

15 November 2016

Re: Opinion of the Board of Directors on the Independent Financial Advisor's Report

To Shareholders of Group Lease Public Company Limited

The Board of Directors of Group Lease Public Company Limited (the "**Company**" or "**GL**") passed a resolution to approve the following transactions:

1. Acquisition of shares in Commercial Credit and Finance PLC ("**CCF**") of approximately 22.27% of total issued share capital of CCF from Creation Investments Sri Lanka LLC ("**Creation SL**") which is a connected person (the "**CCF Acquisition**");
2. Acquisition of shares in BG Microfinance Myanmar Co., Ltd ("**BGMM**") of approximately 28.1% of total issued share capital of BGMM from CCF which is a connected person (the "**BGMM Acquisition**");
3. the issuance and offering of convertible debentures to a specific foreign investor (Private Placement), namely Creation Investments Sri Lanka LLC ("**CD**" or "**CDs**"), a connected person of the Company through Mr. Patrick Fisher who is a director of GL, in the amount not exceeding USD 20 million or an equivalent amount in other currencies and the entering into connected party transaction (the "**CD Issuance**").

The CCF Acquisition and the BGMM Acquisition are collectively referred to as the "**Acquisition Transactions**". The Acquisition Transactions and the CD Issuance are hereinafter referred to as the "**Transactions**". Details of the Transactions are as described in the Invitation for the Extraordinary General Meeting of Shareholders No. 2/2016 to be delivered to the shareholders (the "**Invitation for EGM**").

The Board of Directors appointed Grant Thornton Services Limited ("**Grant Thornton**") as independent financial advisor ("**IFA**") to provide opinion on the Transactions for the shareholders' consideration, and Grant Thornton has delivered the Report dated 14 November 2016 relating to the Transactions (the "**IFA Report**"), which has been disclosed to the shareholders through the Stock Exchange of Thailand and will be attached to the Invitation for EGM for further consideration.

The Board of Directors of the Company has carefully considered the IFA Report, and believes that the opinion of the IFA qualitatively did not capture the true picture of GL's goals and its strategy for its regional business development. Therefore, the Board of Directors would like to provide further information and their opinions, which the shareholders should take into consideration when considering exercising their voting in the EGM as follows:

1. GL is a fast growing leasing company with a unique characteristic. The Company has enjoyed its success in a high competitive leasing market in Thailand and management is able to quickly capture business opportunities in Cambodia and Indonesia. GL has a strong vision

and ambition to enter into CLMV by creating an excellent collaboration platform with well-selected business partners.

2. The Company has already registered a strong and successful record which showed it had capabilities to enter into new markets. Cambodia was a very successful story where GL was able to quickly penetrate leasing market for motorcycle and agriculture machinery with a close collaboration with Honda and Kubota combined with the Digital Finance Platform which come at the right time when the internet infrastructure in Cambodia is ready. In Indonesia, once the license is obtained, GL quickly started the joint-financing business to search and screen the clients for J Trust Bank Indonesia which is another excellent collaboration with J Trust Group that helps GL to access Indonesia financial market. The collaboration with selective partners expands to assist international funding for GL. GL can repeatedly raise fund at significant amount via a series of private placement convertible debentures in USD denominator, without requirement for collateral nor guarantee, to use in business expansion in CLMV at the right time. In order to succeed GL has clearly shown its unique ability to implement new businesses outside Thailand. International investors are confident with GL business model.
3. CCF is a well-established finance company in Sri Lanka with extensive experiences in microfinance via its 124 branches that spread out in every part of the country. The investment will open up an opportunity for GL to gain a new experience from a leading company in microfinance which is suitable for CLMV whose banking businesses have not well developed; thus, people, especially low-income earners, need to seek an alternative source of fund. Besides, CCF is a well profitable company, the acquisition of 29.99% of shares will enable GL in include the profit in GL's book.
4. BGMM acquisition offers an immediate access to microfinance in Myanmar. The investment of approximately USD 8 million is marginal provided that fact that GL will immediately have 100% control in a microfinance company in Myanmar. This is a very rare opportunity which results in GL being one of the first movers to develop microfinance industry of Myanmar. Based on the valuation conducted by the IFA, the acquisition price of BGMM shares will be at a premium. However, the Board of Directors believes that such premium is still justifiable, taken into account the potential size of microfinance business which GL expects BGMM to generate in Myanmar. The Company believes in the potential growth of Myanmar market and of BGMM, and expects that additional funds of approximately THB 1.6 Billion will need to be injected into BGMM over the next 10 years to accommodate such growth opportunities and this funding should be able to generate much higher value than a premium which GL pays to acquire BGMM in order to enter into Myanmar market.
5. It is clear that investing in CCF and BGMM is a next strategic step for GL to fulfill its vision and ambition. Both companies will become a part of GL's expansion into CLMV region. Although both are in the countries which will be a new frontier for GL, the Company had already registered a strong and successful record which showed it had a strong network and capabilities to enter into new markets, which could apply to CCF and BGMM as well. The investments in CCF and BGMM can lead to a number of new opportunities and business partners in Myanmar and other countries in ASEAN.
6. The issuance of the convertible debenture is a significant part of GL's plan to secure sources of funds in USD to support its future overseas expansion as the USD denominator provide natural hedge for GL as the proceeds will be used in CLMV where USD currency is accepted. This will also help to strengthen GL's relationship with its partners in CLMV region. More importantly, this CD Issuance will delay its dilution into the future at its option, and, at the same time, provide an opportunity for GL to receive a premium from its potential partners of

approximately THB 300 million if the CD is to be exercised at THB 70 per share, which is about 75% higher than the current market price. The interest rate is 5 %which is lower than GL's 3-year historical financial cost and additionally for an unsecured CD issued by a company rating of BBB. The issuance has no collateral or any guarantee from GL or any financial institution. It should be noted that borrowings from the hedge fund market, which are used by many international acquisition transactions, would normally cost in the range of 10-20%, depending on the risk profile of each transaction. Finally, GL has the right to redeem after 2 years if deemed appropriate which provide flexibility to manage cash flow of the Company.

