

SMB LEASING PLC
[Company Registration No. PQ 91]
No. 282/1, CBS Building, Galle Road,
Colombo 03.

THE VIEWS, COMMENTS AND ADVICE OF THE BOARD OF DIRECTORS OF SMB HOLDINGS PLC IN TERMS OF RULE 13(2) OF THE COMPANY TAKE-OVERS AND MERGERS CODE 1995 (AS AMENDED IN 2003) ON THE MANDATORY OFFER MADE BY HEWAWASAMGE RAVINDRANATH SRILAL WIJERATNE TO THE SHAREHOLDERS OF SMB LEASING PLC

On 4th August 2021, Hewawasamge Ravindranath Srilal Wijeratne [the Offeror] in terms of Rule 31(1)(a) of the Company Takeovers and Mergers Code 1995 (as amended in 2003) [the Code] made an Offer to purchase 2,301,080,342 Ordinary Shares of SMB Leasing PLC [the Offeree] representing 35.56% of the Issued Shares of the Offeree at a price of Rs. 0.35 per share. Information on the Offer is set out in the Offer Document dated 4th August 2021.

In terms of Rule 12(1) of the Code, the Board of the Offeree is required to obtain competent Independent Advice on the Offer and communicate such advice to its Shareholders.

Accordingly, the Board of the Offeree appointed Acuity Partners (Private) Limited (Acuity), as the Independent Advisor to provide such advice to the Board of the Offeree on the Offer.

The Independent Advisor has reviewed the Offer and submitted its Report to the Board of the Offeree on August 20, 2021 and the said Report was examined by the Board of Directors at its meeting held on August 24, 2021.

Acuity has summarized the rationale for its recommendations in Section 6.6 and the Risk Factors to the existing shareholders in Section 7 of the Final Report on Independent Advice of Acuity.

The Final Report on Independent Advice of Acuity, dated August 20, 2021, circulated to the Directors of the Offeree is forwarded in its entirety to the shareholders for their review and consideration.

The Board of Directors express their view as follows.

The Board is of the view that the offer made by Mr. Ravi Wijeratne for the mandatory offer is fair and reasonable. Further, the Board appreciates that the Independent Advisor (IA) report provides adequate information for the shareholders to take an objective decision. The Board is also of the view that, if the trading price of the share is higher than the mandatory offer price, it is advantageous for any shareholder who wish to exit, to sell their shares in the market instead of accepting the mandatory offer.

However, each individual shareholder will have to make a decision on his/her own assessment of the Mandatory Offer and the final decision to accept or reject the Mandatory Offer rests entirely with them.

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If you are in doubt as to the action you should take, you should seek advice from your Stockbroker, Bank Manager, Legal Advisor, Accountant, or any other independent professional financial advisor immediately.

Mr. Hewawasamge Ravindranath Srilal Wijeratne (the Offeror) has refrained from participating in the Board's deliberations and decisions on the matter.

Signed for and on behalf of the Board of Directors of SMB Leasing PLC.

Sgd.....
Mr M S A Wadood
Director

Sgd....
Mr A T S SoSa
Director

Dated this 24th day of August 2021