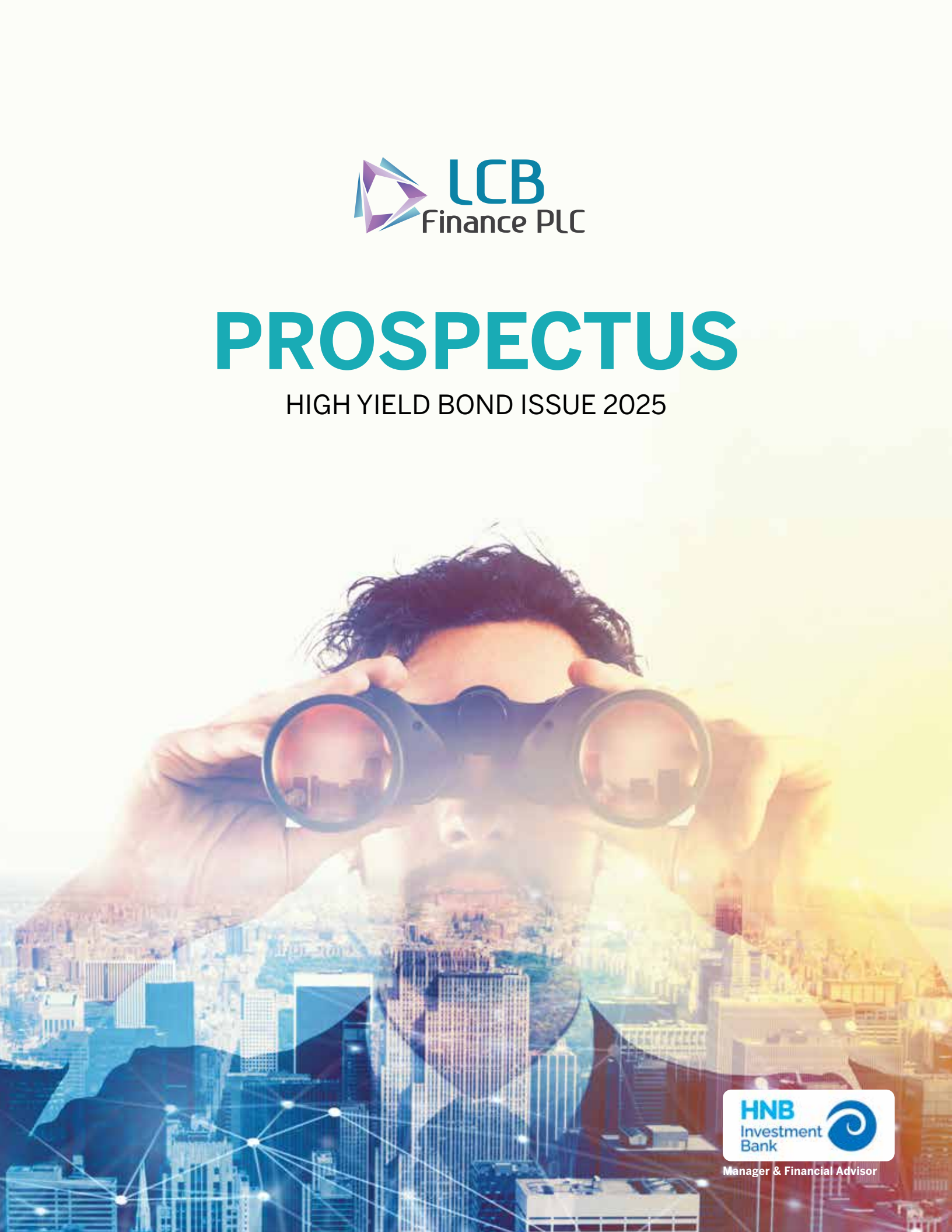




PROSPECTUS

HIGH YIELD BOND ISSUE 2025



LANKA CREDIT AND BUSINESS FINANCE PLC



PROSPECTUS

FOR AN ISSUE OF SEVEN MILLION FIVE HUNDRED THOUSAND (7,500,000) HIGH YIELD BONDS CONSTITUTED OF TYPE A TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE HIGH YIELD BONDS 2025-2030 AND TYPE B TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE HIGH YIELD BONDS 2025-2030 EACH OF THE PAR VALUE OF SRI LANKAN RUPEES ONE HUNDRED (LKR100/-) BY LANKA CREDIT AND BUSINESS FINANCE PLC WITH AN OPTION TO ISSUE UPTO A FURTHER SEVEN MILLION FIVE HUNDRED THOUSAND (7,500,000) OF THE SAID HIGH YIELD BONDS AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL TRANCHE TO RAISE UPTO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES ONE THOUSAND FIVE HUNDRED MILLION (LKR 1,500,000,000/-)

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

Issue Rated B+ (Ika) /Stable by Lanka Ratings Agency

ISSUE OPENS ON

23rd September 2025

ISSUE IS LIMITED TO "QUALIFIED INVESTORS" ONLY AS DEFINED HEREIN

Manager & Financial Advisor to the Issue



This Prospectus is dated 12th September 2025

Responsibility for the Content of the Prospectus

This Prospectus has been prepared with available information.

The Directors of Lanka Credit and Business Finance PLC (the “Company” or the “Issuer”) have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in its best judgment.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the ‘Qualified Investors’ based on the information contained herein. In making such investment decisions, prospective Qualified Investors are advised to read the Prospectus and rely on their own examination and assessment of the Company and the terms of the Bonds issued including the risks associated.

FOR ENQUIRIES, PLEASE CONTACT THE MANAGER AND FINANCIAL ADVISORS TO THE ISSUE

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, CSE assumes no responsibility for accuracy of the statements made, opinions expressed, or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of Bonds which is decided solely by the Issuer. The CSE is not responsible for any omitted statements or undisclosed information in this Prospectus.

Registration of the Prospectus

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of Section 40 of the Companies Act No.7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to Section 40 (1) of the Companies Act.

- The written consent of the Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Company.
- The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Company.
- The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- The written consent of the Company Secretary of the Company for the inclusion of the name in the Prospectus.
- The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- The written consent of the Manager and Financial Advisor to the Issue for the inclusion of their name In the Prospectus as Manager and Financial Advisor to the Issue.

The declaration made and subscribed to, by each of the Directors of the Company herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said Auditors and Reporting Accountants to the Issue and to the Company, Trustee to the Issue, Bankers to the Issue, Company Secretary, Manager and Financial Advisor to the Issue, Registrars to the Issue, Lawyers to the Issue, Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar of Companies in Sri Lanka withdrawn such consent.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-Resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Representation

The Bonds are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, salesperson, individual or any other outside party has been authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Company.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see Section 5.18 'Risks Involved in Investing in the Bonds' of this Prospectus.

Forward Looking Statements

Any Statements included in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements". These can be identified by the use of forward-looking terms such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risk and uncertainties that may cause the Company's actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking statements in this Prospectus, Qualified Investors are advised not to place sole reliance on such statements.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to "LKR", "Rupees" or "Rs." is the lawful currency of Sri Lanka.

Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them. All numerical figures given under Section 7.0 of the Prospectus are audited figures unless otherwise stated.

IMPORTANT**All Qualified Investors should indicate in the Application for Bonds, their Central Depository Systems (Private) Limited (CDS) account number.**

In the event the name, address or NIC number/passport number/Company number of the Qualified Investor mentioned in the Application Form differs from the name, address or NIC number/passport number/Company number as per the CDS records, the name, address or NIC number/ passport number/Company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/Company number of such Qualified Investor. Therefore, Qualified Investors are advised to ensure that the name, address or NIC number/passport number/Company number mentioned in the Application Form tally with the name, address or NIC number/passport number/Company number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission made under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 issued by the CDS dated 30th November 2010, all Bonds are required to be directly deposited into the CDS. To facilitate compliance with this directive, all Qualified Investors are required to indicate their CDS account number.

In line with this directive, **THE BONDS ALLOTTED TO A QUALIFIED INVESTOR WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH QUALIFIED INVESTOR**, the details of which is indicated in their Application Form. If the CDS account number indicated in the Application Form is found to be inaccurate /incorrect or there is no CDS number indicated, the Application will be rejected, and no allotments will be made. The Company may require a Qualified Investor to provide such documentation as is reasonably necessary to satisfy itself that the investor is a Qualified Investor.

PLEASE NOTE THAT BOND CERTIFICATES WILL NOT BE ISSUED.

Qualified Investors who wish to open a CDS account, may do so through a Trading Participant of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus

ISSUE AT A GLANCE

Issuer	Lanka Credit and Business Finance PLC					
Instrument	Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5-year High Yield Bond.					
Trading Currency of the Debt Securities to be Listed	Sri Lankan Rupees					
Listing & Trading	The Bonds will be listed on the Colombo Stock Exchange and will be traded only on the OTC Platform of the CSE					
Maturity Date	05 years from the date of allotment					
Number of Bonds to be Issued	An initial Issue of up to Seven Million Five Hundred Thousand (7,500,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5-Year High Yield Bonds, with an option to issue up to a further Seven Million Five Hundred Thousand (7,500,000) of said Bonds at the discretion of the Company in the event of an over subscription of the initial Issue.					
Amount to be Raised	A sum of up to Sri Lanka Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-) with an option to issue up to a further Sri Lanka Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-) at the discretion of the Company in the event of an oversubscription of the initial Issue.					
Entity Rating	BB- (Ika)/Stable by Lanka Ratings Agency Limited					
Issue Rating	B+ (Ika) /Stable by Lanka Ratings Agency Limited					
Issue Price	Rupees One Hundred (LKR 100/-) per each Bond					
Par Value	Rupees One Hundred (LKR 100/-) per each Bond					
Details of Bonds	Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year High Yield Bonds, as described below.					
	Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
	A	Fixed Rate	5 year	12.60%	13.00%	Semi-Annual
	B	Fixed Rate	5 year	12.41%	13.00%	Quarterly
Number of Bonds to be Subscribed	The minimum subscription requirement applicable for a Qualified Investor applying for Bonds shall be Rupees Ten Thousand (LKR 10,000/-).					
	Provided however, the minimum subscription requirement applicable for an individual Investor applying for the High Yield Debt Securities as per Rule 2.2.1 (u) read together with the Definition Section of CSE Listing Rules shall be Rupees Five Million (LKR 5,000,000/-).					
	Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).					
Interest Payment Date(s)	For Type A Bonds: The dates on which payments of interest in respect of the Bonds shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months there from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.					
	For Type B Bonds: The dates on which payments of interest in respect of the Bonds shall fall due, which shall be three (03) months from the Date of Allotment and every three (03) months there from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid not later than three (03) Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within Three (03) Working Days from the Date of Redemption.					

ISSUE AT A GLANCE

Interest Period	<p>For Type A, the six (06) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p> <p>For Type B, the three (03) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
Mode of Payment of Principal Sum and Interest	Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS where accurate bank account details are provided by the Bondholders subject to the prevalent limitation with regard to SLIPS and RTGS or by cheque marked "Account Payee Only".
Issue Opening Date	23rd September 2025
Date of Allotment	The date on which the Bonds will be allotted by the Company to Applicants subscribing thereto.
Closure Date of the Subscription List	<p>Subject to the provisions contained below, the subscription list for the Bonds will open at 9.30 a.m. on 23rd September 2025 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 13th October 2025.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following: The maximum of Fifteen Million (15,000,000) Bonds being fully subscribed; or The Board of Directors of the Company decides to close the Issue upon the initial Issue of Seven Million and Five Hundred Thousand (7,500,000) Bonds becoming fully subscribed.</p> <p>In the event the Board of Directors of the Company decides to exercise the option to issue further up to Seven Million Five Hundred Thousand (7,500,000) Bonds (having subscribed the initial Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds) but subsequently decides to close the subscription list upon part of the further issue of Seven Million and Five Hundred Thousand (7,500,000) Bonds becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Company decides to close the Bond Issue without the full subscription of the initial Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).</p>

Basis of Allotment	<p>In the event of an over subscription, the Board of Directors of the Company will endeavor to decide the basis of allotment of the Bonds in a fair and equitable manner within seven (07) Market days from the closure of the Issue.</p> <p>The Board however shall reserve the right to allocate up to a maximum of 75% of the number of Bonds to be allotted under this Prospectus on a preferential basis, to identified institutional investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future as future investors, who are Qualified Investors.</p> <p>Number of Bonds to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).</p>
Trading Platform	<p>The High Yield Debt Securities offered hereunder shall only be traded on the OTC Platform of the CSE.</p>

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1. CORPORATE INFORMATION

Name of the Company/ Issuer	Lanka Credit and Business Finance PLC
Legal Status	<p>A Company incorporated in Sri Lanka on March 3rd, 1962 and reregistered as a public limited liability Company under the companies act on March 10, 2008.</p> <p>The limited Company was registered as a public quoted Company on 21st January 2022 by listing its shares on CSE on 16th November 2021.</p> <p>The Company is a Licensed Finance Company, Licensed by the monetary board of the Central Bank of Sri Lanka.</p>
Company Number	PQ00251997
Place of Incorporation	Colombo, Sri Lanka
Registered Address	No. 76, S. De. S Jayasinghe Mawatha, Kohuwala.
Company Secretary	<p>Tamarika Rodrigo,</p> <p>Company Secretary for Lanka Credit and Business Finance PLC,</p> <p>No. 76, S. De. S Jayasinghe Mawatha, Kohuwala</p>
Rating Agency	<p>Lanka Ratings Agency Limited</p> <p>No.145 Kynsey Road, Colombo 08</p> <p>Tel: +94 11 4 500 099</p>
Auditors and Reporting Accountants to the Issue	<p>Ernst & Young</p> <p>Chartered Accountants</p> <p>Rotunda Towers</p> <p>No. 109, Galle Road, P.O. Box 101</p> <p>Colombo 01</p> <p>Tel: +94 11 246 3500</p>
Board of Directors	<p>Mr. Dushmatha Thotawatta - Chairman</p> <p>Mr. K. G. Leelananda - CEO/ Executive Director</p> <p>Mr. Ranjan Lal Masakorala - Non - Independent Non - Executive Director</p> <p>Mr. Gayan Kalhara Nanayakkara - Non - Independent Non - Executive Director</p> <p>Mr. Ashwin Welgama Nanayakkara - Non - Independent Non - Executive Director</p> <p>Mr. Kapila Indika Weerasinghe - Non - Independent Non - Executive Director</p> <p>Mr. J. P. C. Jayalath - Non - Independent Non - Executive Director</p> <p>Dr. Srinath Ajith Kumara Alahakoon - Independent Non - Executive Director</p> <p>Prof. Ahamed Roshan Ajward - Independent Non - Executive Director</p>

