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Ref: GL 25/2016

October 3, 2016

Subject: Notification of the resolutions of the Board of Directors' Meeting No. 12/2016 of the Company to approve the acquisitions of shares in companies in Sri Lanka and Myanmar

Attention: the President
The Stock Exchange of Thailand

Enclosures: 1. Information Memorandum on Acquisition of Assets of Group Lease Public Company Limited Re: Share Acquisitions.
2. Information Memorandum on Connected Transactions of Group Lease Public Company Limited Re: Share Acquisitions

Following the Board of Director's Meeting of Group Lease Public Company Limited (the "**Company**") No. 12/2016 held on 30 September 2016, the Company would like to inform the important resolutions of which can be summarized as follows:

1. **Approved the acquisitions of shares in a listed company in Sri Lanka.**

1.1 Approved the acquisition, by the Company and/or the Company's subsidiary, Group Lease Holdings PTE. Ltd. ("**GLH**"), of 95,390,500 ordinary shares in Commercial Credit and Finance PLC ("**CCF**"), representing approximately 29.99% of total share capital in CCF, at a purchase price at LKR 111 per share (equivalent to approximately THB 26.35 per share, exchange rate 0.2374 baht per 1 LKR – 29 Sep. 16), amounting to the total value of LKR 10,588,345,500 (equivalent to approximately THB 2,513.67 million), from BG Investments (Private) Limited, Creation Investments Sri Lanka LLC ("**Creation SL**") and Mr. Stephen L. Lafrance Jr. (the "**CCF Acquisition**") and the entering into asset acquisition transaction of a listed company.

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 **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 entered into by the Company and/or subsidiaries in the past 6 months (including the BGMM Acquisitions as detailed in No. 2.1 below, 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 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 Company has disclosed details of the CCF Acquisition as appeared in Enclosure 1 to this document.

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, 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.

The Board of Directors also approved 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 Acquisition, 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 Acquisition, to take any actions necessary and relevant to the entering into such CCF Acquisition in all respects until completion of the CCF Acquisition; and to have the power to appoint and/or remove a substitute to take the foregoing actions.

1.2 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, the Board of Directors approved 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 THB 1,866.27 million) or 25.07% of Net Tangible Assets of the Company, from Creation SL (the "**CCF Connected Transaction**").

The CCF Connected Transaction 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 as detailed in No. 2.2 below, which will be executed in the proximity timing), the total value of the connected transactions are not less than THB 1,944.16 (or equal to 26.12% of Net Tangible Assets) which is more than Baht 20 million or 3% of Net Tangible Assets 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 addition, the Board of Directors ratified the appointment of Grant Thornton Services Limited as an independent financial advisor to express opinion on such transaction whether it is reasonable and beneficial to the Company, and on the fairness of price and conditions of the transactions to the shareholders of the Company. In this regards,

the Company has disclosed details of the CCF Connected Transaction as appeared in Enclosure 2 to this document.

The Board of Directors also approved 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 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.

In addition, the Board of Directors also approved to propose to the shareholders of the Company to consider and approve the entering into the CCF Connected Transaction and the authorization as abovementioned.

2. **Approved the acquisition of shares in a private company in Myanmar.**

2.1 Approved the acquisition, by the Company and/or GLH, of 1,387,680 ordinary shares in BG Microfinance Myanmar Co., Ltd ("**BGMM**"), representing 100% of total share capital in BGMM, at a purchase price at approximately USD 5.77 per share (equivalent to approximately THB 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 THB 277.24 million), from BG Investments (PVT) Ltd., BG International (PVT) Ltd. and BG Capital (PVT) Ltd. (together referred to as "**BG**") and CCF (the "**BGMM Acquisition**") and the entering into asset acquisition transaction of a listed company.

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 THB **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 entered into by the Company and/or subsidiaries in the past 6 months (including the CCF Acquisition as detailed in No. 1.1 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 addition, 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 this regards, the Company has disclosed details of the BGMM Acquisition as appeared in Enclosure 1 to this document.

