

ANNOUNCEMENT UNDER THE COMPANY TAKE-OVERS AND MERGERS CODE 1995 (AS AMENDED IN 2003) AND GAZETTED IN THE GAZETTE EXTRAORDINARY NO. 875/9 DATED 16TH JUNE 1995 AND AMENDED BY GAZETTE NO. 1299/6 DATED 29TH JULY 2003

MANDATORY OFFER BY L B FINANCE PLC TO PURCHASE 22,500,106 ORDINARY SHARES OF MULTI FINANCE PLC

1. BACKGROUND TO THE OFFER

L B Finance PLC, bearing Company Registration No. PQ 156 and having its Registered Office at No.275/75, Professor Stanley Wijesundera Mawatha, Colombo 07 (hereinafter referred to as the **Offeror**) acquired, on 16th March 2022, on the Trading Floor of the Colombo Stock Exchange (CSE), 41,110,075 ordinary shares in **Multi Finance PLC** (hereinafter referred to as the **Offeree**), constituting approximately 64.63% of the total number of shares in issue in Offeree of which 28,787,350 shares were acquired at Rs. 9/70 per share and 12,322,725 shares at Rs. 9/80 per share.

Consequent to the said purchase of shares, the Offeror triggered the threshold limits placed by the Company Takeovers and Mergers Code 1995 (as amended) (Code), published under the Rules made by the Securities and Exchange Commission of Sri Lanka under Section 53 of the Securities and Exchange Commission of Sri Lanka, Act No. 36 of 1987 as amended, and in terms of Rule 31(1)(a) of the Code (as stated below), is obliged to make a Mandatory Offer.

Rule 31(1)(a) of the Code states as follows :

"Where any person acquires, whether by a series of transactions over a period of time or otherwise, shares which taken together with shares held or acquired by persons acting in concert with such persons, carrying Thirty per centum or more of the voting rights of a Company; such person shall extend within Thirty Five days, an offer in accordance with this Rule to the holders of any class of equity shares which carrying voting rights and in which such person or persons acting in concert with him hold shares ".

Rs.9/80 is the highest price paid by the Offeror and any party acting in concert with the Offeror for a share of the Offeree during the period of one year immediately prior to 16th March 2022.

Accordingly, the Offeror is obligated to purchase the balance 22,500,106 Ordinary Shares carrying voting rights of the Offeree (constituting approximately 35.37% of the issued shares of the Offeree) at a price of Rs. 9.80 per share.

2. TERMS OF THE OFFER

The Offeror offers to purchase from the shareholders of the Offeree 22,500,106 ordinary shares, at a price of Rs. 9/80 per share, being the highest price at which the Offeror acquired the shares of the Offeree on 16th March 2022, which is the highest price paid by the Offeror and any party acting in concert with the Offeror, during the period from 16th March 2021 to 16th March 2022, for a share of the Offeree.

The Offer to be made by the Offeror as herein contemplated shall be open to all ordinary shareholders of the Offeree registered in the books of the Offeree at the close of the Offer.

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LB Finance PLC (PQ 156)

Registered Office : 275/75, Prof. Stanley Wijesundera Mawatha, Colombo 07. Tel: 011 2200000 Fax: 011 2508507

Corporate Office : 20, Dharmapala Mawatha, Colombo 03. Tel: 011 2155000 Fax: 011 2574777

Board of Directors : Anandhiy K Gunawardhana (Chairperson / Independent Non-Executive Director), Dhammika Perera (Executive Deputy Chairman), J A S S Adhihetty (Managing Director), Niroshan Udage (Deputy Managing Director), B D A Perera (Executive Director), R S Yatawara (Executive Director), Yogadinusha Bhaskaran (Non Independent Non-Executive Director), M A J W Jayasekara (Independent Non-Executive Director), Ashwini Natesan (Independent Non-Executive Director), Dharmadasa Rangalle (Non Independent Non-Executive Director), Yanika Amarasekera (Independent Non-Executive Director) Prasanna Godewatta (Non Independent Non-Executive Director)

Website: www.lbfinance.com Hotline: 0112 200 200

3. THE IDENTITY OF THE OFFEROR

The Offeror was incorporated under the Companies Ordinance No. 51 of 1938 as a private limited liability company on 30th May 1971, converted to a public limited liability company on 29th September 1982 and was admitted to the Official List of the Colombo Stock Exchange on 30th December 1997. The Company was re-registered as per the Companies Act No. 07 of 2007 on 6th June 2008 under Company Registration No. PQ 156.

