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To whom it may concern

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### **Group Lease Turning Crisis into Opportunity**

~Press Release From Finance Business Subsidiary~

Group Lease PCL (GL), our group company which operates the motorcycle finance business in Thailand, has announced a press release for analyst in English and Thai. Following is the introduction of the press release:

#### Description

#### **GL Press Release "Group Lease Turning Crisis into Opportunity"**

Amid the prevailing economic slowdown which has resulted from the prolonged political conflict, SET-listed motorcycle leasing company Group Lease PCL is embarking on a shrewd business strategy to turn the current "crisis" into "opportunity" by consolidating its operations in Thailand while pushing ahead with solid new business growth in Cambodia.

"GL will spring back into strong profitability once the current adjustment period is over," declared the company's chairman and chief executive Mitsuji Konoshita. He believed the motorcycle-leasing business -- alongside Thailand's general economic situation - will return to normal around mid-year and GL's 2014 all-year performance would be far better than the 2013 numbers.

GL had recently reported 240.31 million baht net profit for 2013, a disappointing 32.75% decline from the 357.38 million baht net profit in 2012. One major factor contributing to the profits decline was the high provision for bad and doubtful debts amounting to 343.64 million baht, which was a huge jump from 45.25 million baht in 2012.

Mr. Konoshita indicated that the large provision in 2013 could turn out to be a blessing in disguise. "We follow prudent financial practice by enforcing strict provisioning standards. A sizable portion of the provisioning was earmarked for late payments. Our clients haven't lost their jobs - they just didn't get overtimes - so they couldn't pay their monthly installments on time," he added. This means once the economy recovers and those late-paying clients return to pay as normal, reserves that would be rendered unnecessary would revert to profits.

Owing to various unfavorable economic factors such as poor consumer confidence and failure of the government's rice-pledging scheme, GL's monthly sales have slowed down to about 7,000 units per month. Management is using the current lull period to beef up and expand its network of dealers particularly in the eastern provinces where workers in many industrial estates constitute the company's main

clients base. The monthly sales, however, are projected to rise to around 10,000 by year-end.

But despite the current slowdown, GL's total outstanding portfolio of about 4.8 billion baht at the end of 2013 was about 45% more than the 3.3 billion baht portfolio at end-2012. This was thanks to the accumulation from aggressive sales growth in recent years. The total portfolio is now projected to increase to about 6 billion baht at the end of this year.

While consolidating its Thai operations, GL's new business in Cambodia is making satisfactory progress. Mr. Konoshita stated that GL's wholly-owned subsidiary there, GL Finance (GLF), is pursuing a conservative strategy to ensure solid and steady growth with minimal non-performing loans (NPLs).

The present monthly sales of about 1,000 units are projected to rise to about 2,000 by Songkran in April and increase further to about 3-4,000 by the end of this year. The total outstanding portfolio now stands at about 5,000 - the break-even threshold - with only 0.5% NPLs.

"We have now reached the break-even point in our Cambodian operations, which means additional business from now on will become profitable," Mr. Konoshita said. The Cambodian portfolio is projected to reach 20-25,000 units by end-2014, with the Cambodian operations expected to contribute about 20% of total GL profits this year.

Thank you.

(Please refer to the following URL for the original news release  
<http://www.grouplease.co.th/investor/>)