For the reasons as explained in more details by the Board of Directors in the Invitation for EGM Agenda 2, 3 and 5.2 and Information Memorandums attached thereto, and the reasons mentioned above, the Board of Directors maintains its recommendation to the shareholders to approve that GL enters into the CCF and BGMM acquisitions and undertake the CD Issuance as proposed by the Board of Directors.

In any case, the opinion of the Board of Directors serves as information to support consideration of the shareholders whether to approve or disapprove the Transactions. The shareholders should exercise their discretion in voting for the resolution for such Transactions in the best interest of the Company and all shareholders.

Yours sincerely,



Mr. Mitsuji Konoshita

Chairman of the Board of Directors

15 November 2016

Re: Opinion of the Audit Committee on the Independent Financial Advisor's Report

To Shareholders of Group Lease Public Company Limited

The Board of Directors of Group Lease Public Company Limited (the "**Company**" or "**GL**") passed a resolution to approve the following transactions:

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The Board of Directors appointed Grant Thornton Services Limited ("**Grant Thornton**") as independent financial advisor ("**IFA**") to provide opinion on the Transactions for the shareholders' consideration, and Grant Thornton has delivered the Report dated 14 November 2016 relating to the Transactions (the "**IFA Report**"), which has been disclosed to the shareholders through the Stock Exchange of Thailand and will be attached to the Invitation for EGM for further consideration.

The Audit Committee of the Company has carefully considered the IFA Report and would like to provide their opinions and make certain observations on the IFA Report, in addition to the opinion of the Board of Directors dated 15 November 2016 on the Independent Financial Advisor's Report, which the shareholders should take into consideration when considering exercising their voting as follows:

1. The Audit Committee concurs with the Opinion of the Board of Directors in all respects for the reasons as explained in more details in the Invitation for EGM Agenda 2, 3 and 5.2 and Information Memorandums attached thereto and the Opinion of the Board of Directors dated 15 November 2016 on the Independent Financial Advisor's Report..

2. With respect to issue raised in the IFA Report in Section 4.1.4 Risk from entering into Transaction 1: Other Considerations in Entering into Transaction 1, relating to internal control and relevant policies of CCF, the Audit Committee has received a report from GL's management that some issues have been clarified for correct understanding while some have been under further investigation and resolutions. The Audit Committee has been reported by the management that , upon further follow-up by GL's legal advisor in Sri Lanka, CCF has already made a timely communication/reporting to the Monetary Board of Central Bank of Sri Lanka.

However, to minimize these risks, the Share Sale and Purchase Agreement requires the sellers to, and the sellers have agreed to, make a representation and warranty that CCF is in compliance with all applicable laws, including those of the Monetary Board of Central Bank of Sri Lanka, failing which GL could make a claim against the sellers. The Shareholders' Agreement also requires the sellers to procure that CCF adopt and implement a compliance program containing the necessary elements for CCF and companies within the group to comply with all applicable laws, and GL shall be entitled to require its representative directors to be appointed to CCF's Audit and Risk Management Committees. With these mechanisms being put in place, these risks should be minimized further going forward.

3. The Audit Committee would like to make certain observations on the IFA Report for further consideration by the shareholders as follows:

1. For valuation purposes, the IFA employed Discounted Cash Flow Approach ("DCF") whereas PricewaterhouseCoopers Sri Lanka ("PwC"), which is a financial advisor in Sri Lanka retained by GL to advise GL on the CCF Acquisition, used Residual Income Approach. These two approaches yield different significant equity values.

DCF is widely used for valuing firms in a large number of industries. However, the Audit Committee has been advised by PwC that it is always arguable among financial professions whether it is appropriate to use DCF to price the share value of a financial firm due to the nature of the operation and the difficulty of separating operating cash flows from funding cash flows. The funding business is also part of the core business of a financial institution which is a specific characteristic of the financial company, different from typical manufacturing or servicing companies. PwC's valuation report provides reason for employing residual income approach which is that "residual income models look at the economic profitability of a firm rather than just its accounting profitability".

2. The peers that IFA used in Market Comparable Approach (P/E and P/BV) are narrowly selective (2 Thai listed companies, 1 Indian company and 1 Sri Lankan company). IFA also employed the same set of peers for valuing both CCF's and BGMM's shares who are in micro finance business. Nonetheless, only the one in Sri Lanka is engaged in micro finance business.

3. In terms of CD valuation, the IFA prices CD by combining the value of debenture component using straight bond valuation and the value of call option. The call option is valued by employing Black-Scholes Option Pricing Model. Such model is normally used for pricing a plain vanilla European option (a simple option exercised at maturity date only). GL's CD, on the other hand, can be exercised several times before maturity date and contains a few specific terms which have not been reflected in IFA's valuation model. For example, the CD has an early redemption feature embedded, i.e. GL can redeem any time after 2 years as deemed appropriate. Moreover, the CD is issued in USD denominator via private placement which due to the SEC's rules and regulations, the CD can be sold to international investors outside Thailand only.

In any case, the Audit Committee's Opinion serves as information to support consideration of the shareholders whether to approve or disapprove the Transactions. The shareholders should exercise their discretion in voting for the resolution for such Transactions in the best interest of the Company and all shareholders.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'S. Dardarananda', with a stylized flourish at the end.

Gen. Suebsan Dardarananda
Chairman of Audit Committee