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, 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.

The Board of Directors also approved 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 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 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.

In addition, the Board of Directors also approved to propose to the shareholders of the Company to consider and approve the entering into the BGMM Acquisition and the authorization as abovementioned.

2.2 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 Board of Directors approved 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 28.09% of total share capital in BGMM, at a purchase price at USD 5.77 (approximately equivalent to THB 199.79), amounting to the total value of USD 2,249,446.04 (equivalent to approximately THB 77.89 million or 1.05% of Net Tangible Assets of the Company, from CCF (the "**BGMM Connected Transaction**").

The BGMM Connected Transaction is considered 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 No. 1.2 above, which will be executed in the proximity timing), the total value of the connected transactions are not less than THB 1,944.16 (or equal to 26.12% of Net Tangible Assets) which is more than Baht 20 million or 3% of Net Tangible Assets 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 addition, the Board of Directors ratified the appointment of Grant Thornton Services Limited as an independent financial advisor to express opinion on such transaction whether it is reasonable and beneficial to the Company, and on the fairness of price and conditions of the transactions to the shareholders of the Company. In this regards, the Company has disclosed details of the BGMM Connected Transaction as appeared in Enclosure 2 to this document.

The Board of Directors also approved 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.

In addition, the Board of Directors also approved to propose to the shareholders of the Company to consider and approve the entering into the BGMM Connected Transaction and the authorization as abovementioned.

Please be informed accordingly

Sincerely yours,

(Mr. Tatsuya Konoshita)

Director

**Information Memorandum on Acquisition of Assets 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 acquisition of assets 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 THB 26.35 per share, exchange rate 0.2374 baht per 1 LKR – 29 Sep. 16), amounting to the total value of LKR 10,588,345,500 (equivalent to approximately THB 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 THB 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 THB 277.24 million), from BG Investments (PVT) Ltd., BG International (PVT) Ltd., BG Capital (PVT) Ltd. and Commercial Credit and Finance PLC. ("**BGMM Acquisition**").
(CCF Acquisition and BGMM Acquisition will be collectively referred to as the "**Acquisitions**")

Such 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**"). The highest comparative value of CCF Acquisition is equivalent to 21.02 percent on Net Income basis and the highest comparative value of BGMM Acquisition is equivalent to 2.08 percent on Total Value of Consideration basis. 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 21.55 percent on Net Income basis. The Acquisitions are therefore categorized as a Type-2 transaction according to the Acquisition and Disposition Notifications as the highest comparative value of the transaction size is higher than 15% but lower than 50%. Accordingly, 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.