The Offeror is a Licensed Finance Company under of the Finance Business Act No. 42 of 2011 and a Registered Finance Leasing Establishment in terms of the Finance Leasing Act, No.56 of 2000.

The Registered Office of the Offeror is situated at No. 275/75, Professor Stanley Wijesundera Mawatha, Colombo 07.

The Directors of the Offeror are Mr Prasanna Godewatta, Mr. Ashane Jayasekara, Mr. Dhammika Perera, Mr. J A S Sumith Adhihetty, Mr. Niroshan Udage, Mr. B D A Perera, Mr. Ravindra S Yatawara, Mrs. Yogadinusha Bhaskaran, Mrs. Ashwini Natesan, Mr. Dharmadasa Rangalle and Ms. Yanika Amarasekera.

The Stated Capital of the Offeror is Rs.838,282,159/- represented by 554,057,136 Ordinary Shares.

The principal activities of the Offeror are savings/deposit mobilisation, lending activities including finance lease/vehicle loan facilities, gold loans, mortgage loans, personal loans and other credit facilities, value added services and digital financial services.

The Offeror's only subsidiary, which is incorporated in the Republic of the Union of Myanmar - L B Microfinance Myanmar Company Limited, carries on micro finance business in Myanmar.

4. EXISTING SHAREHOLDING IN THE OFFEREE COMPANY

(aa) The number of Offeree shares the Offeror owns or over which the Offeror has control	41,110,075
(bb) The number of Offeree shares owned or controlled by any person acting in concert with the Offeror	Nil
(cc) The number of Offeree shares in respect of which the Offeror has received an undertaking by any shareholder to accept the Offer	Nil

5. CONDITIONS OF THE OFFER

In terms of Rule 31(2) of the Code, offers made under Rule 31 **shall be conditional** only upon the Offeror having received acceptances in respect of shares which together with shares acquired or agreed to be acquired before or during the offer will result in the Offeror and persons acting in concert with the Offeror holding shares carrying more than fifty per centum (50%) of the voting rights.

The Offeror having acquired Shares carrying more than 50% of the voting rights, the Offeror declares that **this Offer is unconditional as to acceptances at the very outset.**

It must be noted that "acceptance" by a shareholder shall mean the acceptance according to the procedure which will be set out in the Offer Document referred to in item 6 being complied with.

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“Unconditional as to acceptance” shall mean; *“The Offeror must accept and pay for all shares tendered at the offer price while the shareholders of the Offeree lose their right to withdraw the shares”*

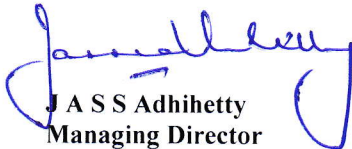
6. FURTHER DETAILS OF THE OFFER

A detailed Mandatory Offer Document giving other relevant information including the period during which the Offer would be kept open in terms of the aforesaid Company Take-Overs and Mergers Code, will be forwarded to all shareholders of the Offeree within thirty five (35) days from the date of incurring the obligation to make the Mandatory Offer.

A shareholder who does not receive a copy of the Mandatory Offer Document due to a postal delay or any other reason is advised to collect a copy of the Mandatory Offer Document from the Registrars to the Offer, P W Corporate Secretarial (Pvt) Ltd, 3/17 Kynsey Road, Colombo 08 (Tel. No. 4640360-3).

The Directors of the Offeror, do hereby declare and confirm that this Announcement has been seen and approved by them and that they collectively and individually accept full responsibility for the accuracy and completeness of the information given in this Announcement, and confirm to the best of their knowledge that there are no other facts, the omission of which would make any statements herein misleading.

By Order of the Board
L B Finance PLC


J A S S Adhihetty
Managing Director


Niroshan Udage
Deputy Managing Director

Dated this Twenty First (21st) day of March 2022