

15 January 2018

Subject Clarification on News Release of J Trust Co. Ltd. dated 12 January 2018

Attention: The President  
The Stock Exchange of Thailand

Reference is made to a news release of J Trust Company Limited (“**J Trust**”) published on its website on 12 January 2018 to provide information on the current situation following J Trust Asia Pte. Ltd. (“**JTA**”) expressing its intention to cancel its investments in the convertible debentures of Group Lease Public Company Limited (the “**Company**”) in the aggregate amount of USD 180,000,000 and legal proceedings initiated against the Company and other parties in Thailand, Singapore and the British Virgin Islands.

After the Company learned of the news release of J Trust mentioned above, the Company immediately has been attempting to verify and obtain information in regard to the legal proceedings mentioned in the news release. On this matter, the Company would like to inform that all of the legal proceedings initiated by JTA against the Company as mentioned in the news release have no effect of disrupting the business operation of the Company. The Company can continue its operation as normal. Further, those legal proceedings are in the initial stage, and the courts have not decided on the merits of the cases. In this regard, the Company trusts that it can disprove all allegations of JTA in all of the legal proceedings. In addition, the Company would like to inform the public regarding those legal proceedings on the matters relating to the Company as follows.

#### **1. Legal Proceedings Initiated in Thailand**

In the news release, J Trust mentioned that JTA has filed with the courts a civil complaint against the Company and its relevant directors to claim compensation for damages, and a petition for rehabilitation of the Company, including filing complaints with the Department of Special Investigation and the Economic Crime Suppression Division against the Company and Mr. Mitsuji Konoshita.

On these matters, the Company would like to inform that currently, the Company has not received any writ of summon, copies of the complaint and the petition for rehabilitation from the courts. Nor the Company has received any contact from the courts, the Department of Special Investigation and the Economic Crime Suppression Division. Therefore, the Company does not have any reliable and clear information on those legal proceedings at the moment.

However, the Company acknowledges the importance of such matters and has been attempting to verify and obtain additional information from the publicly accessible information systems of the courts, and relevant authorities. Nevertheless, due to limited access to information, at this moment, the Company has been able to know and obtain only some information on those legal proceedings which can be summarized as follows.

**(1) Filing of the Civil Complaint**

The civil complaint was filed by JTA with the Civil Court on 9 January 2018 against Mr. Mitsuji Konoshita, the Company, and three directors of the Company as defendants, being the civil case, Black Case No. Por. 83/2561. The complaint is based on the allegations of wrongful acts, avoidance of voidable of transactions and claim for compensation for damages, requesting all defendants to pay damages to JTA. The first hearing (settlement of issues hearing) is scheduled for 23 April 2018, at 9.00 a.m.

**(2) Filing of the Petition for Rehabilitation of the Company**

The petition for rehabilitation of the Company was filed by JTA with the Central Bankruptcy Court on 10 January 2018, being the rehabilitation case No. For. 1/2561. The petition has been accepted by the court for further consideration. The first inquiry hearing is scheduled for 19 March 2018, at 9.00 a.m.

Regarding the complaints filed with the Department of Special Investigation and the Economic Crime Suppression Division against the Company and Mr. Mitsuji Konoshita, due to limited time and access to information, at this moment, the Company is however unable to obtain any information on the said matter. The Company would inform the public further as appropriate if any additional information is obtained or there is any update.

The Company would like to take this opportunity to update as per the following details on the current situation of the Company and further actions of the Company regarding the legal proceedings initiated by JTA mentioned above to prevent confusion to the public or mistaken or incorrect understanding.

- (1) Since at the moment, the Company has not received any writs of summon, copies of the complaint and the petition for rehabilitation of the company and any other documents from the courts, the Department of Special Investigation and the Economic Crime Suppression Division, the Company does not have information on details of the allegations relied on by JTA in initiating those legal proceedings against the Company.

However, the Company has already engaged lawyer and legal counsel and is in discussion with them for preparation to defend all the cases, including considering taking necessary and appropriate legal actions further to protect the rights and interests of the Company and its shareholders and to claim compensation for all damages incurred or to be incurred by the Company resulting from those actions from all parties involved.

- (2) The Company was advised by legal counsel that even though the Central Bankruptcy Court ordered accepting JTA's petition for rehabilitation of the Company for consideration, such order does not have the effect of ceasing the business operation of the Company. The Company can continue its operation and carry out its ordinary course of business, such as entering into necessary transactions with customers or trading partners, paying salaries to its employees etc.
- (3) Throughout the period since the Company entered into the Investment Agreements for sales of the convertible debentures with JTA, the Company has been in full and strict compliance with the terms and conditions of the Investment Agreements. The Company has never engaged in

any actions that could result in breach of any of the terms and conditions or could constitute wrongful act against JTA.

In addition, the Company has never been in default on payment with any of its creditors. In this regard, the Company would continue to provide clarification to other major financial creditors of the Company in regard to the occurring situation to ensure mutual understanding and preserve the well-established business relationship between the Company and the creditors further.