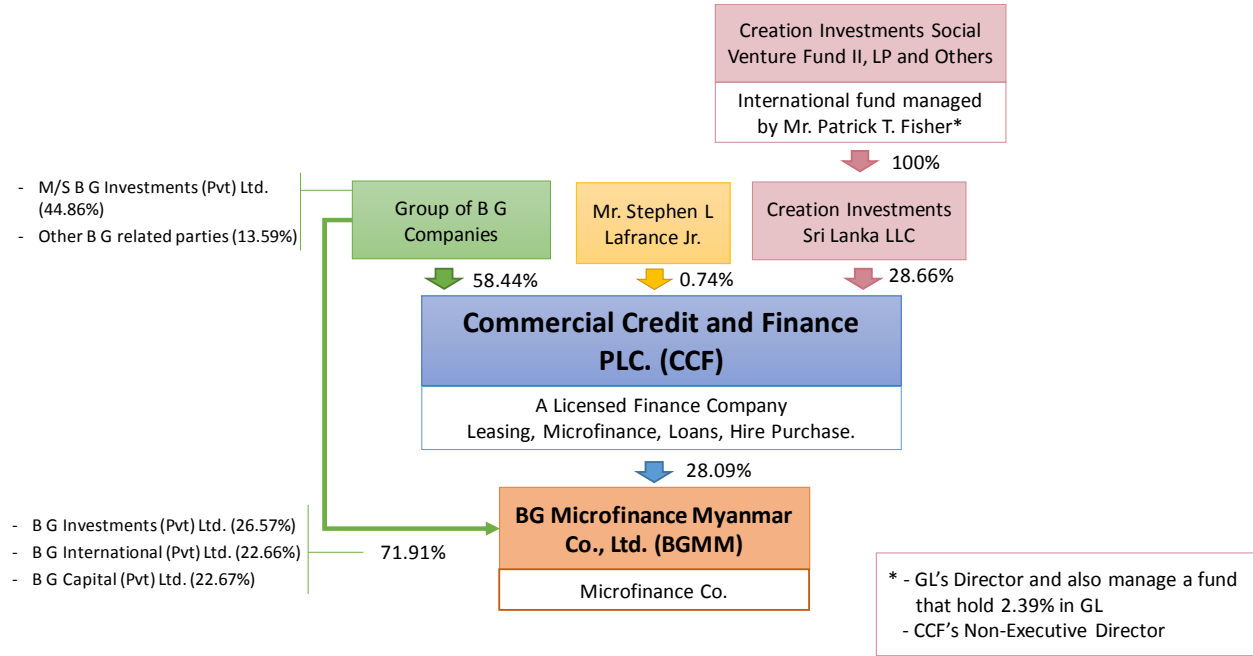
In this regards, as Mr. Patrick Fisher, a current director of the Company, is the founder and managing partner of Creation SL, one of the sellers of CCF's shares, and he is also a director of CCF, one of the sellers of BGMM's shares, and Creation SL has a significant shareholding in CCF of 28.66%, the 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**"). Therefore, the Company is required to disclose information on the transaction and to seek the shareholders' approval for entering into such connected transactions in compliance with the Connected Transaction Notifications. Please see more details in Information Memorandum on Connected Transaction 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 Acquisitions

Transaction 1: CCF Acquisition

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 the CCF Seller.

Prior to the completion of the CCF Acquisition from Creation SL, the Company will seek for shareholders’ approval in connection with the purchase 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 as it is considered a connected transaction. Please see more details in Information Memorandum on Connected Transaction of Group Lease Public Company Limited Re: Shares Acquisitions.

Transaction 2: BGMM Acquisition

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 Acquisition, the Company will seek for shareholders’ approval 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 entering into connected transactions for the portion of the purchase 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.

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 Acquisitions

Transaction 1: CCF Acquisition

The Subsidiary Company has agreed to acquire shares of CCF from the Seller 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, 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 THB 2,513.67 million) which is equal to LKR 111 (approximately equivalent to THB 26.35) per CCF's share pursuant to the terms of the CCF Agreement.

Transaction 2: BGMM Acquisition

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, 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 THB 277.24 million, which is equal to USD 5.77 per BGMM's share (approximately THB 199.79) pursuant to the terms of the BGMM Agreement.

The comparative value calculation for the size of the Acquisitions is based on the criteria according to the Acquisition and Disposition Notifications. Details of the calculation are summarized below:

a) **Comparison of Net Tangible Assets**

Provided that as of 30 June 2016,

GL's NTA = THB 7,442.85 million

CCF's NTA = THB 1,882.98 million

(LKR 7,780.91 million, exchange rate = THB 0.242/LKR)

BGMM's NTA = THB 33.47 million (Audited report for the year ended 31 March 2016)

(KYAT 1,146.29 million, exchange rate = THB 0.0292/Kyat)

Therefore;

NTA ratio for CCF acquisition of 29.99% = 7.59%

NTA ratio for BGMM acquisition of 100% = 0.45%

Combined NTA ratios for both transactions = 8.04%

b) Comparison of Net Profit

Provided that as of 30 June 2016, Net Profit for last 4 quarters ended 30 Jun. 16 of GL and CCF as well as BGMM which ended 31 Mar. 16 is as follows:

