

21<sup>st</sup> October 2021

Mr Renuke Wijayawardhane  
Chief Regulatory Officer  
Colombo Stock Exchange  
04-01 West Block, World Trade Centre  
Colombo 1.

Dear Sir,

### **SALE OF PRASAC MICROFINANCE INSTITUTION - CAMBODIA**

Further to the disclosures made on 6<sup>th</sup> January 2020 and on 13<sup>th</sup> April 2020, in terms of Section 8.5 of the Listing Rules LOLC Holdings PLC wish to announce the following:

On 6<sup>th</sup> January 2020, LOLC International Private Limited of Singapore (subsidiary of LOLC Holdings PLC) along with the other shareholders of PRASAC Microfinance Institution Limited of Cambodia (PRASAC) entered into a Sale and Purchase Agreement and a Shareholders Agreement with Kookmin Bank, the largest Commercial Bank in the Republic of South Korea, for the sale of PRASAC's entire shareholding. Under the agreement LOLC Group intended to divest its ownership in PRASAC amounting to 70% in two stages.

In April 2020, LOLC International Private Limited, was entitled to USD 422mn being the sales proceeds attributable to it on the first tranche, on divestment of 49% shareholding at an entity valuation of USD 862mn.

LOLC Holdings PLC is pleased to announce that the second and final tranche of the transaction was completed on 19<sup>th</sup> October 2021 and the sales proceeds attributable to LOLC International Private Limited is USD 225mn on the divestment of the remaining 21% shareholding at an entity valuation of USD 1,073mn. With the final disposal proceeds, LOLC Group has realized a total of USD 647mn from the sale of its investment in PRASAC.

With the settlement of the second tranche, LOLC Group has now fully exited from its investment in PRASAC. PRASAC was LOLC Group's maiden foreign investment in 2007 when it acquired a non controlling interest in the company and in 2017 the Group increased its shareholding to 70% by acquiring the shares of the exiting shareholders. PRASAC evolved significantly since its inception in 1995 as a credit component to rehabilitate the agricultural sector in rural Cambodia. Since LOLC Group's initial investment in the Company in 2007, PRASAC has transformed itself from an entity with an asset base of USD 37mn to an asset base of USD 3,800 million as at June 2021, to become the largest micro finance company in Cambodia today. During this 14 year period PRASAC has recorded 100x growth in the loan book, 464x growth in equity and 90x growth in profit.

LOLC continues to operate in the micro finance sector in Cambodia with a 97% stake in the fourth largest and second most profitable micro finance company in Cambodia and also operates micro finance platforms in Philippines, Indonesia, Myanmar, Pakistan, Zambia, Nigeria, Tanzania, Malawi and Tajikistan.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Risni' followed by a stylized flourish.

LOLC Corporate Services (Pvt) Ltd  
SECRETARIES TO LOLC HOLDINGS PLC