therefore, shall have no right to vote to approve the Connected Transactions in the Extraordinary General Meeting of Shareholders to be held on 2 December 2016.

7. Appraisal of asset price by an independent appraiser.

-None-

8. Opinions of independent financial advisors.

Details as per Attachment 8

9. Proxy form with at least one name of a member of the Audit Committee being nominated as shareholder's proxy.

Details as per Attachment 9

The Company's Articles of Association in relation to the Shareholders' Meeting

No. 6 The Company's share

The Company's share is ordinary share which specified the shareholder's name. Each share shall have the same value and shall be fully paid up. However, in paying for the share, the shareholder is not allowed to offsetting debts with the Company.

The Company's share is not allowed to be held by non-Thai nationality at any one time more than 49 percent of the total shares sold.

The non-Thai nationality shall include

- (1) Juristic person who has foreigners holding the registered capital shares in the amount from half of the registered capital of such juristic person or the juristic person that has foreigners contribute shares in the amount from half of the total capital of such juristic person
- (2) Juristic person that has foreigner being a partner, shareholder or member in the amount from half of the total members.
- (3) Registered Limited partnership or partnership which has foreigner being a partner or manager.

The Company may issue preferred share, debenture, convertible preferred share under the condition prescribed by the Company, convertible debenture and any other securities prescribed in the Securities & Exchange Act.

The Company may sell the share at price higher than the registered par value and the Company has to set aside all of the said excess amount in a surplus reserve fund separately from the reserve fund prescribed in the first paragraph of No. 40.

Article 7. The increase and decrease of Capital

The increase or decrease of the Company's capital can be done by the resolution from the shareholders' meeting.

The increased shares can be offered in the whole or partial amount and shall be offered to the existing shareholders according to the ratio of the present amount held or offered to the public or other persons in the whole amount or in partial according to the shareholders' meeting resolution.

Article 13 Transfer of shares

The shares of the Company can be transferred without any restriction unless

- (1) Such transfer causes the Company to lose the right and benefit in which the Company should have under Estate Laws.
- (2) Such transfer causes the share holding proportion of the person with non-Thai nationality to be in contradiction to No. 6 paragraph 2 of this Articles of Association.

Article 27 Authority of Directors

The Board of Directors has the duties to manage the Company's business to be in compliance with the laws, the Company's objectives and the Company's Articles of Association as well as the shareholders' resolutions.

The Board of Directors may assign one or several directors to do certain assignment on behalf of the Board of Directors. The designated director is entitled to receive remunerations for the assigned duties.

Two of the directors jointly signed with Company's seal shall be binding upon the Company. The Board of Directors shall have the authority to determine the names of directors who shall have the authority to sign with the company's seal in binding upon the company.

Article 31. The Extraordinary General Meeting

The meeting of shareholders other than that in the Article 30 shall be called the extraordinary

general meetings.

The board of directors may summon an extraordinary meeting of shareholders whenever the board think appropriate. The shareholders holding shares altogether at not less than one-fifth of the total number of shares sold or not less than 25 shareholders holding shares altogether at not less than one-tenth of the total number of shares sold may submit their names in writing requesting the board of directors to summon an extraordinary meeting of shareholders at any time but they shall express reasons for such request in the said letter. In such case, the board of directors shall arrange for the meeting of shareholders to be held within one month from the date of receipt of such request from the shareholders.

Article 32. Notice of the Meeting

In summoning for a meeting of shareholders, the board of directors shall send notice of the meeting specifying the place, date, time, agenda of the meeting and the subject matter to be submitted to the meeting together with reasonable details and shall deliver the same to the shareholders and the Registrar for reference not less than 7 days prior to the meeting. Besides, the notice of the meeting shall also be announced in a newspaper for not less than three consecutive days before the meeting.

Article 33. Quorum of the Meeting

The meeting of shareholders must be attended by not less than 25 shareholders or proxies (if any) or not less than a half of total number of shareholders holding an aggregate number of shares not less than one-third of all shares sold in number to constitute a quorum.

In the event at any meeting of shareholders, after one hour from the time fixed for the meeting commencement, the number of shareholders present is still not enough to form a quorum as required, if such meeting of shareholders was requested for by the shareholders, such meeting shall be revoked. If such meeting of shareholders was not called for by the shareholders, the meeting shall be called for again and in the latter case notice of the meeting shall be delivered to shareholders not less than 7 days before the meeting. In the subsequent meeting no quorum is required.