GL's Net Profit = THB 821.20million

CCF's Net Profit = circa THB 575.66million

(LKR 2,378.74million, exchange rate = THB 0.242/LKR)

BGMM's Net Profit = circa THB 4.35million (Audited report for the year ended 31 March 2016)

(KYAT 76.65 million, exchange rate = THB 0.0298/Kyat)

Therefore;

Net Profit ratio for CCF acquisition of 29.99% = 21.02%

Net Profit ratio for BGMM acquisition of 100% = 0.53%

Combined Net Profit ratios for both transactions = 21.55%

c) Comparison of Total Value of Consideration

Provided that

GL's Total Asset as of 30 June 16 = THB 13,320.94million

Total consideration for acquiring 29.99% of CCF shares = circa THB 2,513.67 million

Total consideration for acquiring 100% of BGMM shares= circa THB 227.24 million

Therefore;

Total Consideration ratio for CCF acquisition of 29.99% = 18.87%

Total Consideration ratio for BGMM acquisition of 100% = 2.08%

Combined Net Profit ratios for both transactions = 20.95%

Since the Company has not entered into acquisition and disposition of both companies in the past 6 months; therefore, the size of the Acquisitions calculated under the comparison of Net Profit basis is the highest value as illustrated above which is equal to not more than 50% on a Net Profit basis. The Acquisitions are therefore categorized as a Type-2 transaction according to the Acquisition and Disposition Notifications as the highest comparative value of the transaction size is higher than 15% but lower than 50%. Accordingly, the Company is required to disclose the details of the Acquisitions through 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.

4) Details of the Assets Acquired

Transaction 1: CCF Acquisition

Assets to be acquired: 95,390,500 ordinary shares in CCF, representing approximately 29.99% of CCF's share capital.

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. Moreover GL is willing to bring additional value to CCF with the development of leasing and digital finance model in Sri Lanka as well.

CCF is looking to expand in other industries such as banking and 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.

Also to be noted, with all the respect to shareholders' agreement, GLH will potentially have the right of taking over 70% of CCF if CCF's existing major shareholders will, in the future, sell their shares and GLH considers to buy the shares according to First Refusal Right on existing shares as stipulated in the Shareholder Agreement.

Transaction 2: BGMM Acquisition

Assets to be acquired: 1,387,680 ordinary shares in BGMM, representing 100% of BGMM's share capital.

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. 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.

In addition, GL is investing in BGMM, an existing licensed company which after 2 year of operations is already profitable and will look to scale up the number of branches to benefit from the business model. 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.

4.1 General Business Information of CCF

4.1.1 Overview of CCF

Company Registration name	Commercial Credit and Finance Public Limited Company
Company Registration Number	PB 269PQ
Date of Incorporation	4 th of October 1982 (Re incorporated on 8 th of April 2008)
Place of Incorporation	Sri Lanka
Type of Business	Finance and Leasing
Registered Office	No. 106, Yatinuwara Veediya, Kandy
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	<p>318,074,365 shares (as of 20 Sep. 2016)</p> <p>LKR 2,150,640,315 (equivalent to approximately THB 510.56 million)</p>
Major Shareholders	<p><u>Major 10 shareholders as of 20Sep 2016</u></p> <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)

	<p>LTD, 26,700,000 shares (8.39%)</p> <p>4. DR. E Fernando, 12,904,463 shares (4.06%)</p> <p>5. MR G G Hemachandra, 7,107,652 shares (2.23%)</p> <p>6. Assetline Leasing CO. LTD/BG Investments (PVT) LTD, 7,003,224 shares (2.2%)</p> <p>7. Peoples Leasing & Finance /MS S N Egodage, 4,264,380 shares (1.34%)</p> <p>8. Ceylinco Insurance PLC A/C NO.1 (Life Fund), 4,014,843 shares (1.26%)</p> <p>9. First Capital Markets LIMITED / BG Investments (PVT) LTD, 3,750,000 shares (1.18%)</p> <p>10. MR S L Lafrance JR, 2,367,963 shares (0.74%)</p>
Connected Persons of the Company and their Shareholding	<p>Creation SL is considered a connected person of the Company as Mr. Patrick T. Fisher, 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%.</p>
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

4.1.2 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.- (THB 1,200.-). Interest will be paid on monthly and maturity basis.