- (4) The Company would like to confirm that as of the moment, the Company is definitely not insolvent. Moreover, the latest statement of financial status (balance sheet) of the Company as at 30 September 2017 which has been disclosed to the public shows that the value of the total assets of the Company exceeds the total liabilities. In addition, the Company does not have any financial difficulties in business operation or lack liquidity at all. On the contrary, the performance of the company has been considerably high. Therefore, the Company does not fall within the criteria to enter rehabilitation. Nor is there any cause or necessity for the Company to enter rehabilitation. On this matter, the Company would consult with legal counsel for considering taking necessary and appropriate legal actions further.

## **2. Legal Proceedings Initiated in Singapore**

In the news release, J Trust also mentioned that JTA has initiated legal proceedings at the court in Singapore against Group Lease Holdings Pte. Ltd. (“**GLH**”), a wholly-owned subsidiary of the Company registered in Singapore, Mr. Mitsuji Konoshita, and Cougar Pacific Pte. Ltd. (a company registered in Singapore), including AREF Holdings Limited, Adalene Limited, Bellaven Limited and Baguera Limited (the latter four companies are registered in Cyprus) as defendants. JTA also obtained an interim injunction granted by the court in Singapore having effect over GLH, Mr. Mitsuji Konoshita and Cougar Pacific Pte. Ltd., respectively.

On this matter, please be advised that the Company has obtained information from GLH which can be summarized as follows.

- (1) JTA has initiated legal proceedings against GLH and other defendants in the court in Singapore relying mainly on the preliminary allegation that GLH, acting in conspiracy with other defendants, defrauded JTA to invest in the Company in the aggregate amount of more than USD 180,000,000. GLH allegedly entered into artificial loan transactions with the purpose of falsifying the financial statements of the Company to mislead potential investors that the financial health of the Company was attractive. Such actions allegedly caused damages to JTA. Therefore, JTA claims that GLH and other defendant are liable to pay damages to JTA in the amount of at least USD 180,000,000. In this regard, JTA also requested the court to grant an interim injunction, and the request has been granted.

GLH has already engaged a law firm in Singapore to defend against all allegations and the interim injunction order of the court in Singapore.

- (2) According to the interim injunction order, GLH is compelled by the order of the court in Singapore to refrain from dealing with its assets in Singapore or disposing from Singapore of

its assets up to the value of USD 180,000,000. However, the order does not prohibit GLH from dealing with or disposing of its assets in the ordinary and proper course of business. Since the normal course of business for GLH includes managing cash and investment of the Company among affiliated companies throughout Asia, GLH should still be able to conduct its normal business transactions.

On this matter, according to the advice of lawyers in Singapore, the interim injunction granted by the court in Singapore had been requested by JTA on an *ex parte* basis, which means that the court granted the interim injunction solely based on the request of JTA and without GLH being heard, or filing any objection. Nor does it indicate that the allegations by JTA are proven, since the court has not decided on the merits of the case in granting the interim injunction whether there is any fraudulent conduct as alleged. The interim injunction was also granted as interim relief with temporary effect which is subject to revision from time to time and cancellation at any time as deemed necessary and appropriate by the court. Further, the order of the court for the interim injunction is not final and may be set aside by the court upon application by the defendants.

- (3) In addition, it is advised by lawyers in Thailand and Singapore that the interim injunction has no effect on the Company's assets in Thailand since the Company is not a party in the legal proceedings mentioned above or on whom the order is imposed. Therefore, the Company would like to confirm that the business of the Company would not be interrupted by the interim injunction. Its operation continues as normal.
- (4) GLH is currently in the process of preparing statements of defence and a petition requesting for setting aside the interim injunction to be submitted to the court in Singapore further.

The Company would like to take this opportunity to advise that it has never engaged or involved in any unlawful conduct. Nor has the Company conspired with the borrowers under the loan transactions with GLH to falsify its financial statements. The loan transactions are the matter between GLH and the borrowers which the Company believes are genuine and entered into based on commercial negotiation. The financial statements of the Company are also true and correct in all respects. The Company therefore has the view that the allegations of JTA in the legal proceedings are unfounded.

### **3. Legal Proceedings Initiated in the British Virgin Islands**

In the news release, J Trust mentioned further that JTA has obtained an interim injunction order having effect over A.P.F. Group Co., Ltd. and Mr. Mitsuji Konoshita. On this matter, the Company would like to advise that the Company is not a party in the legal proceedings or related to this matter. In addition, the Company does not have any information on this matter. Therefore, the Company has no obligation and is unable to provide any information on this matter.

The Company would advise the public further as appropriate in regard to the legal proceedings initiated by JTA in Thailand and Singapore if reliable and clear additional information is received or if there is any development.

Yours sincerely,

(Mr. Tatsuya Konoshita)  
Chairman