

SET reminds GL's shareholders to study IFA's opinion which suggests that the shareholders should disapprove the connected transactions concerning the acquisition of shares and the issuance of convertible debentures

The SET recommends the shareholders of Group Lease Public Company Limited (GL) to study information on the connected transactions which consist of the share acquisition of Commercial Credit and Finance PLC, the share acquisition of BG Microfinance Myanmar Co., Ltd., and the issuance and offering of convertible debentures to Creation Investments Sri Lanka LLC. The IFA suggests that the shareholders should not approve these transactions. In addition, the shareholders should attend the Extraordinary General Meeting of the Shareholders which will be held on December 6, 2016 at 10 am at the Miracle Grand Convention Hotel, Bangkok.

GL will propose to the shareholders to approve 3 connected transactions which are:

1. Share acquisition of Commercial Credit and Finance PLC (CCF), amounting to LKR 10,588.35 million (THB 2,514 million)
2. Share acquisition of BG Microfinance Myanmar Co., Ltd. (BGMM), amounting to USD 8.01 million (THB 277 million)
3. Issuance and offering of convertible debentures to Creation Investments Sri Lanka LLC (Creation SL) for the amount not exceeding USD 20 million or an equivalent amount in other currencies with the face value/ issuing price at USD 100,000 per unit

In addition, these transactions are considered as the connected transactions since Mr. Patrick T. Fisher, a current GL's director, is the founder and managing partner of Creation SL, one of the sellers of CCF's shares. He is also a director of CCF who is one of the sellers of BGMM's shares.

The Board of Directors of the Company considers that the shareholders should approve these transactions since 1) GL has an ambition to expand the business into CLMV region. CCF has an experience in microfinance, so the investment will open up an opportunity for GL to gain new experience which is suitable for microfinance business in CLMV. 2) BGMM acquisition offers GL an immediate access to microfinance business in Myanmar. 3) The issuance of convertible debentures in USD is a plan to support the future overseas expansion. The exercise price at THB 70 per share is approximately 75% higher than the current market price. In addition, the Audit Committee agrees with the Board of Directors with additional opinion that the independent financial advisor (IFA) and the company's financial advisor (FA) used different valuation approaches which lead to a significant difference in share value.

However, the IFA suggests that the shareholders should not approve these transactions since the purchase prices are significantly higher than the valuated fair prices. As the valuated fair price of CCF ranges between THB 1,587 – 1,666 million and the valuated fair price of BGMM ranges between THB 173 – 179 million. For the convertible debentures, the face value/ issuing price is lower than the fair value of USD 118,996 -120,935 per unit. (Details as shown in GL's news on October 3 and 31, 2016 and November 15, 2016)

The SET recommends that GL's shareholders should carefully study information and IFA's opinion, and also attend the Extraordinary General Meeting of the Shareholders which will be held on December 6, 2016 at 10 am at the Miracle Grand Convention Hotel, Bangkok.

It should be noted that the connected transaction must get approval from the shareholder's meeting which requires the votes of at least three-fourths of the total votes of shareholders attending the meeting and having the voting rights, excluding interest shareholders.