2. RELEVANT PARTIES TO THE ISSUE

Manager and Financial Advisor to the Issue	HNB Investment Bank (Pvt) Ltd No. 53 Dharmapala Mawatha, Colombo 03, Sri Lanka Tel: +94 11 2 206 206 Fax: +94 11 2 437 149
Lawyers to the Issue	Mr. Naomal Goonewardena (Attorney-at-Law) Nithya Partners No. 97 A, Galle Road, Colombo 03 Tel: +94 11 2335908 / Fax: +9411 2328817
Registrars to the Issue	Central Depository System (Pvt) Ltd Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya Tel: +94 11 2 356456 / Fax: +94 11 2 440396
Trustee to the Issue	Hatton National Bank PLC HNB Towers, No. 479, T.B. Jayah Mawatha, Colombo 10 Tel: + 94 11 2664664
Company Secretary	Tamarika Rodrigo No.76, S.De.S Jayasinghe Mawatha, Kohuwala. Tel: +94 11 2 825404
Rating Agency to the Issue	Lanka Rating Agency Limited No. 145, Kynsey Road, Colombo 08 Tel: +94 114 500 099
Bankers to the Issue	Hatton National Bank PLC HNB Towers No. 479 T B Jayah Mawatha, Colombo 10 Tel: +94 (011) 2 664 664, +94 (011) 2 662 772, +94 (011) 4 764 764 / Fax: +94 (011) 2 662 832
Auditors and Reporting Accountants to the Issue	M/s Ernst & Young Chartered Accountants Rotunda Towers No. 109, Galle Road, P.O. Box 101, Colombo 03 Tel: +94 11 2463500 / Fax: +94 11 7687869

3. LIST OF ABBREVIATIONS

AER	Annual Effective Rate
AWPLR	Average Weighted Prime Lending Rate
Bn	Billion
CAR	Capital Adequacy Ratio
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CEFTS	Common Electronic Fund Transfer Switch
CSE	Colombo Stock Exchange
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
FATCA	Foreign Account Tax Compliance Act
HNB	Hatton National Bank PLC
HNBIB	HNB Investment Bank (Pvt) Limited
IIA	Inward Investment Account
LCB/Company/Issuer	Lanka Credit and Business Finance PLC
LKR/Rs.	Sri Lankan Rupees
Mn	Million
N/A	Not Applicable
NIC	National Identity Card
OTC	Over The Counter
p.a	Per Annum
PBIT	Profit Before Interest and Tax
PLC	Public Limited Company
POA	Power of Attorney
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
SLIPS	Sri Lanka Inter Bank Payment System
SSCL	Social Security Contribution Levy
US	United States
VAT	Value Added Tax

4. GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant	Any person identified as a Qualified Investor who submits an Application Form under this Prospectus.
Application Form/ Application	The Application Form that constitutes part of this Prospectus through which an Applicant may apply for the Bonds in Issue.
Company/ Issuer	Lanka Credit and Business Finance PLC
Closure Date	<p>Subject to the provisions contained below, the subscription list for the Bonds will open at 9.30 a.m. on 23rd September 2025 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 13th October 2025.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> - The maximum of Fifteen Million (15,000,000) Bonds being fully subscribed; or - The Board of Directors of the Company decides to close the Issue upon the initial Issue of Seven Million and Five Hundred Thousand (7,500,000) Bonds becoming fully subscribed. <p>In the event the Board of Directors of the Company decides to exercise the option to issue further up to Seven Million Five Hundred Thousand (7,500,000) Bonds (having subscribed the initial Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds) but subsequently decides to close the subscription list upon part of the further issue of Seven Million and Five Hundred Thousand (7,500,000) Bonds becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Company decides to close the Bond Issue without the full subscription of the initial Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds, such decision is to be notified to the CSE on the day such decision is made, and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).</p>
Bonds	All of the Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year Bonds in pursuant to this Prospectus.
Bondholder(s)	Any person who is for the time being the holder of the Bonds and includes his/her respective successors in title.
Date of Allotment	The date on which the Bonds will be allotted by the Company to Applicants subscribing thereto.
Date of Redemption	The date on which Redemption of the Bonds will take place as referred to in Section 5.13 of this Prospectus.
Entitlement Date	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Bondholder would need to be recorded as being a Bondholder on the list of Bondholders provided by the CDS to the Company/in whose name the Bonds are registered in the Bondholders' register of the Company (where applicable), in order to qualify for the payment of any interest or any Redemption proceeds.
Interest Payment Date(s)	<p>For Type A Bonds: The dates on which payments of interest in respect of the Bonds shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months therein from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>For Type B Bonds: The dates on which payments of interest in respect of the Bonds shall fall due, which shall be three (03) months from the Date of Allotment and every three (03) months therein from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than three 03 Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within Three 03 Working Days from the Date of Redemption.</p>

4. GLOSSARY OF TERMS RELATED TO THE ISSUE

Interest Period	<p>For Types A Bonds, the six (06) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p> <p>For Types B Bonds, the three (03) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
Issue	The offer of Bonds to Qualified Investors pursuant to this Prospectus.
Issue Price	Rupees One Hundred (LKR 100/-) per each Bond.
Market Day	Any day on which trading takes place at the CSE.
Non-Resident(s)	Persons resident outside Sri Lanka including country funds, regional funds, investment funds and mutual funds established outside Sri Lanka.
Par Value	LKR 100/- per each Bond
Principal Sum	The product of the number of Bonds allotted and the Par Value
Prospectus	This prospectus dated 12th September 2025 issued by Lanka Credit and Business Finance PLC.
Qualified Investors	<ul style="list-style-type: none"> (a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended). (b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No.30 of 1988 (as amended). (c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund. (d) A venture capital fund / Company and private equity Company. (e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended). (f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, No. 56 of 2000 (as amended). (g) A company licensed by the Insurance Board of Sri Lanka to carry on Insurance business in terms of the Regulation of the Insurance Industry Act, No. 43 of 2000 (as amended). (h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No.7 of 2007. (i) An investment trust or investment company. (j) A Non-Resident institutional investor. (k) An individual with an initial investment amount of LKR 5,000,000/-.

Redemption	Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a Bond to a Bondholder by the Company.
Registered Address	The address provided by the Bondholders to the CDS.
Subordinated	Means the claims of the Bondholders shall in the event of winding up of the Company rank after all the claims of depositors and secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company, but shall rank pari passu with other subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary and preference shareholder/s of the Company.
Tier 2	Tier 2 Capital includes qualifying Tier 2 capital instruments, revaluation gains approved by CBSL and general loan loss provision of the Company.
Trustee	Hatton National Bank PLC
Trust Deed	Trust Deed executed between the Company and HNB PLC (Trustee Bank) on 14th August 2025
Unsecured	Repayment of the Principal Sum and payment of interest on the Bonds are not secured by a charge on any assets of the Issuer

5. PRINCIPAL FEATURES OF THE BONDS



5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Lanka Credit and Business Finance PLC (hereinafter referred to as the “Board”) at the Board Meeting held on 21st April 2025 resolved to raise a sum of Rupees One Thousand Five Hundred Million (LKR 1,500,000,000/-) by an initial issue of up to Seven Million Five Hundred Thousand (7,500,000) Bonds, each with a Par Value of LKR 100/- to raise a sum of Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-) and to issue a further Seven Million Five Hundred Thousand (7,500,000) of the said Bonds to raise a sum of Rupees Seven Hundred and Fifty Million (LKR 750,000,000/-), in the event of an over subscription of the initial issue.

As such a maximum amount of Rupees One Thousand Five Hundred Million (LKR 1,500,000,000/-) would be raised by the issue of a maximum of Fifteen Million (15,000,000) Bonds each with the Par Value of LKR 100/-.

The below mentioned Bonds will be offered to the public:

Debenture Type	Tenure	Interest Rate Basis	Issue Price Per Bond (LKR)	Interest rate (p.a)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	5 Year	Fixed	100	12.60%	13.00%	Semi-annually
Type B	5 Year	Fixed	100	12.41%	13.00%	Quarterly

It is the intention of the Company to list the Bonds on the Colombo Stock Exchange. The Colombo Stock Exchange has given its in-principle approval for the listing of the Bonds on the Colombo Stock Exchange. Listed, Rated, Unsecured, Subordinated, Redeemable Bonds issued under the prospectus are not subject to an early redemption or have a “convertible option”. However, Bonds shall become immediately payable at the option of the Trustee on the occurrence of event of default as specified in Clause 10 of the trust deed. This bond is not collateralized by any asset of the Company. The instrument rating of these bonds is one notch below the entity rating due to its subordinate nature and Tier II characteristics.

5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Bonds will open at 9.30 a.m. on 23rd September 2025 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 13th October 2025.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following.

- The maximum of Fifteen Million (15,000,000) Bonds being fully subscribed; or
- The Board of Directors of the Company decides to close the Issue upon the initial Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds becoming fully subscribed

In the event the Board of Directors of the Company decides to exercise the option to issue further up to Seven Million Five Hundred Thousand (7,500,000) Bonds (having subscribed the initial Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds but subsequently decides to close the subscription list upon part of the further Issue of Seven Million Five Hundred Thousand (7,500,000) Bonds becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 p.m.

In the event the Board of Directors of the Company decides to close the Bond Issue without the full subscription of the initial Seven Million Five Hundred Thousand (7,500,000) Bonds, such decision is to be notified to the CSE on the day such decision is made and subscription list will be closed on the following Market Day at 4.30 p.m.

Applications can be made forthwith in the manner set out in Section 6.0 of this Prospectus and duly completed Application Forms will be accepted at any one of the Collection Points set out in Annexure II of this Prospectus.

5. PRINCIPAL FEATURES OF THE BONDS

5.3 TYPES OF BONDS

The Bond Issue comprises of Bond of Type A and Type B that will carry rates of interest as described below:

Bond Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment frequency
Type A	Fixed	5 years	12.60%	13.00%	Semi-Annually
Type B	Fixed	5 years	12.41%	13.00%	Quarterly

5.4 OBJECTIVES OF THE ISSUE

Objective 01: Expanding the Tier II Capital and strengthening the total capital base

Main objective of the Bond Issue is to expand the Tier II capital and strengthen the total capital base of the Company by LKR 1.5 Bn in keeping up with Company's envisaged growth in lending portfolio plans Lanka Credit and Business Finance PLC is licensed under the Finance Business Act No. 42 of 2011 and Finance Leasing Act No. 56 of 2000 to conduct its primary business, and this license does not have an expiration date.

The Total Assets of the Company as at 30th June 2025 is Rs. 9.27 Bn. The Company expects to exceed the total assets beyond LKR 10.7 Bn during the Financial Year 2025-26. The CAR ratios at present and post the Bond Issue are shown in the table below.

The Capital Adequacy Requirements (as per the Finance Business Act. (Capital Adequacy Requirements) Direction No. 03 of 2018)	The timeline to achieve such requirements	The level of compliance by the Company as at 30th June 2025 (latest quarter)	The level of compliance by the Company, after the capital infusion
Tier 1 – 8.50%	N/A	36.63%	36.63%
Total Capital -12.50%	N/A	36.61%	54.79%

As per CBSL phase II master plan dated 27th Dec 2024 (Ref 24/12/001/0001/050) for the three-year period of mid 2023 to mid 2026 CBSL target was set for Finance Companies to maintain as asset base or LKR 20 Bn. Therefore, LCB is issuing this Bond as part of its plan to increase the asset base and expand its operations.

Objective 02: Expand the lending portfolio by utilization of the funds raised through the Bond Issue

Further, the funds sourced from the Bond Issue will be utilized to grow the lending portfolio creating a positive impact on profitability and net asset value of the Company. The Bond Issue grants the Company greater flexibility in fund utilization and will further benefit the shareholders as it furnishes the company with the necessary funding for business expansion without relinquishing control.

The Company will invest the funds raised by this Bond Issue in the Company's lending portfolio and such funds are disbursed for lending purposes within 12 months from the date of allotment. Investments in the Company's lending portfolio is expected to generate a return of 18% to 20% p.a. at current rates. Hence, the proceeds of the Issue would be utilized for the above stated objective and will not be utilized to settle any outstanding borrowings of the Company.

Until full disbursement of the Bond proceeds, the funds raised through the Bonds Issue will be invested in Government Securities. Such investments in Government Securities are expected to generate an average return of 7% p.a. to 9% p.a. at current market rates.

The Company does not intend to lend the funds to Related Parties. Objectives of the issue do not constitute a "Major Transaction" as provided in Section 185 of the Companies Act No. 07 of 2007. The Company will not seek shareholder approval for the Issue as it is not applicable. The Company as at the date of this Prospectus has not recognized related parties for the lending of the proceeds of the Issue. As such, the Company will disburse the proceeds of the Issue in the

ordinary course of business as stated above. LCB has obtained the approval from the Central Bank of Sri Lanka (CBSL) for the Issue and listing of High Yield Corporate Debt Securities for raising Tier 2 capital of the Company. The Company will inform the CBSL upon receipt of the net proceeds from the Bond Issue to seek the approval from the Governing Board of the CBSL for inclusion of the Bond Issue into Tier 2 capital in terms of the Finance Business Act Direction No.03 of 2018 on Capital Adequacy requirements.

5.5 SPECIFIC RISKS RELATED TO THE OBJECTIVES

During the first quarter of the financial year 2025/26, the Company disbursed an average of LKR 400 Mn per month in loans, leases and gold loans (based on unaudited financials). Moving forward, the Company projects achieving its targeted growth, with average monthly disbursements budgeted between LKR 500 Mn to 600 Mn. Given the anticipated higher demand for loans and lease receivables compared to the amount expected to be raised through this Bond Issue, the Company does not foresee any significant risk in utilizing the proceeds to grant loans and lease receivables within the specified timeline.

The Company benefits from access to multiple funding sources, including deposits and borrowings. Accordingly, proceeds from the Bond Issue represent only one component of funding for its budgeted term lending portfolio. In the event of an under-subscription of the Bond Issue, the Company will utilize alternative funding sources mentioned earlier to bridge any gaps in meeting the budgeted lending targets.

Should the Company be unable to deploy the Bond Issue funds for the intended purpose within the specified timeline, the utilization of such funds will proceed with the necessary review and approval of the Asset Liability Committee of LCB. Furthermore, if the Company opts to lend funds to Related Parties, it will ensure compliance with Section 9 of the CSE Listing Rules.

As a result, the Company does not anticipate any significant risks that could hinder the achievement of the Bond objectives within the stated timeframe.

The Company is committed to disclosing the progress of fund utilization in all future interim and annual financial statements until the proceeds are fully deployed for the objectives outlined in the Prospectus. This disclosure will follow the format provided below. Additionally, continuous updates regarding the utilization status of funds raised through the Bond Issue will be included in subsequent interim and annual financial statements.

Bond Issue Proceeds utilization as at dd-mm-yyyy

Objective number	Objective as Per Prospectus	Amount allocated as Per prospectus in LKR	Proposed date of Utilization as per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (e.g.: whether lent to related party/s etc.)
1.	Expanding the Tier II Capital and strengthening the total capital base	LKR 1,500 Mn	Immediately upon allotment of the funds raised through this Bond Issue					
2.	Expand the lending portfolio by utilization of the funds raised through the Bond Issue		Over a period of 12 months from the Date of Allotment		To be disclosed in the Annual Report and the interim Financial			

5. PRINCIPAL FEATURES OF THE BONDS

In the event the proceeds raised are fully utilized in terms of the objectives disclosed in the prospectus between two financial periods, the Entity shall disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first.

5.6 PAYMENT OF PRINCIPAL SUM AND INTEREST

The Bonds will carry a fixed rates of interest as described below, payable on the respective Interest Payment Dates:

Bond Type	Type of Interest	Tenure	Fixed Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment frequency
Type A	Fixed	5 years	12.60%	13.00%	Semi-Annually
Type B	Fixed	5 years	12.41%	13.00%	Quarterly

The interest rate has been determined, giving consideration to the Lanka Credit and Business Finance PLC's rating as Issuer, the instrument rating, market conditions and features of the instrument.