Article 34. Conducting of Meeting

The Chairman of the Board shall by office be the Chairman of the shareholders meetings. If the Chairman is absent or is unable to perform his duties the Vice-Chairman shall take the chair, if the Vice-Chairman is absent or if there is one but he is unable to perform his duties, the shareholders shall elect one among themselves as the Chairman of the meeting.

Article 35. The Voting

In any Meetings, both the shareholders who attend the meeting, themselves or who come by proxies shall have the right to vote by counting one share for one vote despite any other voting method has determined.

The resolution of the meeting of shareholders shall be supported by the following votes:

- (1) in a normal case, by the majority vote of the shareholders who attend the meeting and have the right to vote. In case of a tie vote, the chairman of the meeting shall cast a final vote.
- (2) in the following cases, by a vote of not less than three-fourths of the total number of shareholders present at the meeting and entitled to vote:
 - a. the sale or transfer of whole or essential parts of business of the Company to other persons.
 - b. the purchase or acceptance of transfer of businesses of other companies or private companies to the Company's own.
 - c. entering into, amending or terminating the contract relating to the leasing out of business of the Company in whole or in essential parts; the assignment to anyone

else to manage the businesses of the Company or the merging of the businesses with other persons with an objective to share profit and loss.

Article 36. The Proxy granting

At the meeting, a shareholder may attend the Meeting himself or grant a proxy to others to attend the meeting. The proxy form used must be in accordance with the form prescribed by the Registrar.

The completed proxy form must be submitted to the Chairman of the Board or his designated person at the meeting place before the proxy can attend the meeting.

Documents or evidences verifying the identity of the shareholder or a representative of the shareholder entitle to attend the meeting

1. For Individual Shareholders

- 1.1 In case of attendance in person: A document issued by a government agency, bearing the shareholder's photograph, which has not yet expired, such as identification card, government officer ID card or passport
- 1.2 In case of appointment of a proxy:
 - (1) The Proxy Form B, in Attachment 9 attached to the Notice of the Meeting, completely filled in and signed by the Proxy Grantor and the Proxy.
 - (2) A photocopy of identification document of the shareholder issued by a government agency, as specified in item 1.1, and certified as true and correct copy of the Proxy Grantor.
 - (3) The identification document of the proxy issued by a government agency, as specified in item 1.1.

2. For Juristic Shareholders

- 2.1 In case of attendance in person by the authorized representative:
 - (1) The identification document of such authorized representative issued by a government agency containing details as specified in item 1.1.
 - (2) A photocopy of the Affidavit or Certificate of Incorporation of the juristic shareholder, no longer than 6 months, signed by the juristic person's representative, which shows that the representative attending the Meeting is authorized to act on behalf of the juristic person shareholder.
- 2.2 In case of appointment of a proxy:
 - (1) The Proxy Form B, in Attachment 9 attached to the Notice of the Meeting, completely filled in and signed and sealed by the authorized person of the juristic shareholder, and signed by the Proxy.
 - (2) A photocopy of the Affidavit or Certification of Incorporation of the juristic shareholder, no longer than 6 months, signed by the juristic person's representative, which shows that the representative signing the proxy is authorized to act on behalf of the juristic person shareholder.
 - (3) The identification document of the proxy issued by a government agency containing details as specified in item 1.1.

3. For Non-Thai Shareholders or Juristic Persons Incorporated under Foreign Law

Provisions specified in cases of natural person in item 1 and item 2 shall be applied mutatis mutandis to a non-Thai shareholder or attendant of the meeting or, as the case may be, a shareholder which is a juristic person incorporated under foreign law, subject to the following conditions:

- (1) the Affidavit or Certification of Incorporation of the juristic shareholder may be issued by either the governmental authority of the country where such juristic person is located or by an officer of such juristic person, provided that such an Affidavit or Certificate of Incorporation must contain the name of the juristic person, the address of the head office of the juristic person, and the name(s) of the person(s) having authority to sign on behalf of the juristic person together with any restrictions or conditions of the power of such person(s); and
- (2) English translation is required to be attached for any original document which is not made in English and such translation must be certified by the shareholder or authorized representative of such juristic person.

4. For Foreign Shareholders Appointing a Custodian in Thailand

- (1) The Proxy Form C posted on the Company's website: www.grouplease.co.th shall be used with all attached documents similar to those used for juristic shareholders.
- (2) Power of Attorney granted by the shareholder authorizing the custodian to sign the Proxy Form on his/her behalf.
- (3) Letter certifying that the custodian, who signs the Proxy Form, is permitted to engage in the custodian business