4.1.3 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
Loans & receivables	34,126	8,221	34,276	8,257	28,980	6,981
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	6,513	1,569	5,844	1,408	3,804	916

Note: Convert into Thai baht by applying exchange rate on 30 June 2016 at THB 0.2409 per LKR

4.2 General Business Information of BGMM

4.2.1 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
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 THB 28.74 million, exchange rate THB 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., 314,5486 shares (22.67%) 3. BG Capital (Pvt) Ltd., 314,577 shares (22.67%) 4. CCF 389,852 shares (28.09%) 5. Mr Lawrence Gregory Shriyantha Perera (1 share)
Connected Persons of the Company and their Shareholding	CCF is deemed a connected person of the Company through the 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
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4.2.2 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.

4.2.3 Key Selected Financial Information of BGMM

Key Financials	30 Jun. 16 (3-month, unaudited)		31 Mar. 16 (annual, audited)		31 Mar. 15 (annual, audited)	
	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	1,482	44	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

5) Total Value of Consideration

5.1 Value of Consideration

Transaction 1: CCF Acquisition

The total consideration for the acquisition of 95,390,500 ordinary shares in CCF from the CCF Sellers is not more than LKR 10,588,345,500 or equivalent to approximately THB 2,513.67 million.

Transaction 2: BGMM Acquisition

The total consideration for the acquisition of 1,387,680 ordinary shares in BGMM from the BGMM Sellers is not more than USD 8,006,913.60 or equivalent to THB 277.24 million.

5.2 Payment Method

Transaction 1: CCF Acquisition

Payment method will be in cash at the Closing Date.

Transaction 2: BGMM Acquisition

Payment method will be in cash at the Closing Date.

6) Value of Assets Acquired

Transaction 1: CCF Acquisition

The total value of the acquisition of CCF's shares from the CCF Sellers under the CCF Agreement is not more than LKR 10,588,345,500 or equivalent to approximately THB 2,513.67 million.

Transaction 2: BGMM Acquisition

The total value of the acquisition of BGMM's shares from the BGMM Seller under the BGMM Agreement is not more than USD 8,006,913.60 or equivalent to approximately THB 277.24 million.

7) Basis Used to Determine the Value of Consideration

Transaction 1: CCF Acquisition

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 THB 1,892.27 million to THB 2,587.04 million (at the exchange rate of THB 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 THB 2,513.67 million.) PricewaterhouseCoopers has acted as the financial advisor to the Company for the CCF Acquisition.

Transaction 2: BGMM Acquisition

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 USE 8,006,913.6 (equivalent to THB 277.24 million, at the exchange rate of 1 USD per THB 34.625).

8) Expected Benefits from the Transaction

The Company believes that when GLH invests in CCF and BGMM, these investments shall benefit to the Company and effect to the sustainable growing of income and profit. At the same time, the Company 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 new promising business with good synergies as well.

Additionally, "Digital Finance" business model which is the original business model of the Company and has been proven successful will provide growth to the business of BGMM.

9) Source of fund

The Company is in consideration to fund the Acquisitions partially from internal cash flow and the rest from external source of fund such as financial institution(s) and/or issuing financial instrument(s). In this regards, it is expected that the Company will reach the conclusion on this prior to the Shareholders' Meeting.

