

S S P Corporate Services (Private) Limited

corporate secretaries, computer bureau services & recruitment services

Co. Reg. No. PV 931

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your ref:

our ref: LA/192/2022

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01 West Block
World Trade Centre
Echelon Square
Colombo 01.

15th March 2022

Dear Sir,

AMALGAMATION OF HNB FINANCE PLC AND PRIME FINANCE PLC UNDER SECTION 239 OF THE COMPANIES ACT NO. 7 OF 2007

We write to inform you that, the Board of Directors of Prime Finance PLC has, on 15th March 2022, decided that Prime Finance PLC be amalgamated with HNB Finance PLC under section 239 of the Companies Act No. 7 of 2007 (the “Companies Act”), with HNB Finance PLC being the amalgamated company. The effective date of the amalgamation will be 12th May 2022.

HNB Finance PLC is currently the parent company of Prime Finance PLC.

The amalgamation under reference is carried out in furtherance of the proposal of the Central Bank of Sri Lanka to consolidate Non-Bank Financial Institutions that is being implemented with a view to streamlining and strengthening the financial sector. The amalgamation of the companies will allow the consolidation of the business under “HNB Finance PLC”. The Central Bank of Sri Lanka has given its approval in principle for the amalgamation.

Subsequent to the amalgamation, HNB Finance PLC would become the amalgamated company, with the particulars of Prime Finance PLC being removed from the register maintained by the Registrar General of Companies.

The amalgamation will result in HNB Finance PLC succeeding, by operation of the provisions of the Companies Act, to the property, rights, powers and privileges of Prime Finance PLC and also to all liabilities and obligations of Prime Finance PLC as at the time of the amalgamation.

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The shares of Prime Finance PLC will not to be converted into shares of HNB Finance PLC under the amalgamation and all shareholders of Prime Finance PLC other than HNB Finance PLC who hold shares of Prime Finance PLC as at the time of the amalgamation will receive **cash consideration amounting Sri Lankan Rupees Twenty and Cents Ten (LKR 20.10) per each share** held in Prime Finance PLC. This cash consideration has been determined pursuant to an independent valuation carried out of the shares of Prime Finance PLC by NDB Investment Bank Limited.

An extraordinary general meeting of Prime Finance PLC will accordingly be held on 27th April 2022 at 2.30 p.m. as a virtual meeting for the purpose of the shareholders considering and if thought fit, approving the amalgamation and the amalgamation proposal relating thereto approved by the Board of Directors.

The other dates relating to the amalgamation will be notified to you in due course.

Yours faithfully,
For and on behalf of
Prime Finance PLC
S S P CORPORATE SERVICES (PRIVATE) LIMITED


SECRETARIES