Interest on the Bonds accruing on a daily basis will be paid semi-annually for Type A and quarterly for Type B as applicable from the Date of Allotment until the Date of Redemption on the outstanding Principal Sum.

The interest due on the Bonds for a particular Interest Period will be calculated based on the actual number of days in such Interest Period (actual/actual) and will be paid not later than three [03] Working Days from each Interest Payment Date.

In order to accommodate the Bond interest cycles in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include Bondholders holding Bonds in the CDS as of the Entitlement Date.

The payment of the Principal Sum and Interest will be made either via an electronic fund transfer mechanism recognized by the Sri Lankan banking system such as SLIPS or RTGS provided that accurate bank account details of the Bondholders have been submitted to the CDS. If such details are not provided or are inaccurate, payments will be made by cheque(s) marked 'Account Payee Only' and sent by ordinary mail to the addresses provided by the Bondholders to the CDS, at the risk of the Bondholders.

RTGS transfers, however, could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers (i.e. LKR 5,000,000/- as of the date of this Prospectus).

The payment of Principal Sum and Interest will be made in Sri Lanka Rupees in favor of the Bondholders as of the Entitlement Date. In the case of joint Bondholders, the payment of Principal Sum and Interest will be made to the one whose name stands first in the register of Bondholders.

5.7 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Bonds will be paid after deducting any taxes and charges thereon (if any) as per the applicable laws prevalent at the time of interest payment to the Bondholders.

5.8 INSPECTION OF DOCUMENTS

The Articles of Association, Trust Deed, Accountant's Report and Five Years (05) Summary of Financial Statements for the five years ended 31 March 2021 to 31 March 2025, Audited Financial Statements for the Five (05) years immediately preceding the date of this Prospectus, Issue Rating Report and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered or in the case of contracts not reduced into writing, a Memorandum giving full particulars thereof by the Company if any, would be made available from Seven (07) Market Days prior to the Date of Opening of the subscription list, for inspection by the public, during normal working hours at the registered office of the Company, No.76, S. De. S Jayasinghe Mawatha, Kohuwala, Sri Lanka until the Date of Redemption of the Bonds.

The Prospectus, Trust Deed and Articles of Association of the Company are available on the website of CSE (www.cse.lk) and the website of the Company (www.lcbfinance.lk) from Seven (07) Market Days prior to the date of opening of the subscription list until the Date of Redemption of the Bonds as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Furthermore, copies of the Prospectus and Application Forms are available free of charge from the Collection Points set out in Annexure II of this Prospectus from Seven (07) Market Days prior to the date of opening of the subscription list.

5.9 UNDERWRITING

The Issue is not conditional upon any minimum subscription amount being raised. The Company has not entered into any underwriting arrangement with regard to this Issue.

In the event the Issue is undersubscribed, the subscribers shall be allotted in full and funds raised shall be utilized to the extent of such amount to meet the Objectives of the Issue as stipulated in Section 5.4 of this Prospectus.

5.10 THE MINIMUM SUBSCRIPTION FOR INVESTORS

The minimum subscription requirement applicable for a Qualified Investor applying for High Yield Bonds shall be One Hundred (100) Bonds (LKR 10,000/-) and Applications exceeding the minimum subscription should be in multiples of 100 Bonds. However, the minimum subscription requirement applicable for an individual investor applying for High Yield Debt Securities as defined in Rule 2.2.1 (K) and 2.2.1 (u) read together with the Definition Section of the Listing Rules shall be Rupees Five Million (5,000,000/-).

5.11 COST OF THE ISSUE

The Board estimates that the total cost of the Issue including fees to professionals, printing, advertising, brokerage and other costs connected with the Issue will be approximately LKR 10.0.Mn. Such costs will be financed by the internally generated funds of the Company.

5.12 BROKERAGE FEE

Brokerage of 15 cents (LKR 0.15) per Bond shall be paid in respect of the number of Bonds allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a trading participant of the CSE or Managers to the Issue or any other party identified by the Managers to the Issue as involved in the Issue.

5.13 TAXATION

Interest on the Bond will be paid after deducting any taxes and charges thereon (if any) as per the applicable law prevalent at the time the interest payment is due to the Bondholders.

5.14 THE INSTANCES AND CONDITIONS UPON WHICH THE ENTITY MAY REDEEM THE HIGH YIELD CORPORATE DEBT SECURITIES LISTED ON THE EXCHANGE.

Lanka Credit and Business Finance PLC shall redeem the said Bonds on the expiry of Five (05) years respectively from the Date of Allotment in accordance with the provisions contained in the Trust Deed. On the Date of Redemption of the Bonds, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Bondholders the Principal Sum of the Bonds which ought to be redeemed and interest (if any) remaining unpaid up to the Date of Maturity/ Redemption of the Bond. If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and Interest shall be paid up to the date immediately preceding such Market Day (including holidays).

5. PRINCIPAL FEATURES OF THE BONDS

5.15 RATING OF THE BONDS

Lanka Ratings Agency Limited has assigned a rating of B+ (Ika)/ Stable, to these Bonds. A copy of the Rating report issued by Lanka Rating Agency Limited is set out in Annexure I. The Board of Directors of Lanka Credit and Business Finance PLC undertakes to keep the market and the Trustee to the Issue immediately informed on any change to the credit rating of the Bond when either the Company or any of the Directors are aware of any changes to the credit rating of the Bonds being issued under this Prospectus.

The Rating of LCB has not been downgraded in the recent past. Instead, the issuer rating of LCB was upgraded from B+ (Ika) to BB- (Ika) Stable outlook by Lanka Rating Agency Limited with effective from 11th March, 2025.

5.16 TRUSTEE TO THE ISSUE

The Company has entered into an agreement with the Hatton National Bank PLC who will act as the Trustee to the Issue (hereinafter called the "Trust Deed"). Bondholders in their Application Forms for subscription will be required to authorize the Trustee to act as their agent in entering into such deeds, writings, and instruments with the Company and to act as the agent and Trustee for the Bondholders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Bonds will be subject to the terms and conditions incorporated in the said Trust Deed. The monthly fee payable to the Trustee will be LKR 60,000/- plus statutory levies until maturity of the Bonds. Further, the Trustees/ its Directors have no conflict of interest with the Company.

5.17 RIGHTS AND OBLIGATIONS OF THE BONDHOLDERS

(a) Bondholders are entitled to the following rights.

- Receiving interest at the Rate of Interest as set out in Section 5.4 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.5 of this Prospectus.
- In the event of liquidation, rank above the ordinary voting shareholders of the Company.
- To receive a copy of the Annual Report of the Company within the timeline stipulated in terms of Rule 7.5 (a) of the CSE Listing Rules.
- Calling and attending meetings of Bondholders under this Bond Issue as set out in the Trust Deed.
- The other rights of the holders of these Bonds as set out in the Trust Deed.

(b) Bondholders do not have the following rights:

- Attending and voting at meetings of holders of Shares and other Bonds
- Sharing in the profits of the Company
- Participating in any surplus in the event of liquidation
- Calling for redemption before maturity, subject to the provisions stated in the Trust Deed

(c) Obligations on the Bonds

- Each Bondholder must ensure that the information in respect of the securities account maintained with the CDS/ the Company Secretaries or Registrars (where applicable) is up to date and accurate. Each Bondholder absolves the Company from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS/CSE/Company.
- Provided further that the Bondholders absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Bondholders.

5.18 RISKS INVOLVED IN INVESTING IN HIGH YIELD BONDS

Subscribers to the Bonds will be exposed to the following risks. It is vital to note that these risks are not unique to Bonds Issued by Lanka Credit and Business Finance PLC and apply generally to any Bond listed in the CSE.

- Interest Rate Risk

High yield bonds, despite having higher coupons, remain sensitive to interest rate changes. When interest rates rise, bond prices fall and could be subject to significant price declines in a rising rate environment. This risk is particularly acute when rate increases are rapid or unexpected.

- Credit Risk / Default Risk

Risk of the Issuer not being able to pay interest and principal payments as promised on a timely basis is default risk/ credit risk. It is advisable for prospective Bond investors to take into account the credit rating awarded to the Company and its Bonds by Lanka Ratings Agency, present financial strength as reflected in the Balance Sheet of the Company, assets and earnings growth, experiences and skills of the Directors and the senior management when forming an opinion on default risk.

- Liquidity Risk

The high yield bond market typically experiences lower trading volumes and wider bid-ask spreads compared to investment-grade bonds and is traded exclusively on the OTC platform of the CSE. During market stress, this liquidity can deteriorate rapidly, making it difficult to sell positions without accepting significant price concessions. This risk can be particularly severe for larger positions or during systemic market events.

- Inflation Risk

If the Sri Lankan inflation rate is to increase, this would compel the CBSL to increase policy rates which would eventually have an upward push on the interest rates of the existing Government Bonds and the Corporate Bonds at the given time period. As the price of Bond/Debt is inversely proportional to the interest rate of the same instrument, this will have an impact on the price of the Bond as they will be pushed down.

- Investor Restriction Risk

Certain investors are not allowed to invest in fixed income instruments that are rated below investment grade rating. High Yield Bonds fall under this category and as a result the investor pool is concentrated amongst a few investors, this would mean, in the event a High Yield Bond holder wishes to trade his or her bond in the secondary market, this lack of liquidity might serve as an obstacle.

5.19 ACTION PLAN TO HONOUR INTEREST PAYMENTS

In order to make interest payments on time, LCB plans to reserve the cash flow requirement for the interest payments five (05) working days prior to the due date and expects to transfer them to the Trustee account one (01) day prior to the due date. LCB does not intend making any additional payment to the Bond holders in the event of default in interest payments.

5.20 SPECIAL INSTANCES AND CONDITION OF REDEMPTION OF BONDS

The High Yield Bonds shall not be redeemed by the Company prior to the Date of Redemption for any reason whatsoever except:

- Due to the occurrence of an Event of Default as contemplated in Clause 10 of the Trust Deed or
- With the prior written approval from the Central Bank of Sri Lanka and the approval of the High Yield Bond holders of two third (2/3) of the par value of the High Yield Bonds outstanding

5.21 ENFORCEMENT ACTION

As per CSE Listing Rule 7.12.4 E the High Yield Corporate Debt Securities of a Listed Entity shall be transferred to the Watch List on or before the expiry of five (05) Market Days from the date of the immediate announcement to the Market in the instances set out below:

- Where the Entity fails to submit its Financial Statements and/or a fresh rating report in lieu of its Financial Statements as referred to in the CSE Listing Rules.
- Where the Entity has defaulted on interest and/or principal payments in respect of loans obtained by such Entity not paid within 30 days.
- Where the Entity has breached any term or condition relating to other Debt Securities issued by such Entity.
- Where the Entity's rating in relation to the High Yield Corporate Debt Security referred to in Rule 7.12.2 of the CSE Listing Rules is downgraded to a Default rating by a rating agency licensed by the SEC.
- Where the Entity fails to make timely interest payments as referred to in the CSE Listing Rules.

5. PRINCIPAL FEATURES OF THE BONDS

5.22 BENEFITS OF INVESTING IN HIGH YIELD BONDS

- Provides an opportunity to earn a regular cash flow of interest payments on a periodic basis, up to a fixed period of five (05) years.
- High Yield Bonds with lower ratings have higher risks associated with them and due to increased risks, these bonds typically carry higher coupon rates compared to investment grade debt issues.
- Opportunity to realize capital gains according to interest rate fluctuations in the financial market. Also, if held to maturity, there will be no capital loss incurred.
- Listed Bonds provide the investor with an exit option through the CSE thereby bringing liquidity to these Bonds.
- These Bonds could be used as collateral to obtain both corporate and personal facilities from financial institutions, subject to the policies of those institutions.

5.23 TRANSFER OF BONDS

These Bonds shall be freely transferable and transmittable through the CDS as long as the Bonds are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.

- Subject to provisions contained in the Trust Deed, the Company may register without assuming any liability any transfer of Bonds, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- In the case of the death of a Bondholder
 - The survivor where the deceased was a joint holder; and
 - The executors or administrators of the deceased (or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased) where such Bondholder was the sole or only surviving holder; shall be the only persons recognized by the issuer as having any title to his/her Bonds.
- Any person becoming entitled to any Bond in consequence of bankruptcy or winding up of any Bondholder, upon producing proper evidence that such person sustains the character in respect of which such person proposes to act or such person's title as the Board of Directors of the Company thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Bondholder in respect of such Bonds subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.
- No change of ownership in contravention of the above conditions will be recognized by the Company.

5.24 LISTING

An application has been made to the CSE for permission to obtain a listing for the Bonds and the CSE has granted its approval in principle for the same. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE. It is the intention of the Company to list the Bonds on the Colombo Stock Exchange upon the allotment thereof.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or omitted statements or reports included in this Prospectus. Admission to the official list is not to be taken as an indication of the merits of the Company or of its Bonds.

At the point of listing, the Company will ensure that the Bonds to be listed are fully paid and issued only for cash.

6. PROCEDURE FOR APPLICATION



6. PROCEDURE FOR APPLICATION

6.1 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Bonds from the following categories of Qualified Investors.

- (a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- (b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- (c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.
- (d) A venture capital fund/ company and private equity company.
- (e) A finance Company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act, No. 42 of 2011 (as amended).
- (f) A Company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, No. 56 of 2000 (as amended).
- (g) A Company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act, No. 43 of 2000 (as amended).
- (h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 7 of 2007.
- (i) An investment trust or investment Company.
- (j) A Non-Resident institutional investor.
- (k) An individual with a minimum initial investment amount of LKR 5,000,000/-.

In view of the above, trading of the Bonds on the CSE will also be limited to Qualified Investors.

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years, or in the names of sole proprietorships, partnerships or unincorporated trusts, or bodies of persons. Applications will also not be entertained from any financial institution over which the Company has control.

"Persons resident outside Sri Lanka" will have the same meaning as in the notice published under the Foreign Exchange Act no. 12 of 2017 in Gazette No. 2045/56 dated 17th November 2017.

When permitting non-residents to invest in the Bonds, the Company will comply with the relevant Foreign Exchange Regulations including, the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Bonds of Companies incorporated in Sri Lanka to persons resident outside Sri Lanka as published in the Government Gazette (Extraordinary) No. 2045/56 dated 17th November 2017.

6.2 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

- (a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available for inspection from the Registrar to the Issue and also issued free of charge by the parties listed in Annexure II of this Prospectus.

The Application Form can also be downloaded from the website of CSE, www.cse.lk, the website of the Company, www.lcbfinance.lk and the website of the Manager and Financial Advisors to the Issue, www.hnbib.lk until the Closure Date.

The Prospectus will be made available and can be downloaded from the website of CSE, www.cse.lk, the website of the Company, www.lcbfinance.lk until the date of redemption of the Bonds and the web site of the Manager and Financial Advisors to the Issue, www.hnbib.lk until the Closure Date.

Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected. The Company reserves the right to ask for additional information to satisfy itself that the Applicant is a Qualified Investor.