10) Conditions of the Acquisitions

Transaction 1: CCF Acquisition

The CCF Acquisition under the CCF Agreement is subject to fulfillment of the following conditions precedent, respectively:

- the approval of the shareholders' meeting of the Company for a connected transaction in connection with the purchase of CCF shares from Creation Investments Sri Lanka, LLC in the amount of 70,822,537 ordinary shares in CCF, representing 22.27% of total share capital in CCF having been obtained by the Company; and
- 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 to be agreed by the parties to be satisfied in full or waived.

Transaction 2: BGMM Acquisition

The BGMM Acquisition under the BGMM Agreement is subject to fulfillment of the following conditions precedent, respectively:

- the approval of the shareholders' meeting of the Company for a connected transaction in connection with the purchase of BGMM shares from CCF in the amount of

1,387,679 ordinary shares in CCF with a par value of Kyat 1,000 per share, representing 100% of total share capital in CCF and pursuant to Section 107 of the Public Limited Company Act B.E. 2535 (as amended) having been obtained by the Company; and

- 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 to be agreed by the parties to be satisfied in full or waived.

11) Opinion of the Board of Directors

The Board of Directors, excluding 1 interested director, who is a connected person of the Company and the Subsidiary Company and not attend the meeting and had no voting right in these agendas, had taken the transaction into consideration and had the opinion that the Acquisitions are reasonable while the benefits towards the Company are enhanced. Additionally, the Company shall experience long-term return. Thus, the Board of Directors has passed the unanimous votes to approve the Acquisitions, to enter into the acquisition of assets of a listed company and the connected transactions; and approved to propose the same for approval to the Company's shareholders' meeting.

In this regards, the interested director and a connected person who had no voting right and did not attend the meeting is Mr. Patrick Fisher.

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

-None-

**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 THB 26.35 per share, exchange rate 0.2374 baht per 1 LKR – 29 Sep. 16), amounting to the total value of LKR 10,588,345,500 (equivalent to approximately THB 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 THB 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 THB 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 THB 1,866.27 million) or 25.07% of Net Tangible Assets (“**NTA**”) (equal to approximately THB 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 THB 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 THB 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. TorJor 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

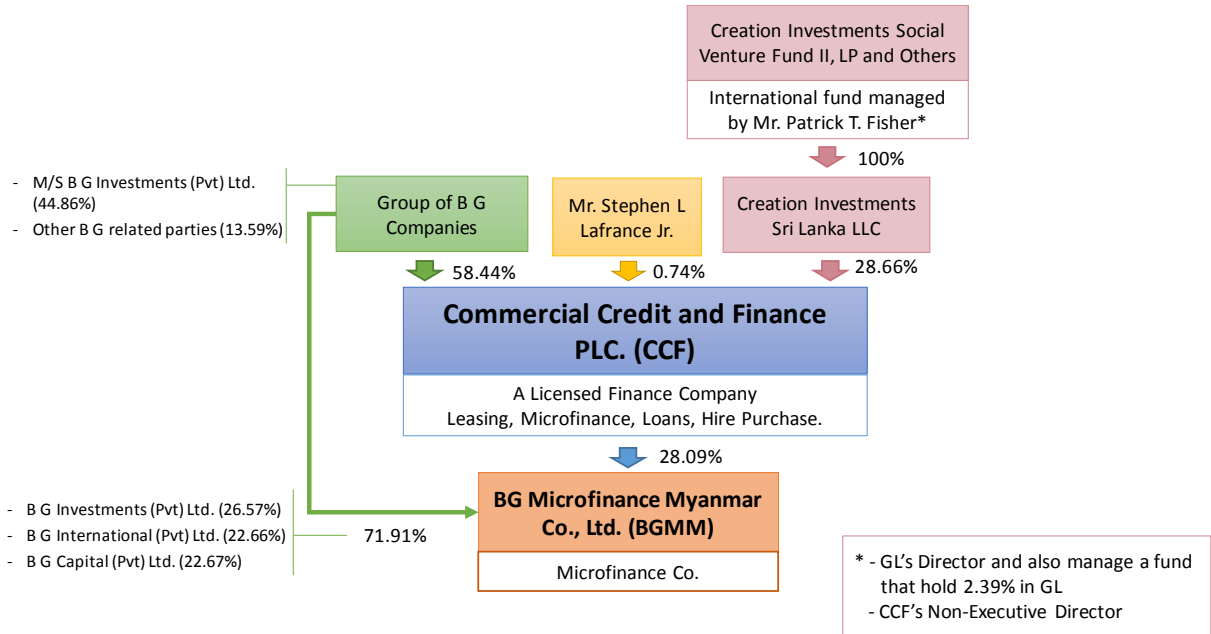
Acquisitions are therefore categorized as a Type-2 transaction according to the Acquisition and Disposition Notifications, the Company is required to disclose the details of the Acquisitions through the Stock Exchange of Thailand (the “**SET**”) and deliver an information memorandum containing specified 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 THB 2,513.67 million) which is equal to LKR 111 (approximately equivalent to THB 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 THB 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 THB 1,866.27 million).

