

SMB LEASING PLC

ADDENDUM TO THE CIRCULAR TO SHAREHOLDERS DATED 15TH APRIL 2021

The following, must to be read together with the Circular to Shareholders dated 15th April 2021, with reference to the Application made by the Company to the Colombo Stock Exchange (CSE), to waive the Application of Rule 5.1.1c of the CSE Listing Rules, for the issue of shares on this Rights Issue to the Non-Voting Ordinary Shareholders.

Rule 5.1.1c reads as follows:

“where the application is for Other Class of Shares, the total value of all the Other Classes of Shares issued at any given time (as set out in the latest balance sheet of the Entity) whether listed or unlisted (including the Other Class of Shares for which the application is made) shall not exceed Fifteen percent (15%) of the Entity’s Shareholders Funds.

(For the purpose of this Rule “Shareholder Funds” shall mean stated capital and the reserves of the Entity.)

- (i) The Company’s shareholders funds as at 31st December 2020 (unaudited) was Rs.1,004,791,523/- which will increase to Rs.3,458,823,035/- if the Rights Issue for both Voting and Non-Voting Shareholders is fully subscribed.
- (ii) Currently the value of Non-Voting Shares constitute 24.65% of the shareholders funds [Rs.247,717,378/-].
- (iii) Post completion of the Rights Issue, based on receiving full subscription for both Voting and Non-Voting shares, the value of Non-Voting Shares will reduce to 17.81% of the then shareholders funds.

However, since the total value would still exceed the threshold of 15% as set out in Rule 5.1.1c as aforesaid, the Company by their letter dated March 30th 2021, sought a Waiver of Rule 5.1.1c, in respect of the proposed Rights Issue of Shares to the holders of Non-Voting Ordinary Shares.

The CSE by their letter dated 12th April 2021 granted a Waiver of Rule 5.1.1c of the CSE Listing Rules for this particular Rights Issue, so that the rights of the Non-Voting Ordinary Shareholders may not be diluted based on their existing holding.

By Order of the Board
SMB Leasing PLC

(Sgd) Anusha Wijesekara

P W Corporate Secretarial (Pvt) Ltd
Secretaries

On this 23rd day of April 2021