- (b) Applicants should apply for only one type of Bonds (i.e. either Bonds of Type A or Type B) under one Application Form.
- (c) In the event an Applicant wishes to apply for more than one type of Bonds, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Bonds, it will not be possible for an Applicant to switch between the types of Bonds.
- (d) More than one Application submitted by an Applicant under the same type of Bonds will not be accepted. If more than one Application Forms are submitted for one type of Bond from a single Applicant, those would be construed as multiple Applications, and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.
- (e) If the ownership of the Bonds is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- (f) An Applicant of a joint Application will not be eligible to apply for the Bonds through a separate Application Form either individually or jointly. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favor of the first Applicant as identified in the Application Form.

The Company shall not be bound to register more than three (03) natural persons as joint holders of any Bonds (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

- (g) Applications by companies, corporate bodies, incorporated societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Bonds and should be made under their common seal or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the Trustee/board of management.
- (h) All Qualified Investors should indicate in the Application for Bonds, their CDS account number. In the event the name, address or NIC number/passport number/Company number of the Qualified Investor mentioned in the Application Form differ from the name, address or NIC number/passport number/Company number as per the CDS records, the name, address or NIC number/ Passport Number/ Company number as per CDS records will prevail and be considered as the name, address or NIC number/passport number/Company number of such Qualified Investor. Therefore, Qualified Investors are advised to ensure that the name, address or NIC number/passport number/Company number mentioned in the Application Form tally with the name, address or NIC number/passport number/ Company number given in the CDS account as mentioned in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

6. PROCEDURE FOR APPLICATION

- (i) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the “Margin Provider / Applicant’s name” signed by the margin provider, requesting a direct deposit of the Bonds to the Applicant’s margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can, apply under their own name and such Applications will not be construed as multiple Applications.

- (j) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as “True Copy” should be attached with the Application Form. Original of the POA should not be attached.
- (k) As per the Foreign Account Tax Compliance Act (FATCA) “US Persons” must provide the duly completed declaration as per the specimen given in Annexure IV together with the Application Form. Under the provisions of FATCA, “US Persons” include;
- US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
 - A lawful citizen of the U.S. (including Green card holders)
 - A person residing in the U.S.
 - A person who spends certain number of days in the U.S. each year
 - U.S. Corporations, estates and trusts
 - Any entity that has a linkage or ownership to U.S. or the U.S. territories
 - Non U.S. entities that have at least one U.S. Person as a “substantial beneficial owner”
- (l) Funds for the investments in Bonds and the payment for Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of “Inward Investment Account” (IIA) (formerly known as Securities Investment Accounts) of the Non-Residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.
- (m) An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS/Internal Direct transfer has been made out of the funds available in the IIA.

Applications not made in line with the instructions will be rejected.

- (n) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Bonds and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Applicants wish to apply for the Bonds, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application if not remitted through RTGS transfer should be enclosed in an envelope Marked “LANKA CREDIT AND BUSINESS FINANCE PLC - BOND ISSUE 2025” on the top left-hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the Issue or collection points mentioned in Annexure II of this Prospectus.

Scanned copies of duly filled Application Forms or/and digitally signed Application Forms will be accepted. However, the original duly filled and signed application forms need to be submitted should reach the office of the Registrar to the Issue by 4.30pm on the Closure Date. Duly Filled digital Application forms should be emailed to the following e-mail address;

Registrar to the issue : registrars@cse.lk

Applications sent by post or courier or delivered to any collection point set out in Annexure II of this Prospectus should reach the office of the Registrar to the Issue, Central Depository System Limited, Ground Floor M&M Center, 341/5, Kotte Road, Rajagiriya, at least by 4.30 p.m. on the following Market Day immediately upon the Closure Date. Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date or carry a postmark dated prior to the Closure Date

Applications delivered by hand to the Registrars to the Issue after the Closure Date of the Issue will also be rejected.

Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form.

Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF BONDS WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Please note that upon the allotment of Bonds under this Issue, the allotted Bonds would be credited to the Applicant's CDS account so indicated. Hence, BOND CERTIFICATES SHALL NOT BE ISSUED.

6.3 NUMBER OF BONDS TO BE SUBSCRIBED

Applicants may invest in the Bonds subject to a minimum of One Hundred (100) Bonds Sri Lanka Rupees Ten Thousand (LKR 10,000/-) and in multiples of One Hundred (100) Bonds Sri Lanka Rupees Ten Thousand (LKR 10,000/-) thereafter.

Provided however, the minimum subscription requirement applicable for an individual Qualified Investor applying for High Yield Debt Securities as per Rule 2.2.1 (u) to be read with the Definition Section of CSE Listing Rules shall be Sri Lanka Rupees Five Million (LKR 5,000,000/-).

Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lanka Rupees Ten Thousand (LKR 10,000/-).

6. PROCEDURE FOR APPLICATION

6.4 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

- (a) Payment in full for the total value of Bonds applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as CEFTS/SLIPS/ RTGS transfer/ Internal Direct Transfers directed through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to the following:
- (b) Payments for Applications for values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either a;
 - Bank guarantee issued by a licensed commercial bank; or
 - Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-; or
 - RTGS / Internal Direct transfer with value on the Issue opening date.

Multiple cheques or RTGS transfers will not be accepted for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-). In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be accepted.

- (c) **Multiple electronic fund transfers will not be accepted for Applications with any value. As such, in case an Applicant wishes to use electronic fund transfer mechanism recognized by the banking system of Sri Lanka for the payment for the value of Bonds applied;**

- **Payments for Applications for up to and inclusive of Sri Lanka Rupees Five Million (LKR 5,000,000/-) should be supported by either a CEFTS / SLIPS / Internal Direct transfer; and**
- **Payments for Applications for values above Sri Lanka Rupees (LKR 5,000,000/-) should be supported by a RTGS/ Internal Direct transfer.**

- (d) Cheques or bank drafts should be made payable to “**LANKA CREDIT AND BUSINESS FINANCE PLC**” and crossed “**Account Payee Only**” and must be honored on the first presentation.
- (e) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favor of “**LANKA CREDIT AND BUSINESS FINANCE PLC**” in a manner acceptable to the Bank and be valid for a minimum of one (01) month from the Issue opening date 23rd September 2025.

Applicants are advised to ensure that sufficient funds are available in order to honor the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

- (f) In case of electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as CEFTS/SLIPS/ RTGS/ Internal Direct transfers should be made to the credit of the following Bank Account with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

Account Name	LANKA CREDIT AND BUSINESS FINANCE PLC
Account Number	043010161660
Bank	Hatton National Bank PLC (Bank Code: 7083)
Branch	Kirulapona Branch (Branch Code - 43)

The Applicant should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of Bonds applied for to the credit of the above bank account and should be attached with the Application Form.

In case payment for the Application is made via a CEFTS or a SLIPS transfer, the CDS Account Number of the Applicant should be mentioned as the narration of such fund transfers.

For RTGS transfers/ Internal Direct transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of Two Decimal Five per centum (2.50%) per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers/ Internal Direct transfers are not realized before the end of the Closure Date. Furthermore, even if such RTGS transfers/Internal Direct transfers are effected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date.

- (g) Cash will not be accepted.
- (h) Payment for the Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS/ Internal Direct transfer has been made out of the funds available in the IIA.

- (i) In the event that cheques are not realized within two (02) Market Days of deposit, the monies will be refunded, and no allotment of Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (j) The amount payable should be calculated by multiplying the number of Bonds applied for by the Par Value Sri Lanka Rupees One Hundred (LKR 100/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS/CEFTS/SLIPS/ Internal Direct transfer, the Application will be rejected.
- (k) In the event that cheques are not realized prior to the date of deciding the basis of allotment, the monies will be refunded, and no allotment of Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (l) All cheques/bank drafts received in respect of the Applications for Bonds will be banked commencing from the Working Day immediately following the Closure Date.

6. PROCEDURE FOR APPLICATION

6.5 REJECTION OF APPLICATIONS

- Application Forms and the accompanying cheques/bank drafts/bank guarantees or fund transfers through electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as CEFTS/SLIPS/RTGS/ Internal Direct transfer, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Company.
- Applications from individuals and Sri Lankans residing outside Sri Lanka who are under the age of eighteen (18) years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.
- Any Application Form, which does not state a valid CDS account number, will be rejected.
- More than one Application Form submitted under one type of Bonds by an Applicant will not be accepted. If more than one Application Form is submitted under one type of Bonds by a single Applicant, those would be considered as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.
- Any Application Form from a non-Qualified Investor will also be rejected.
- Any Application Form with more than three (03) natural persons as joint Applicants for any type of Bonds will be rejected.
- Applications delivered by hand or via email to the Registrars to the Issue after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.
- Applications delivered to any place mentioned in Annexure II should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closure Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date.
- In the event that cheques are not realized within two (02) Market Days of deposit and realized after such date, the monies will be refunded, and no allotment of Bonds will be made. Cheques must be honored on first presentation for the Application to be valid. In the event cheques are dishonored/returned on first presentation, such Applications will be rejected.

6.6 BANKING OF PAYMENTS

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Working Day immediately after the Closure Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules.

6.7 BASIS OF ALLOTMENT OF BONDS

- The Bonds offered hereunder shall be allotted only to 'Qualified Investors' as defined in the CSE Listing Rules, on a basis to be determined by the Company.
- In the event of an over subscription, the Board of Directors of the Company will endeavor to decide the basis of allotment in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.
- The Board however shall reserve the right to allocate up to a maximum of 75% of the number of Bonds to be allotted under this Issue to institutional and or identified investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future.
- Number of Bonds to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).
- The Company reserves the right to reject any Application or to accept any Application in part only, without assigning any reason therefore.
- A written confirmation informing successful Applicants of the allotment of Bonds will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

6.8 REFUNDS

- Monies will be refunded where;
 - an Application is rejected for reasons given in Section 6.5 of this Prospectus; or
 - the Application is accepted only in part.
- The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).
- If the Applicant has provided accurate and complete details of his/her/its bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment advice will be sent in the event of refunds over Rupees Five Million (LKR 5,000,000/-). If the Applicant has provided accurate and correct details of his/her bank account refunds will be made via RTGS/ Internal Direct transfer or if the Applicant has not provided accurate and correct details of his/her bank account in the Application Form, the Bank will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant.
- In the case of joint Application, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.
- It is the responsibility of Non-Residents/Foreign Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.
- Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS transfers at the following website;
<https://www.lankapay.net/downloads/bank-branch-directory/>
- Refunds on Applications rejected, or partly allotted Bonds would be made within eight (08) Market Days excluding the Closure Date. Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made within this period.

6.9 CDS ACCOUNTS AND SECONDARY MARKET TRADING

- Bonds allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.
- The Company will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Bonds.
- Trading of Bonds on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.
- Further, as per CSE Listing Rule 3.3.15 i (i) (d) and Rule 3.3.15 i (i) (f), the secondary market trading of the Bonds shall be limited to the "Qualified Investors". The High Yield Debt Securities offered hereunder shall only be traded on the OTC Platform of the CSE.

7. THE COMPANY



7.1 OVERVIEW

Lanka Credit and Business Finance PLC (formally known as City Finance Corporation Limited) (the “Company”) was restructured as a result of an investment made by Lanka Credit and Business Limited under the guidance of the Central Bank of Sri Lanka in May 2018. The Company is a domiciled, public listed Company incorporated in Sri Lanka and it was re-registered with the Registrar General of Companies as per the requirements of the Companies Act No.7 of 2007. It is a Licensed Finance Company under the Finance Business Act No.42 of 2011 and amendments thereto.

7.2 FINANCIAL YEAR

The financial year of the Company commences on 01st April and ends on 31st March.

7.3 STATED CAPITAL

The stated capital of the Company represents ordinary shares as given below.

Voting Ordinary Shares	31st March 2024	31st March 2025	30th June 2025*
Balance (LKR)	2,539,133,400	2,539,133,400	2,539,133,400
Number of Shares (No.)	790,168,780	790,168,780	790,168,780

*Unaudited financials

7.4 MAJOR SHAREHOLDERS AS AT 30TH JUNE 2025

Twenty (20) largest shareholders of the Company as at 30th June 2025*are given below:

No	Name	No. of Shares	Shareholding %
1	LANKA CREDIT AND BUSINESS LIMITED	569,538,406	72.08
2	MR. KAPILA INDIKA WEERASINGHE	12,500,000	1.58
3	MR. S. A. THALANGAMA	5,686,000	0.72
4	PEOPLES LEASING & FINANCE PLC	5,000,000	0.63
5	MR.B.A.D.R.DISSANAYAKE	4,750,000	0.60
6	MR.D.S.R.DARANAKUMBURA	4,164,970	0.53
7	MR.A.A.A.DE SILVA	4,000,000	0.51
8	HELIOS VENTURES (PVT) LTD	3,356,901	0.42
9	MR.R.ARIFEEN	3,250,000	0.41
10	MRS.W.A.I.KUMARASINGHE	3,071,268	0.39
11	DFCC BANK PLC/MR.P.PRANAVAN	3,000,000	0.38
12	MR. M.F. BAKIR	2,801,000	0.35
13	MR.A.P. MANAWADU	2,632,500	0.33
14	BANK OF CEYLON NO. 1 ACCOUNT	2,617,539	0.33
15	MR.S.D.SAPUTHANTHRI	2,507,116	0.32
16	L E LIYANAGE	2,500,000	0.32
17	ASPIC CORPORATION LIMITED	2,440,228	0.31
18	SEYLAN BANK PLC/S.R. FERNANDO	2,233,470	0.28
19	MR.W.T HUSSAIN	2,100,000	0.27
20	MR. D. ABYEWICKREMA	2,050,000	0.26

*Unaudited financials

7. THE COMPANY

7.5 DETAILS OF OTHER BONDS IN ISSUE

There are no other bonds in issue by Lanka Credit and Business Finance PLC as at the date of this Prospectus.

7.6 PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE COMPANY

As at 31st March 2024, 31st March 2025 and 30th June 2025 the outstanding balances are given in the table below;

All numerical figures given under this section of the Prospectus are audited figures unless otherwise stated.

	LKR
Balance as at 31st March 2023	566,941,929
New borrowings / (settlements)	37,733,603
Balance as at 31st March 2024	604,675,532

	LKR
Balance as at 31st March 2024	604,675,532
New borrowings / (settlements)	465,292,287
Balance as at 31st March 2025	1,069,967,819
New borrowings / (settlements)	2,190,387
Balance as at 30th June 2025*	1,072,158,206

*Based on unaudited financials

7.7 CONTINGENT LIABILITIES OF THE COMPANY

The details of the contingent liabilities as at 31st March 2024, 31st March 2025 and 30th June 2025 are given below;

Commitments and Contingencies	As at 31st March 2024 LKR	As at 31st March 2025 LKR	As at 30th June 2025* LKR
Commitments			
City Finance Deposits	83,304,693	73,530,967	72,960,000
Contingencies			
Letter of Guarantees Granted	79,000,000	33,500,000	16,500,000
Total	162,304,693	107,030,967	89,460,000

*Based on unaudited financials

The above-mentioned commitments and contingencies are on demand. There were no penalties imposed on the Company..

7.8 CAPITAL COMMITMENTS – COMPANY

The Company has no commitments for acquisition of Property, Plant & Equipment and Intangible assets incidental to the ordinary course of business as at the date of this Prospectus.