The Company's NTA as of 30 June 2016 was THB 7,442.85 million; thus, 3% of NTA is THB 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.

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 THB 277.24 million which is equal to USD 5.77 per BGMM's share (approximately THB 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 THB 199.79). Therefore, the total consideration to be paid to CCF will not be more than USD 2,249,446.04 (equivalent to approximately THB 77.89 million,

The Company's NTA as of 30 June 2016 was THB 7,442.85 million; thus, 0.03% of NTA is THB 2.23 million and 3% of NTA is THB 223.28 million. The total consideration to be paid to CCF will

not be more than USD 2,249,446.04 (equivalent to approximately THB 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 THB 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.

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 on 8 th of April 2008)
Place of Incorporation	Sri lanka
Type of Business	Finance and Leasing
Registered Office	No. 106, Yatinuwara Veediya, Kandy
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 THB 510.56 million)
Major Shareholders	<u>Major 10 shareholders as of 20Sep 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%)
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	<u>Subsidiary</u> - Trade Finance & Investments PLC <u>Associates</u> - 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.- (THB 1,200.-). Interest will be paid on monthly and maturity basis.

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
Loans & receivables	34,126	8,221	34,276	8,257	28,980	6,981
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	6,513	1,569	5,844	1,408	3,804	916

Note: Convert into Thai baht by applying exchange rate on 30 June 2016 at THB 0.2409 per LKR

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
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 THB 28.74 million, exchange rate THB 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 Lawrance Gregory Shriyantha Perera (1 share)
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

3.2.3 Key Selected Financial Information of BGMM

Key Financials	30 Jun. 16 (3-month, unaudited)		31 Mar. 16 (annual, audited)		31 Mar. 15 (annual, audited)	
	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	1,482	44	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

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 THB 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 THB 1,866.27 million).

The Company's NTA as of 30 June 2016 was THB 7,442.85 million; thus, 3% of NTA is THB 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 THB 199.79). Therefore, the total consideration to be paid to CCF will not be more than USD 2,249,446.04 (equivalent to approximately THB 77.89 million).

The Company's NTA as of 30 June 2016 was THB 7,442.85 million; thus, 0.03% of NTA is THB 2.23 million and 3% of NTA is THB 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 THB 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 THB 1,892.27 million to THB 2,587.04 million at the exchange rate of THB0.2374 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.

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 THB 277.24 million (at the exchange rate of 1 USD per THB 34.625)).

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 THB 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 THB 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 THB 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 THB 77.89 million).

7) Source of fund

The Company is in consideration to fund the Acquisitions partially from internal cash flow and the rest from external source of fund such as financial institution(s) and/or issuing financial instrument(s). In this regards, it is expected that the Company will reach the conclusion on this prior to the Shareholders' Meeting.

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.

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.

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

-None-