7.9 LITIGATIONS AGAINST THE COMPANY

The details of the ongoing litigation against the company are given below.

No.	Plaintiff	Case No.	Claim	Our Lawyer	Current Position
1.	Mr. Piyal Abesiri Gunawardena	03335/15 At Colombo District Court	Rs.32.0 Million deposited with Industrial Finance Ltd, together with interest.	Mr. Mursheed Maharoor with Ms. Nelun Senanayaka	This case is on the trial stage in the District Court of Colombo. The plaintiff's evidence had already been concluded and the Defendant's evidence is due on 17.09.2025 of this case.
2.	Ms. A.S.C. Muhandiramge Vs 1. Aspic Development (Pvt) Ltd 2. City Finance Corporation Ltd (former name of LCB).	01695/13 At Colombo District Court	Rs. 40.0 Million against two defendants on a joint venture agreement and agreement to sell signed with 2 defendants.	Mr. Mursheed Maharoor with Ms. Nelun Senanayaka Associates.	This case is on the trial stage in the District Court of Colombo. The plaintiff's evidence had been concluded. This matter is coming up on the next date for cross examination of the defendant's witness. Therefore, this matter is coming up on the next date on 10-10- 2025
3.	Gaminda Pushpaka Ranasinghe	M 5404 at Nugegoda District Court	Rs. 100Mn claim against the defendant	Ms. Anusha Fernando with Shiranthi Gunawardena Associates	This case will be called for Pre-Trial on 21.10.2025.

The above-mentioned cases have no significant effect on the Company's profitability or financial position.

7.10 KEY FINANCIAL RATIOS

Interest Cover and Debt to Equity Ratio

	31.03.2023	31.03.2024	31.03.2025	Post Bond Issue
Debt / Equity Ratio (%)	20.28%	20.71%	34.26%	70.60%
Interest Cover Ratio (Times)	1.9	1.2	4.1	2.6
Debt Service Cover Ratio (Times)	0.8	0.4	0.5	0.8
Debt / Cashflow Ratio (%)	167.33%	83.48%	173.61%	222.65%

Note: Equations

- Debt/ Equity Ratio = [Long Term Borrowing including Debt Securities / Total Equity]
- Interest Cover Ratio = [PBIT / Borrowing cost]
- Debt Service Cover Ratio = EBITDA / (Interest exp + Principal repayments)
- Debt / Cashflow Ratio (%) = [Debt / Cash Flow from Operations]

7.11 TAXATION FOR THE COMPANY

Applicable taxes for the Company are income tax, VAT on financial services, crop insurance levy, local taxes and stamp duty.

- Income tax rate applied during 2025 was 30%. VAT rate on financial services, applied during 2025 was 18%. Social Security Contribution Levy came into effect from 1st October 2022. SSCL rate applied during 2023 to 2025 was 2.50%.
- The Company is not enjoying any tax exemptions as at the date of the Prospectus.

7. THE COMPANY

7.12 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

The following financial information is hosted on the Company's web site, www.lcbfinance.lk and CSE web site www.cse.lk.

- Audited financial statements of Lanka Credit and Business Finance PLC as at 31st March 2025
- Interim financial statements of Lanka Credit and Business Finance PLC as at 30th June 2025
- Summarized financial statement for the five years ended 31st March 2021 to 31st March 2025 preceding the date of the Application stating the accounting policies adopted by the Company certified by the Auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period

7.13 FUTURE STRATEGIES, ASSUMPTIONS ON WHICH FUTURE STRATEGIES ARE BASED AND RISKS ASSOCIATED WITH SUCH FUTURE STRATEGIES

LCB's Strategies focuses to achieve corporate goals in line with the CBSL Master Plan Phase II by achieving total assets base Rs.15 billion by 31st March 2026 and then Rs.20 billion by Mid 2026. To achieve this organic growth, LCB has planned to open another 6 branches with in financial year 2025/2026 in better strategic locations. Meanwhile LCB has also planned to develop Information Technology infrastructure to facilitate our clientele introducing digital platform for payments (payment apps), CEFT facility and implementing ATM and CDM facilities. Further the Management are working with developing sustainable green loan products in line with the sustainable financial objectives. As a strategic development we planned to relocate the head office from Kohuwala to a better strategic location with branding.

Introducing the above developments the Company intends to enter a new phase in our continuing expansion and growth by offering a more comprehensive range of financial solutions which are closely aligned to changes in the local and global economies. LCB is committed to honesty, transparency, and accountability strive to maintain the highest ethical standards in all business aspects and build trust with our clients and partners. The Management is committed to continuously improving the existing products and services and staying ahead of industry trends and regulatory changes. LCB is also dedicated to promoting sustainability and social responsibility. We actively seek opportunities to support our communities and contribute to a better future for all. LCB's values and objectives are at the heart of everything it does, and the company is committed to delivering excellence in all aspects of its business. This unwavering commitment reflects its dedication to supporting and enhancing the grassroots initiatives of Sri Lanka. By working diligently, LCB has not only enhanced its products and services but also contributed to the larger vision of strengthening the nation's economic and social fabric. Bolstered by a strong and professional team and guided by inspirational leadership, LCB, in striving for excellence, is not just building a business; it is helping to grow a nation. The company continues to build on this momentum, fostering a culture of unity and progression, and setting new benchmarks in its mission of nation-building as it remains united in strength.

The strategic business plan stresses the importance of several key factors such as Productive Human Capital, Diversified product portfolio, creating a multi-channel to customers, Expansion of branch network, Leveraging technology for growth. The Company has initiated ATM, CDM and mobile banking solutions will greatly enhance the savings product offering, making it more attractive to our customers.

8. BOARD OF DIRECTORS AND SENIOR MANAGEMENT



8. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

8.1 DETAILS OF THE DIRECTORS

The details of the Board of Directors of Lanka Credit and Business Finance PLC as at the date of this Prospectus are given below:

Name of Director	Designation
Mr. Dushmantha Thotawatta	Chairman – Non-Executive / Independent Director
Mr. K.G Leelananda	CEO/ Executive Director
Mr. Ranjan Lal Masakorala	Non-Executive / Non-Independent Director
Mr. Kapila Indika Weerasinghe	Non-Executive / Non-Independent Director
Mr. Gayan Kalhara Nanayakkara	Non-Executive / Non-Independent Director
Mr. Ashwin Welgama Nanayakkara	Non-Executive / Non-Independent Director
Mr. J.P.C Jayalath	Non-Executive / Non-Independent Director
Dr. Srinath Ajith Kumara Alahakoon	Non-Executive / Independent Director
Prof. Ahamed Roshan Ajward	Non-Executive / Independent Director

8.2 PROFILES OF THE DIRECTORS

Mr. Dushmantha Thotawatta

Chairman

He holds a Bachelor of Commerce (Special) Degree at the University of Sri Jayewardenepura, a Master's of Arts in Financial Economics at the University of Colombo and he is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He previously held the positions of Chief Executive Officer of Lanka Sathosa Ltd, Additional General Manager – National Water Supply and Drainage Board. He is currently the Chairman of Canwill Holdings (Pvt) Ltd and Director at Sri Lanka Insurance Corporation. He was a Board Member of People's Bank.

Mr. K.G Leelananda

Executive Director / Chief Executive Officer

Mr. K.G. Leelananda holds a Management Degree from the University of Jayewardenepura, a Diploma in HRM at Aquinas University College. He has obtained the Chartered Licentiate at Chartered Institute of Sri Lanka in 1993 and holds an Intermediate Banking & Finance Diploma at IBSL. He has successfully completed courses on Private Enterprise Development in Harvard USA. Furthermore, he holds a qualifications in Management in Finance at NTUC in Singapore University, Co-operative Banking System Course conducted in South Korea, Netherland and Canada. He also Successfully completed System Study at Banka Italia in Italy. Since 2001, he has contributed towards the growth of SANASA Development Bank PLC and reached the 2nd Key Executive Post "The Senior Deputy General Manager" in the Bank and the held the position until 2015.

Mr. Ranjan Lal Masakorala

Non-Executive / Non-Independent Director

Mr. Ranjan holds a Diploma in Management from the University of Tokyo in Japan and functions as the Director of Premium Cars Japan. He is the Managing Director of Hotel Kabalana (Pvt) Ltd and The Villa Hotel Unawatuna. He is also the Managing Director of Udumullagoda Tea Factory (Pvt) Ltd. He is the Proprietor of Vista Tours, Uneth Car sale and a Director of Yakkalamulla Tea Factory. He is the Director of Niriella Motors Private Limited and Isuru Motors Private Limited.

Mr. Kapila Indika Weerasinghe*Non-Executive / Non-Independent Director*

He holds a Diploma in Institute of Chartered Accountancy in Germany; He is the Managing Director / Chairman of Transline GMBH – Transport & Packaging and R K W Courier Service. He is a leading businessman in Germany.

Mr. Gayan Kalhara Nanayakkara*Non-Executive / Non-Independent Director*

Mr. Gayan holds a Joint Degree BSc (Hons) in Computer Science with Management Studies from the University of Nottingham, UK. He currently holds the director position at Mahesland Estates Private Limited, Wijaya Tea Factory Private Limited, Naindawa Tea Factory Private Limited and Etambagahawila Tea Factory Private Limited.

Mr. Ashwin Welgama Nanayakkara*Non-Executive / Non-Independent Director*

Mr. Ashwin holds a MSc. in Law and Accounting from – the London School of Economics UK, an LLB in Law from – the London School of Economics UK, and is a Director of NEM Construction (Pvt Ltd).

Mr. J.P.C Jayalath*Non - Executive / Non-Independent Director*

Mr. Jayalath has been a professional in information technology for over 35 years, and he has been a director of information technology at the Board of Investment since 2006. Also, when he resigned from the BOI, he had been an executive director of the institute. He is academically qualified and a sound professional in the IT stream holding a Bachelor's Degree in Physical Science at the University of Colombo, a postgraduate Diploma in e-Government at the University of Sri Jayawardenepura, and a Master of Public Administration at the University of Sri Jayawardenepura.

Dr. Srinath Ajith Kumara Alahakoon*Non-Executive / Independent Director*

Dr. Ajith Alahakoon has over 28 years of experience in the fields of Finance and Banking. He has held the positions of the General Manager in Abans Financial Services Ltd and Global Trust Finance Services Ltd and Deputy General Manager in the Regional Development Bank. He obtained a doctorate in Business Administration from American National Business University.

He is a fellow Member of Chartered Accountants of Sri Lanka, Associate Member of the Institute of Bankers and holds a B. Com (Special) Degree from University Sri Jayawardenepura.

Prof. Ahamed Roshan Ajward*Non-Executive / Independent Director*

Professor Roshan Ajward is a Professor in Accounting in the Department of Accounting, Faculty of Management Studies and Commerce at the University of Sri Jayawardenepura (USJ). He currently serves as one of the Co-Chairs of the Research Council at USJ and is the Coordinator of the Master of Professional Accounting (MP Acc) Degree Programme. His research interests focus on corporate governance, auditing, ethics, and financial reporting. He holds a B.Sc. in Accountancy (Special) Degree with First Class Honours and a Gold Medal, an MBA (2009) with First in Order of Merit, and a PhD from the prestigious Waseda University, Japan (2012). He is also a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Institute of Certified Management Accountants (CMA).

8. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

8.3 OTHER DIRECTORSHIPS OF THE DIRECTORS OF THE COMPANY

Name of the Director	Other Directorships
Mr. G.K. Nanayakkara	Etambagahawila Tea Factory (Pvt) Limited
	Mahesland Estate (Pvt) Ltd
	Wijaya Tea Factory (Pvt) Ltd
	Naindawa Tea Factory (Pvt) Ltd
Mr. K.I. Weerasinghe	Transline GMBH -Transport and Packaging
	R K W Courier Service
Mr. A.W. Nanayakkara	Nem Construction Pvt Ltd
Mr. Dushmantha Thotawatte	Canwill Holdings (Pvt)Ltd
	Sri Lanka Insurance Corporation
Mr. R.L.Masakorala	Hotel Kabalan (Pvt) Ltd
	Udumullagoda Tea Factory (Pvt) Ltd
	Yakkalamulla Tea Factory
	Niriella Motors Pvt Ltd
	Binelko Marketing Pvt Ltd
	The Vila Hotel
	Uneth Car Sale
	Myland Development PLC
Dr. S.A.K. Alahakoon	Green Brain (pvt)Ltd
	AGS Management Consultants (pvt)Ltd
	AGS Associates (Chartered Accountants)
	Liyana & Company (Chartered Accountants)

8.4 DIRECTORS' INTEREST IN ANY ASSETS ACQUIRED, DISPOSED OR LEASED BY THE ENTITY

Directors have no significant or substantial interest in any assets acquired, disposed or leased by the Company.

8.5 STATEMENT BY THE BOARD OF DIRECTORS

No Director or a person nominated to become a Director of the Company is or was involved in any of the following events:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

8.6 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The primary objective of the Committee is to assess and consider all transactions with related parties of the Company in line with Section 9 of the CSE Listing Rules and Finance Business Act Direction No. 05 of 2021.

The Committee carries out the following duties and responsibilities: -

1. Reviewing to evaluate and to determine the advisability of any Related Party Transactions except for transactions set out in Rule 9.14.10 of the CSE Listing Rules, that require consideration by the Committee under the Related Party Policy of the Company.
2. Approving or rejecting Related Party Transactions upon the required internal approvals being obtained.
3. Determining whether the relevant Related Party Transaction is fair to, and in the best interests of, the Company and its stakeholders; and
4. Recommending to the full Board what action, if any, should be taken by the Board with respect to any Related Party Transaction.

Recommending to the full Board where necessary that the approval of the shareholders of the Company be obtained by way of a Special Resolution prior to the concerned transaction being entered into as specified in Section 9.14.6 and 9.14.9 of the CSE Listing Rules, where necessary.

The Board appointed Related Party Transaction Review Committee comprises of Three (3) Non-Executive Directors inclusive of the Chairman who is an Independent Director. The composition of the Related Party Transactions Review Committee is as follows.

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Dr. Srinath Ajith Kumara Alahakoon	Chairman	Non-Executive / Independent Director
Mr. Dushmantha Thotawatta	Member	Non-Executive / Independent Director
Mr. Ranjan Lal Masakorala	Member	Non-Executive / Non-Independent Director

8.7 BOARD NOMINATION AND GOVERNANCE COMMITTEE

The Board appointed Nominations Committee comprises of Three (3) Non-Executive Directors inclusive of the Chairman who is an Independent Director. Composition of the Nominations Committee is as follows.

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Dr. Srinath Ajith Kumara Alahakoon	Chairman	Non-Executive / Independent Director
Mr. Dushmantha Thotawatta	Member	Non-Executive / Independent Director
Mr. Gayan Kalhara Nanayakkara	Member	Non-Executive / Non-Independent Director

The Committee carries out the following duties and responsibilities:

- I. Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations Committee shall not participate in decisions relating to his/her own appointment.
- II. Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account;
 - the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Entity and the discharge of the Board's overall responsibilities; and,
 - the number of directorships held by the Director in other listed and unlisted companies and other principal commitments.
- III. Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Entity.
- IV. Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements.
- V. Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.

8. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

- VI. Develop succession plan for Board of Directors and Key Management Personnel of the Entity.
- VII. Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- VIII. Review and recommend the overall corporate governance framework of the Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements (Finance Business Act Direction) and industry/international best practices.
- IX. Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.
- X. Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws (Finance Business Act Direction), together with any deviations/non-compliances and the rational for same.

8.8 PROFILES OF THE SENIOR MANAGEMENT

Mr. K.G. Leelananda

Executive Director / Chief Executive Officer

Mr. K.G. Leelananda holds a Management Degree from the University of Jayewardenepura, Diploma in HRM at Aquinas University College, Chartered Licentiate at Chartered Institute of Sri Lanka 1993 and Intermediate Banking & Finance Diploma at IBSL. He has successfully completed courses on Private Enterprise Development in Harvard USA. Furthermore, he qualifies in Management in Finance at NTUC in Singapore University, Co-operative Banking System Course conducted in South Korea, Netherland and Canada. Successfully completed System Study at Banka Italia in Italy. Since 2001, he has contributed towards the growth of SANASA Development Bank PLC and reached the 2nd Key Executive Post "The Senior Deputy General Manager" in the Bank until 2015.

Mr. Roshan Jansen

Chief Operating Officer

He holds an MBA from the Australian Institute of Business, Adelaide, Australia. He is Member of the Chartered Institute of Marketing (UK), Fellow Member of the Association of Business Executives (UK) and a Certified Member of the Sri Lanka Institute of Marketing (SLIM). He has completed a Diploma in Business & Organizational Psychology at the Colombo Institute of Research and Psychology (CIRP) and has obtained a Certificate in Neuro-Linguistic Programming from Mind Designs International.

Mr. Jansen has over 25 years of local and overseas experience in sales & marketing, fixed deposits, and savings operations in wealth management and insurance. He has worked at Softlogic Finance PLC for 6 years and for 3 years in the Softlogic Life Insurance PLC for. He served at Richard Pieris Finance as the General Manager Fixed Deposits and Sales, prior to joining LCB Finance PLC as the Chief Operating Office.

Mr. V. Jayasinghe

DGM – Information Technology

Mr. Jayasinghe, an IT professional with more than 25 years of experience, joined LCB Finance PLC in 2023. He was a former DGM – IT / CIO of the Regional Development Bank. He holds a B.Sc. Engineering Degree from the University of Moratuwa. He also has a Master of Engineering Degree from the Asian Institute of Technology in Thailand and Master of Business Administration Degree from the University of Hawaii, USA. After graduation, he started his career as a Systems Engineer at IBM World Trade Corporation. He counts more than twenty years of work experience in Management positions of financial services and banking industry. A Certified Information Technology Professional (CITP) of the British Computer Society and a Certified Project Management Professional (PMP) of the Project Management Institute of USA, Mr. Jayasinghe is a Chartered Engineer in Information and Communication Technology. He is a Member of the Computer Society of Sri Lanka. (CSSL)

Mr. Kelum Wannige*AGM- Finance & Strategic Planning*

Mr. Kelum Wannige is a Member of the Institute of the Chartered Accountants of Sri Lanka and Member of the Association of Accounting Technicians of Sri Lanka. He also holds Professional level Qualification of Institute of Chartered Accountants of England and Wales and PG in Management at Institute of Management Technology – Ghaziabad. Further He holds a Bachelor of science (special) Degree in Business Administration from the University of Sri Jayewardenepura and MBA at Liver pool John Moores University – UK

Mr. Wannige Possess over 14 years of expertise in Financial Management, Accounting, Auditing, Corporate Planning and Taxations both in Sri Lanka and United Kingdom (UK). He commenced his careers at M/s BDO Partner's Sri Lanka (a member firm of BDO International) and gained extensive exposure in Audit and Assurance Services of a broad array of industrial segments including Licensed Commercial Banks, Licensed Specialized Banks, and other Financial Institutions. Further He performed duties as an accountant at various sectors including Hotel and Leisure.

Mrs. Tamarika Rodrigo*Company Secretary*

Possess over 20 years' experience as a Company Secretary in Financial and Banking Sector. She joined SDB bank as the Company Secretary and established the Company Secretary and Registrar Department and was able to successfully list the Bank at Colombo Stock Exchange, and was able to establish Corporate Governance in the Bank. She joined the bank as a Senior Manager and promoted up to the position of Deputy General Manager / Company Secretary and Registrar at SDB Bank. She was also Assistant Secretary General at the Ceylon Chamber of Commerce and handled Policy work of Statutory Committees such as Arbitration, Environment, Legal etc. she holds professional qualifications as an Attorney-at Law and Accredited Director.

Mr. Sampath Kumara*Chief Internal Auditor*

Mr. K.G Sampath Kumara is a Member of the Institute of the Chartered Accountants of Sri Lanka and he holds a Bachelor of science (special) Degree in Finance (Sp) from the University of Sri Jayewardenepura and an MBA from the Postgraduate Institute of Management (PIM). He counts over 16 years' experience in Auditing, Financial Reporting, Risk Management and Business Process Re-engineering in both local and international firms including KPMG, CDB Finance PLC, Richard Pieris Finance Ltd, PMF Finance PLC and leading multinational – Samsung India Electronics Ltd.

Mr. Jayalal Perera*Chief Risk Officer*

Mr. Jayalal Perera holds a Bachelor of science (special) Degree in Business Administration (Special) Hons from the University of Jayewardenepura and throughout his career, he has served as a Senior Manager – Credit Review, Regional Manager and Branch Manager at SDB Bank, Branch Manager at The Finance Company PLC, Branch Manager at Brown & Company PLC, Marketing Officer at National Insurance Corporation, Project Officer at SDB Bank, Project Coordinator at Siyambalanduwa Sugar Industries (Pvt) Ltd, Project Manager at Ceylinco Venture Capital Company Ltd and Supervisor at Nawaloka Construction Company Ltd.

Mr. Hasitha Wewita*Head of Compliance*

Mr. Hasitha Wewita Registered in the Association of certified AML specialist – ACAMS, Miami, USA, online Certificate Program on Know Your Customer (KYC) & Customer Due Diligence(CDD) in Galway, Ireland and completed of Certificate in banking & Finance (CBF) and Intermediate in Applied banking & Finance (IABF) – Part I,II and holds HND in Information Technology at LONDONTEC International Centre for Degree Studies, HND in Human Resource Management, HND in Business Application/ Accounting and data base Management. Throughout his career he has served as a Banking Officer at Public Debt Department at Central Bank of Sri Lanka, Sub officer – Compliance SO / Compliance Department at Seylan Bank PLC. He also provides Freelance Consultant and supervision for SR Microfinance companies.

8. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Oswald W Sahabandu

Head of Business Development / Administration & Operations

Counts over 25 years of hands on experience in the financial services sector and has worked in number of reputed finance companies in the country. He has held number of senior positions such as General Manager – Credit, AGM Operations, Senior Manager – Credit and Administration. Holds Advance Diploma in Management from ICFAI University India and MBA from the same university. Also hold certified professional marketer CPM/Asia, Diploma in Sales Management UK/SL, Six Sigma Green Belt and has acquired memberships such as SLIM, ICM UK, CMA (Australia) Graduate Management Accountant, MCPM SL.

Mrs. Anusha Fernando

Head of Legal

Anusha Fernando is an Attorney-at-Law, Notary Public, Commissioner for Oaths, Company Secretary and holds a Bachelor of Laws Degree (LLB) graduated by the Faculty of Law, University of Colombo.

She has served as Head of Legal – Sarvodaya Development Finance PLC. At SEEDS (Gte) Limited she has served as Manager / Legal, Assistant Manager / Legal and Legal Office, Possesses over 12 years experience in the Finance Sector.

Mr. Sasikumar

Senior Manager - Recovery

He poses a Master of Business Administration – Asia e University, Asian collage of Management Sri Lanka., Followed a Certificate course in Customer relationship Management, Diploma in Credit Management and has followed a Certificate course in Branch banking operations – IBSL. He has served at Sarvodaya Development Finance 2014 to 2019 Oct as a Chief Manager Recoveries 5 years, Habib Bank 2013 to 2014 as a Manager Credit 1 Year, Amana Bank 2011 to 2013 as a Relationship Manager 2 years, NTB bank 2008 to 2011 as Account Relationship Officer 3 years. PABC Bank 2007 to 2008 as a Senior Banking Assistant 1 year, Union Bank Pakistan 2005 to 2007 as a Executive 2 years and at Seylan Merchant Bank 2003 to 2005 as a Banking Assistant.

8.9 STATEMENT BY THE CEO

The Chief Executive Officer of the Company has not been involved in any of the following:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- Convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

8.10 DETAILS OF ANY CONFLICT OF INTEREST

The Directors and the Corporate Management Members of the company confirm that neither they nor any of their relatives nor any business with which they are associated have any personal or business interest in or potential for personal gain from any of the organizations or projects linked to Lanka Credit and Business Finance PLC.

8.11 DISCLOSURE OF POLICIES

The Company has established and maintains the policies and discloses the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website www.lcbfinance.lk as stipulated under Section 9.2.1 of the CSE listing rules.

9. STATUTORY DECLARATIONS



9. STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Lanka Credit and Business Finance (Company) hereby declare and confirm that we have read the provisions of Colombo Stock Exchange (CSE) Listing Rules and of the Companies Act No.7 of 2007 and any amendments thereto relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

The parties to the Bond Issue including Lawyers, Auditors, Rating Company and Manager and Financial Advisors have submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Company. Further, the Company Secretaries to the said Issue has also submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to them.

An application has been made to the CSE for permission to deal in and for a listing of Bonds issued by the Company and those Bonds which are the subject of this Issue. Such permission will be granted when Bonds are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made or opinions expressed, or reports included or omitted statements or undisclosed information in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Company or of the Bonds issued.

Name of Directors	Designation	Signature
Mr. Dushmantha Thotawatta	Chairman – (Non-Executive / Independent Director)	Sgd.
Mr K.G Leelananda	CEO/Executive Director	Sgd.
Mr. Ranjan Lal Masakorala	Non-Independent/ Non-Executive Director	Sgd.
Mr. Kapila Indika Weerasinghe	Non-Independent/ Non-Executive Director	Sgd.
Mr. Ashwin Welgama Nanayakkara	Non-Independent/ Non-Executive Director	Sgd.
Ms. Gayan Kalhara Nanayakkara	Non-Independent/ Non-Executive Director	Sgd.
Mr. J.P.C Jayalath	Non-Independent/ Non - Executive Director	Sgd.
Dr. Srinath Ajith Kumara Alahakoon	Independent/ Non-Executive Director	Sgd.
Prof. Ahamed Roshan Ajward	Independent/Non - Executive Director	Sgd.

9.2 STATUTORY DECLARATION BY THE MANAGER AND FINANCIAL ADVISOR TO THE ISSUE

We, HNB Investment Bank (Pvt) Limited of No 53, Dharmapala Mawatha, Colombo 03, who are named in the Prospectus as the Manager and Financial Advisor to the Issue hereby declare and confirm that to the best of our knowledge and belief, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Lanka Credit and Business Finance PLC whose Bonds are being listed.

Signed by Directors of HNB Investment Bank (Pvt) Limited, being duly authorized thereto, at Colombo on this 12th September 2025.

Sgd.
Director

Sgd.
Director

10. FINANCIAL INFORMATION



10. FINANCIAL INFORMATION

10.1 ACCOUNTANTS' REPORT AND FIVE-YEAR SUMMARY OF FINANCIAL STATEMENTS



Lanka Credit and Business
Finance PLC

Registered No PQ 00251997
A Finance Company License by the Monetary Board of the
Central Bank of Sri Lanka under the Finance Business
Act No. 42 of 2011

Lanka Credit and Business Finance PLC INCOME STATEMENT

	31.03.2025 Rs.	31.03.2024 Rs.	31.03.2023 Rs.	31.03.2022 Rs.	31.03.2021 Rs.
Income	1,455,780,148	1,379,715,429	1,104,019,440	541,564,212	461,375,089
Interest Income	1,323,027,160	1,202,448,835	1,031,981,246	504,110,594	456,255,319
Less: Interest Expenses	(476,220,432)	(620,158,267)	(427,366,144)	(104,982,427)	(108,199,704)
Net Interest Income	846,806,728	582,290,568	604,615,102	399,128,167	348,055,615
Fee and Commission Income	67,030,809	47,279,094	39,592,621	45,836,522	29,024,159
Less: Fee and Commission Expenses	-	-	-	-	-
Net Fee and Commission Income	67,030,809	47,279,094	39,592,621	45,836,522	29,024,159
Net Other Operating Income/(Expense)	65,722,180	129,987,500	32,445,572	(8,382,904)	(23,904,388)
Total Operating Profit	979,559,716	759,557,162	676,653,295	436,581,786	353,175,385
Impairment/(Charge)/Reversal	(89,460,894)	(122,568,495)	(90,994,761)	61,695,234	(22,885,058)
Net Operating Income	890,098,821	636,988,667	585,658,534	498,277,020	330,290,327
Less : Operating Expenses					
Personnel Costs	(240,014,847)	(193,798,307)	(145,811,074)	(106,401,014)	(93,716,366)
Depreciation and Amortization	(95,356,881)	(76,799,410)	(61,957,077)	(44,834,695)	(41,129,767)
Other Operating expenses	(166,259,729)	(145,509,321)	(117,459,076)	(67,109,515)	(73,210,778)
	(501,631,457)	(416,107,038)	(325,227,227)	(218,345,223)	(208,056,913)
Operating Profit before Tax on Financial Services	388,467,365	220,881,629	260,431,307	279,931,796	122,233,416
Taxes on Financial Services	(105,782,057)	(72,323,746)	(47,877,516)	(41,413,734)	(21,943,495)
Profit before tax	282,685,308	148,557,883	212,553,791	238,518,062	100,289,920
Less: Income tax (expense)/Reversal	(78,171,567)	(26,464,210)	(49,783,037)	(140,936,083)	(75,286,361)
Profit for the Year	204,513,741	122,093,673	162,770,755	97,581,979	25,003,559
Basic earnings per share (Rs.)	0.26	0.15	0.21	0.12	0.04


Kelum Wannige
Finance & Strategic Planning
Lanka Credit and Business Finance PLC
No. 76, S. De S. Jayasinghe Mw,
Kohuwala.


K. G. Leelananda
CEO/Executive Director
Lanka Credit and Business Finance PLC
No. 76, S. De S. Jayasinghe Mw,
Kohuwala.



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Email : info@lcbfinance.lk
Web : www.lcbfinance.lk

Akuressa : 041-2280090	Galle : 091-2247222	Kaliyapitiya : 037-2286280	Rathgama : 091-2268160
Angunakola : 047-2228313	Karandeniya : 091-2290255	Maharagama : 0112-840244	Tangalle : 047-2244000
Kamburupitiya : 041-2268958	Karapitiya : 091-2245810	Matara : 041-2250017	Tissamaharama : 047-2259044
Embilipitiya : 047-2261505	Kegalle : 035-2233383	Negombo : 031-2265665	Walasmulla : 047-2247067
Gampaha : 033-2238062	Kohuwala : 011-2825404	Pelawatta : 034-2284810	Minuwangoda : 011-2285805
Piliyandala : 011-2607391			

Lanka Credit and Business Finance PLC
STATEMENT OF COMPREHENSIVE INCOME

	31.03.2025 Rs.	31.03.2024 Rs.	31.03.2023 Rs.	31.03.2022 Rs.	31.03.2021 Rs.
Profit for the year	204,513,741	122,093,673	162,770,755	97,581,979	25,003,559
Other comprehensive income/ (expenses)					
Other comprehensive income that will not be reclassified to profit or loss:					
Actuarial gain/(loss) on defined benefit plan	(863,125)	1,733,864	(84,936)	13,941	(749,914)
Deferred tax effect on actuarial gain/(loss)	258,937	(520,159)	25,481	(1,952)	179,979
	(604,187)	1,213,705	(59,455)	11,989	51,254
Other comprehensive income for the year, net of tax	(604,187)	1,213,705	(59,455)	11,989	(569,935)
Total comprehensive income for the year, net of tax	203,909,554	123,307,378	162,711,300	97,593,968	24,433,624
Attributable to :					
Equity holders of the Company	203,909,554	123,307,378	162,711,300	97,593,968	24,433,624
	203,909,554	123,307,378	162,711,300	97,593,968	24,433,624


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K. G. Leelananda
 CEO/Executive Director
 Lanka Credit and Business Finance PLC
 No. 76, S. De. S. Jayasinghe Mw,
 Koluwaia



10. FINANCIAL INFORMATION

Lanka Credit and Business Finance PLC
STATEMENT OF FINANCIAL POSITION

	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
	Rs.	Rs.	Rs.	Rs.	Rs.
Assets					
Cash and Cash Equivalent	216,952,568	209,863,402	179,594,556	229,434,047	218,507,168
Financial Investment at amortised Cost	578,160,999	909,460,831	809,683,821	746,819,780	662,295,154
Financial assets at amortised Cost - Loans and Receivables	6,002,054,674	3,747,316,490	3,738,803,049	2,634,321,859	1,969,102,470
Financial assets at amortised Cost - Lease rentals receivables and Hire Purchases	1,754,671,668	761,346,056	441,429,394	392,635,779	336,747,406
Other Financial Assets	114,240,209	62,789,829	31,361,557	16,919,514	7,763,678
Financial Assets Measured at Fair value through Profit or Loss	21,834,438	829,306,147	219,753,524	19,508,717	100,463,534
Financial Investment at Fair value through Other Comprehensive Income	315,813	315,813	315,813	315,813	315,813
Other Non Financial Assets	34,908,994	48,943,046	56,320,987	55,345,017	37,862,474
Investment Property	224,000,000	191,000,000	180,000,000	-	-
Property, Plant and Equipment	109,742,300	139,078,783	97,223,763	84,108,889	39,025,049
Right of Use Assets	141,634,869	67,523,775	69,643,533	73,443,343	52,982,570
Intangible Assets	34,042,201	38,439,965	34,907,586	39,121,865	42,186,213
Deferred Tax Asset	15,925,201	8,046,744	18,462,799	64,691,455	205,629,491
Total Assets	9,248,483,934	7,013,430,881	5,877,500,382	4,356,666,078	3,672,881,020
Liabilities					
Financial Liabilities at amortised Cost - Due to Banks	1,069,967,819	604,675,532	566,941,929	586,370,993	518,414,541
Financial Liabilities at amortised Cost - Due to customers	4,643,459,643	3,270,214,658	2,380,339,395	962,635,583	831,583,929
Other Financial Liabilities	189,545,301	84,833,080	85,609,323	81,104,538	175,135,322
Other Non Financial Liabilities	213,538,118	127,406,884	42,055,952	40,778,035	36,498,714
Retirement Benefits Liabilities	8,565,688	6,802,916	6,363,350	4,887,670	4,310,160
Total Liabilities	6,125,076,569	4,093,933,070	3,081,309,949	1,675,776,819	1,565,942,666
Equity					
Stated Capital	2,539,133,400	2,539,133,400	2,539,133,400	2,539,133,400	2,039,133,400
Reserves	75,579,147	59,642,422	54,087,738	45,949,200	41,070,101
Retained Earnings	508,694,818	320,721,989	202,969,295	95,806,659	26,734,853
Total Equity	3,123,407,365	2,919,497,811	2,796,190,433	2,680,889,259	2,106,938,354
Total Equity and Liabilities	9,248,483,934	7,013,430,881	5,877,500,382	4,356,666,078	3,672,881,020

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Lanka Credit and Business Finance PLC
STATEMENT OF CHANGES OF EQUITY

	Stated Capital Rs. '000 (Note 37)	Retained Earnings Rs. '000 (Note 39)	Statutory Reserve Rs. '000 (Note 38)	Total Equity Rs. '000
Adjusted Balance as at 01 April 2020	3,231,604,341	(1,788,052,934)	30,819,924	1,483,371,331
Net Profit / (Loss) for the Year	-	25,003,559	-	25,003,559
Other Comprehensive Income Net of Tax	-	(569,935)	-	(569,935)
Transfer to Statutory Reserve Fund	-	(1,250,178)	1,250,178	-
Total Comprehensive Income for the Year, Net of Tax	-	23,183,446	1,250,178	24,433,624
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners				
Shares issued during the year	599,133,400	-	-	599,133,400
Capital Reduction from existing capital	(1,791,604,341)	1,791,604,341	-	-
Total Transactions with Equity Holders	(1,192,470,941)	1,791,604,341	-	599,133,400
Balance as at 31 March 2021	2,039,133,400	26,734,853	41,070,102	2,106,938,355
Prior year adjustment to opening profit	-	-	-	-
Adjusted Balance as at 01 April 2021	2,039,133,400	26,734,853	41,070,102	2,106,938,355
Net Profit / (Loss) for the Year	-	97,581,979	-	97,581,979
Other Comprehensive Income Net of Tax	-	11,989	-	11,989
Transfer to Statutory Reserve Fund	-	(4,879,099)	4,879,099	-
Total Comprehensive Income for the Year, Net of Tax	-	92,714,869	4,879,099	97,593,967
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners				
Shares issued during the year	500,000,000	-	-	500,000,000
Shares issued Cost	-	(23,643,063)	-	(23,643,063)
Total Transactions with Equity Holders	500,000,000	(23,643,063)	-	476,356,937
Balance as at 31 March 2022	2,539,133,400	95,806,659	45,949,200	2,680,889,259
Balance as at 01 April 2022	2,539,133,400	95,806,659	45,949,200	2,680,889,259
Net Profit / (Loss) for the Year	-	162,770,755	-	162,770,755
Other Comprehensive Income Net of Tax	-	(59,455)	-	(59,455)
Transfer to Statutory Reserve Fund	-	(8,128,538)	8,128,538	-
Total Comprehensive Income for the Year, Net of Tax	-	154,572,762	8,128,538	162,711,300
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners				
Shares issued during the year	-	-	-	-
Shares issued Cost	-	-	-	-
Pending Share Allotment	-	-	-	-
Dividend Paid	-	(47,410,127)	-	(47,410,127)
Total Transactions with Equity Holders	-	(47,410,127)	-	(47,410,127)
Balance as at 31 March 2023	2,539,133,400.00	202,969,294.53	54,087,738.20	2,796,190,432.72
Balance as at 01 April 2023	2,539,133,400	202,969,295	54,087,738	2,796,190,433
Net Profit / (Loss) for the Year	-	122,093,673	-	122,093,673
Other Comprehensive Income Net of Tax	-	1,213,705	-	1,213,705
Transfer to Statutory Reserve Fund	-	(5,554,684)	5,554,684	-
Total Comprehensive Income for the Year, Net of Tax	-	117,752,694	5,554,684	123,307,378
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners				
Shares issued during the year	-	-	-	-
Shares issued Cost	-	-	-	-
Pending Share Allotment	-	-	-	-
Dividend Paid	-	-	-	-
Total Transactions with Equity Holders	-	-	-	-
Balance as at 31 March 2024	2,539,133,400	320,721,989	59,642,422	2,919,497,811
Prior year adjustment to opening profit	-	-	-	-
Balance as at 01 April 2024	2,539,133,400	320,721,989	59,642,422	2,919,497,811
Net Profit / (Loss) for the Year	-	204,513,741	-	204,513,741
Other Comprehensive Income Net of Tax	-	(604,187)	-	(604,187)
Transfer to Statutory Reserve Fund	-	(10,225,687)	10,225,687	-
Regulatory Loss Allowance	-	(5,711,038)	5,711,038	-
Total Comprehensive Income for the Year, Net of Tax	-	187,972,829	15,936,725	203,909,554
Transactions with Owners, Recognised Directly in Equity, Contributions and Distributions to Owners				
Shares issued during the year	-	-	-	-
Shares issued Cost	-	-	-	-
Pending Share Allotment	-	-	-	-
Dividend Paid	-	-	-	-
Total Transactions with Equity Holders	-	-	-	-
Balance as at 31 March 2025	2,539,133,400	508,694,818	75,579,147	3,123,407,365



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10. FINANCIAL INFORMATION

Lanka Credit and Business Finance PLC
STATEMENT OF CASH FLOWS

	31.03.2025	31.03.2024	31.03.2023	31.03.2022	31.03.2021
	Rs.	Rs.	Rs.	Rs.	Rs.
Cash Flows Used in Operating Activities					
Profit before tax from continuing operations	282,685,308	148,557,883	212,553,791	238,518,062	100,289,920
Adjustments for					
Depreciation and Amortization	66,855,861	54,433,515	41,591,568	44,834,695	41,129,767
Amortization of right of use asset	28,501,020	22,365,895	-	-	-
Loss/(Profit) on Disposal of Property, Plant and Equipment	-	-	-	-	-
Provision/(Reversal) for Defined Benefit Plans	2,292,623	2,740,580	1,871,057	1,186,501	1,337,130
Loss/(Profit) on sale of Investment Property	-	-	-	-	45,300,000
(Gain)/Losses from Change in fair value of Investment Properties	(15,878,000)	(11,000,000)	(20,457,020)	-	-
Fair Value (Gain) / Loss from Share Investments & Unit Trust	(37,528,292)	(107,555,761)	(7,189,330)	10,813,684	-
Dividend Received	-	-	(899,287)	(561,832)	-
(Gain)/Loss on Termination/Modification of ROU Assets	-	-	(2,648,282)	-	-
Impairment/(Reversal)/Charges for Loans & receivable and Lease rentals receivables & Hire Purchases	89,460,894	119,974,039	85,073,977	(61,771,515)	(303,694,156)
Interest on Lease Liability	19,789,736	12,173,215	-	-	-
Interest Expenses on Borrowings	69,194,295	-	-	-	-
Impairment (Reversal)/Charges for Financial Investments	-	-	554,874	76,281	217,985
Write off balances	110,939,955	-	-	-	326,361,229
Operating Profit before Working Capital Changes	616,313,399	241,689,365	310,451,349	233,095,876	210,941,875
Working Capital Adjustments					
(Increase) / Decrease Lease Rentals Receivables and Hire Purchases	(1,092,221,360)	(329,033,350)	(64,566,778)	(80,457,144)	(156,024,954)
(Increase) / Decrease Loans and Receivables	(2,356,243,284)	(119,370,791)	(1,312,267,120)	(578,879,103)	(360,385,171)
(Increase) / Decrease Other Financial Assets	(51,450,380)	(31,428,272)	(14,442,043)	(9,155,836)	2,235,724
(Increase) / Decrease Other Non Financial Assets	(90,420,185)	(13,520,710)	(975,969)	(17,482,541)	12,216,365
Increase / (Decrease) in Other Liabilities	145,101,220	89,608,065	6,923,343	(89,751,464)	85,302,195
Increase / (Decrease) in Due to Customers	1,373,244,985	889,875,263	1,417,703,812	131,051,653	(180,651,714)
Cash Flow from/(used in) Operating Activities	(1,455,675,606)	727,819,571	342,826,594	(411,578,560)	(386,365,679)
Gratuity Paid	(1,392,975)	(567,150)	(480,313)	(595,050)	(315,313)
Income Tax Paid	(22,200,679)	(2,927,527)	(3,528,900)	-	-
Net Cash from Operating Activities	(1,479,269,260)	724,324,894	338,817,381	(412,173,610)	(386,680,991)
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant & Equipment	(32,438,709)	(93,499,983)	-	(69,630,765)	(14,503,182)
Acquisition of Intangible Assets	(3,541,255)	(10,818,726)	-	(2,600,000)	(41,488,747)
Proceeds from Sales of Investment Properties and PPE	2,858,348	4,497,797	-	-	311,000,000
Net Investment Acquisition	331,299,833	(99,777,011)	-	(2,279,890)	(424,379,008)
Acquisition of Investment Properties	(17,122,000)	-	-	-	-
Net Investments in Shares & Unit Trust	845,000,000	(501,996,861)	-	-	-
Dividend Received	1,842,124	652,512	-	561,832	-
Net Cash Flows from/(Used in) Investing Activities	1,127,898,341	(700,942,272)	(306,028,069)	(73,948,823)	(169,370,937)
Cash Flows from (used in) Financing Activities					
Proceeds from Issuance of Share Capital	-	-	-	500,000,000	599,133,400
Dividend Paid	-	-	(46,074,752)	-	-
Share Issue Cost	-	-	-	(23,643,063)	-
Proceeds from Interest Bearing Loans & Borrowings	1,166,600,000	37,733,602	8,326,228	51,048,930	5,026,960
Repayment of Interest Bearing Loans & Borrowings	(928,555,908)	-	-	-	-
Payment of Capital portion of Lease Liabilities	(37,637,907)	(30,847,376)	(14,480,696)	(12,127,180)	(9,137,052)
Net Cash used in Financing Activities	200,406,185	6,886,226	(52,229,219)	515,278,687	595,023,308
Net Increase in Cash and Cash Equivalents	(150,964,735)	30,268,848	(19,439,908)	29,156,255	38,971,379
Cash and Cash Equivalents at the beginning of the year	209,909,086	179,640,236	199,080,144	169,923,889	130,952,510
Cash and Cash Equivalents at the end of the year	58,944,351	209,909,086	179,640,236	199,080,144	169,923,889


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Annexures



ANNEXURE I - COPY OF THE RATING REPORT



Lanka Rating Agency

Rating Report

LCB- Tier II Subordinated Listed Rated Unsecured Redeemable 5 Year High Yield Bond Issue

Report Contents

1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

Rating History

Dissemination Date	Long Term Rating	Outlook	Action	Rating Watch
25-Jul-2025	B+	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

Lanka Credit & Business Finance PLC ("LCBF" or "the Company") is a relatively marginal participant in Sri Lanka's highly competitive Licensed Finance Company sector. The Company offers a range of financial products, with a primary focus on term loans, leasing, and gold loans. Potential growth prospects have been identified by LCBF as the agriculture and tourism sectors. LCBF aims to expand its rural footprint by expanding its branch network to serve agrarian segments better. The Company also intends to establish its presence in the microfinance sector by offering bulk lending facilities to cooperative societies. LCBF's stability is primarily underpinned by its adequate ownership structure. Its parent entity and main shareholder, Lanka Credit and Business Limited, has been financing the business with capital infusions. LCBF is issuing a LKR ~750Mn Tier II Subordinated, Listed, Rated, Unsecured, Redeemable, 5-Year High Yield Bond, which may be increased up to LKR ~1.5Bn in case of oversubscription. The subordinated nature of the instrument implies that it ranks below secured creditors and statutory preferential claims, while ranking pari passu with the Company's other unsecured obligations. The assigned rating reflects the subordinated nature of the bond as it is assigned one notch below the Company's entity rating. Main objective of the Bond Issue is to expand the Tier II capital and strengthen the total capital base of the Company in keeping up with anticipated growth in lending portfolio. LCBF's net interest income increased by approximately ~45% in FY25, YoY, supported by improved asset yield and reduced cost of funds. The Company recorded a net profit of LKR ~204Mn in FY25 (FY24: LKR ~122Mn). However, the Company's Gross NPLs have been significantly higher than industry average over the past few year. The Gross NPLs during FY25 were ~10.66% whereas the industry average was ~8.3%. LCBF meets the net capital base requirement of LKR 3Bn. Total Capital Adequacy Ratio was ~36.7% in FY25, primarily comprising Tier 1 capital. Post issuance of the Tier II Subordinated Bonds, total CAR of the Company is expected to go up to ~52%, providing ample room for lending portfolio growth.

The rating depends on LCBF's ability to successfully execute its growth plans, sustain profitability and enhance asset quality. Any deterioration in key metrics or non-compliance with regulatory requirements will have negative rating repercussions. Meanwhile, improvement in market share, profitability and asset quality would have positive rating implications.

Disclosure

Name of Rated Entity	LCB- Tier II Subordinated Listed Rated Unsecured Redeemable 5 Year High Yield Bond Issue
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology Non-Banking Financial Institution Rating(Jul-24),Methodology Debt Instrument Rating(Aug-24)
Related Research	Sector Study Leasing & Finance Companies(Feb-25)
Rating Analysts	Imran Iqbal imran@lra.com.lk +94 114 500099



Leasing & Finance Companies

Lanka Rating Agency

Issuer Profile

Profile Lanka Credit & Business Finance PLC ("LCBF" or "the Company") was incorporated on 5th September 2016 as a Public Limited Liability Company. Incorporated and domiciled in Sri Lanka under the Companies Act No. 07 of 2007. The company is approved under the Finance Business Act No. 42 of 2011 and is listed in the Colombo Stock Exchange.

Ownership The major shareholding vests with Lanka Credit and Business Limited ("LCBL") owning ~72.1% as at FY25. The second largest shareholder is Nation Lanka Finance Plc followed by Mr. Kapila Indika Weerasinghe. The Nanayakkara family owns ~24% of LCBL (the parent company). The sponsor provide support in the form of equity injection in the business through LCBL. LCBL does not have any operations other than management of investment in LCBF. The shareholders of LCBL are well reputed businessmen with other profitable ventures as well. The financial strength of the Company is derived from its shareholders, who are well-known for their business investments.

Governance The LCBF board consists of nine (9) members out of which three (4) are Non-Executive/Independent Directors and includes the Chairman. The board also has five (4) Non-Executive/Non-Independent Directors and one (1) Executive Director, who is the Chief Executive Officer ("CEO") of the Company.

Management The Company has a well-defined organizational structure with thirteen (13) divisions. The final authority lies with the CEO who reports to the Board of Directors. In addition, the board Integrated risk management committee, board audit committee, and the company secretary report directly to the board. The management team is steered by Mr. Kandegoda Gamage, who functions as the CEO/ Executive Director and has the relevant qualifications and experience. The Company has formed seven (7) management committees that assist the Company to effectively carry out its operations.

Business Risk At present, there are ~33 LFCs in Sri Lanka, of which ~27 is listed on the Colombo Stock Exchange. By the end of March 2025, the profit after tax (PAT) of LFCs in Sri Lanka increased by ~34% to LKR-69.0Bn, compared to LKR-51.5Bn recorded in the corresponding period of the previous year. The deposits of the LFC sector increased by ~14% in FY25 to LKR-1,121Bn while it was at LKR-986.9Bn in FY24. However, total borrowings of the sector depicted an increase by ~44% in FY25 to LKR-357.47Bn from LKR-248.55Bn in FY24. Total loans and advances of the sector have increased by ~29% to LKR-1,556.3Bn in FY25 from LKR-1,205.0Bn in FY24. The total asset base of the LFC sector stood at LKR-2,089.9Bn and LKR-1,760.7Bn as at FY25 and FY24 respectively. The Company represents ~0.63% of the equity in the LFC industry as at FY25. Moreover, the Company asset base contributes to ~0.44% of the industry assets during FY25. The revenue clocked in at LKR ~1.45Bn in FY25 and remained the same when compared to FY24 (LKR-1.4Bn). Net Interest Income for FY25 was LKR ~\$46Mn which has shown a growth of ~45% from FY24. This improvement can be attributable to expansion of the Company's lending book. The Company's product portfolio is predominantly focused on term loans, leases, gold loans which collectively amount for ~81% of the total lending portfolio in FY25. During FY25 interest income from term loans contributed ~61% followed by interest income from leasing which accounted for ~19% of the total interest income. The upward trend in revenue is expected to continue, supported by the planned opening of new branches, increased penetration into the cooperative sector, and the ongoing expansion of the product portfolio, which is linked to the expected Bond issue. However, impact on revenue from fall in policy rates remains pronounced. LCBF profitability improved by ~68% in FY25 to LKR ~204Mn from LKR ~122Mn in FY24. This growth can be attributable to a decrease in interest expense of ~23% from LKR ~620Mn in FY24 to LKR ~476Mn in FY25 and a reduction in impairment charge during FY25 by ~27% from LKR-122.56Mn in FY24 to LKR-89.5Mn in FY25. The asset base of the Company has improved by ~31% to clock in at LKR ~9.2Bn as at FY25 (FY24: LKR ~ 7.0Bn). The total advances have increased by ~72% from LKR-4,508.7Mn to LKR-7,756.7Mn. The Company's Return on Asset ("ROA") and Return on Equity ("ROE") is recorded at ~2.5% and ~6.8% as at FY25 respectively.

Financial Risk The Company's gross NPL is recorded at ~10.66% in FY25 (FY24: ~20.16%), while the net NPL was recorded at ~5% (FY24: ~12%) which is slightly higher than the industry average due to the nature of the product being offered by the Company. A contraction of ~36% has been witnessed in assets subject to market risk in FY25 and make up ~6.2% of the total assets of the Company. Investment in fixed deposit and commercial papers have a short-term maturity. LCBF's majority funds are from customer deposits and represent ~79% of the total funding in FY25. The deposit base of the Company has risen in FY25 by ~42% to LKR ~4.6Bn (FY24: LKR ~3.2Bn) due to deposit mobilization from cooperative societies. The Company's top 20 depositor come out to be ~44% of the total deposit as at FY25 which is considered to be high. The Total Capital Adequacy Ratio stood at ~36.7% in FY25 and ~42.1% in FY24 primarily comprising of Tier 1 capital. With the Expected issue of Tier II Subordinated Listed Rated Unsecured Redeemable 5-year High Yield Bond the total capital ratio is expected to increase to ~52%.


Instrument Rating Considerations

About The Instrument Lanka Credit & Business Finance PLC expects to raise a Bond of up to LKR-1.5Bn Tier II Subordinated Listed Rated Unsecured Redeemable 5-year High Yield Bond Issue at a par value of LKR 100/-. The Bond has two types, namely Type A and Type B.

Relative Seniority/Subordination Of Instrument The claims of the bondholders shall in the event of winding up of the Company rank after all the claims of secured creditors and preferential claims under any statutes governing the Company but pari passu to the claims of unsecured creditors of the Company and shall rank in priority to and over claims under any subordinated debt of the Company and the claims and rights of the shareholder/s of the Company

Credit Enhancement It is an unsecured debt instrument, and the debenture is not underwritten. Repayment of the Principal Sum and payment of interest on the bond are not secured by a charge on any assets of the Issuer.

ANNEXURE I - COPY OF THE RATING REPORT

				
Lanka Rating Agency				
LANKA CREDIT AND BUSINESS FINANCE PLC	Mar-25	Mar-24	Mar-23	Mar-22
#	12M	12M	12M	12M
A BALANCE SHEET				
1 Total Finance-net	7,200	4,435	3,893	3,425
2 Investments	494	1,087	628	20
3 Other Earning Assets	156	167	150	205
4 Non-Earning Assets	794	599	518	358
5 Non-Performing Finances-net	604	726	689	349
Total Assets	9,248	7,013	5,877	4,357
6 Funding	5,903	3,953	3,024	1,625
7 Other Liabilities	222	141	57	50
Total Liabilities	6,125	4,094	3,081	1,676
Equity	3,123	2,919	2,796	2,681
B INCOME STATEMENT				
1 Mark Up Earned	1,323	1,202	1,032	504
2 Mark Up Expensed	(476)	(620)	(427)	(105)
3 Non Mark Up Income	133	166	72	37
Total Income	980	749	677	437
4 Non-Mark Up Expenses	(500)	(416)	(325)	(218)
5 Provisions/Write offs/Reversals	(89)	(123)	(91)	62
Pre-Tax Profit	390	210	260	280
6 Taxes on Financial Services	(106)	(72)	(48)	(41)
Profit Before Income Taxes	284	138	213	239
7 Income Taxes	(78)	(26)	(50)	(141)
Profit After Tax	206	111	163	98
C RATIO ANALYSIS				
1 PERFORMANCE				
a Non-Mark Up Expenses / Total Income	51.1%	55.6%	48.1%	50.0%
b ROE	6.8%	3.9%	5.9%	3.6%
2 CREDIT RISK				
a Gross Finances (Total Finance-net + Non-Performing Advances + Non-Performing Debt Instruments) / Funding	136.7%	141.4%	161.8%	245.9%
b Accumulated Provisions / Non-Performing Advances	30.6%	37.1%	31.0%	39.0%
3 FUNDING & LIQUIDITY				
a Liquid Assets / Funding	12.8%	28.7%	33.2%	61.3%
b Borrowings from Banks and Other Financial Institutions / Funding	18.7%	15.3%	18.7%	36.1%
4 MARKET RISK				
a Investments / Equity	15.8%	37.2%	22.5%	0.7%
b (Equity Investments + Related Party) / Equity	0.6%	0.5%	0.5%	0.7%
5 CAPITALIZATION				
a Equity / Total Assets (D+E+F)	33.8%	41.6%	47.6%	61.5%
b Capital formation rate (Profit After Tax - Cash Dividend) / Equity	7.0%	4.0%	4.3%	3.6%



LRA Entity Rating

Scale

Credit Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

Rating Modifiers | Rating Actions

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.	Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.	Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.	Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) LRA finds it impractical to surveil the opinion due to lack of requisite information.	Harmonization A change in rating due to revision in applicable methodology or underlying scale.
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Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

Note: This scale is applicable to the following methodology(s):

- | | |
|---------------------------------|--------------------------------------|
| a) Broker Entity Rating | e) Holding Company Rating |
| b) Corporate Rating | f) Independent Power Producer Rating |
| c) Debt Instrument Rating | g) Microfinance Institution Rating |
| d) Financial Institution Rating | h) Non-Banking Finance Company |

Disclaimer: LRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. LRA shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. Contents of LRA documents may be used, with due care and in the right context, with credit to LRA. Our reports and ratings constitute opinions, not recommendations to buy or to sell

ANNEXURE I - COPY OF THE RATING REPORT

Regulatory and Supplementary Disclosure							
Nature of Instrument	Size of Issue (LKR)	Tenor	Security	Quantum of Security	Nature of Assets	Trustee	Book Value of Assets as at FY25 (LKR)
Listed, Rated, Unsecured, Subordinated, Redeemable High Yield Bond	1,500,000,000	5 Years	Unsecured	Nil	N/A	ICNB Custody and Trustee Services	9,091,913,112
Name of Issuer							
Lanka Credit & Business Finance PLC							
Issue Date							
07/07/2025 (Tentative)							
Maturity							
07/07/2030 (Tentative)							
Coupon Basis							
Semi-Annual and Quarterly							
Repayment							
Bullet Repayment at the end of the Tenure							
Option							
N/A							

Due Date Principal	Opening Principal	Principal Repayment	Coupon Due Date	Fixed Rate	Coupon	Principal Outstanding	
	LKR				YYYY-MM-DD	LKR	
Type					Fixed		
A	14/07/2025 (tentative allotment)	14/07/2030 (tentative)	14/01/2026	12.60%	14/01/2026	1,500,000,000	
			14/07/2026	12.60%	14/07/2026		
			14/01/2027	12.60%	14/01/2027		
			14/07/2027	12.60%	14/07/2027		
			14/01/2028	12.60%	14/01/2028		
			14/07/2028	12.60%	14/07/2028		
			14/01/2029	12.60%	14/01/2029		
			14/07/2029	12.60%	14/07/2029		
			14/01/2030	12.60%	14/01/2030		
			14/07/2030	12.60%	14/07/2030		
B	14/07/2025 (tentative allotment)	14/07/2030 (tentative)	14/10/2025	12.41%	14/10/2025	1,500,000,000	
			14/01/2026	12.41%	14/01/2026		
			14/04/2026	12.41%	14/04/2026		
			14/07/2026	12.41%	14/07/2026		
			14/10/2026	12.41%	14/10/2026		
			14/01/2027	12.41%	14/01/2027		
			14/04/2027	12.41%	14/04/2027		
			14/07/2027	12.41%	14/07/2027		
			14/10/2027	12.41%	14/10/2027		
			14/01/2028	12.41%	14/01/2028		
			14/04/2028	12.41%	14/04/2028		
			14/07/2028	12.41%	14/07/2028		
			14/10/2028	12.41%	14/10/2028		
			14/01/2029	12.41%	14/01/2029		
			14/04/2029	12.41%	14/04/2029		
			14/07/2029	12.41%	14/07/2029		
			14/10/2029	12.41%	14/10/2029		
			14/01/2030	12.41%	14/01/2030		
			14/04/2030	12.41%	14/04/2030		
			14/07/2030	12.41%	14/07/2030		
Type				Floating	Floating		

ANNEXURE II - COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Issuer	Manager and Financial Advisor to the Issue
Lanka Credit and Business Finance PLC No. 76, S. De. S Jayasinghe Mawatha, Kohuwala Tel: +94 11 282 5404, +94 76 098 8086 Mob: +94 76 098 8086	HNB Investment Bank (Private) Limited No. 53, Dharmapala Mawatha Colombo 03 Tel: +94 11 2 206 206 Mob: +94 77 224 2345
Registrars to the Issue	Bankers to the Issue
Central Depository System Limited, Ground Floor, M&M Center, 341/5, Kotte Road , Rajagiriya Tel: +94 11 235 6444 Fax: +94 11 244 0396	Hatton National Bank PLC No. 479 T B Jayah Mawatha Colombo 10 Tel: +94 (011) 266 4664, +94 (011) 266 2772, +94 (011) 476 4764 Fax: +94 (011) 266 2832

BRANCH NETWORK OF LANKA CREDIT AND BUSINESS FINANCE PLC

Copies of the Application Form can be obtained free of charge from the following branches of Lanka Credit and Business Finance PLC.

Branch	Address	Contact Number
Head Office	No. 76, S. De. S Jayasinghe Mawatha, Kohuwala, Sri Lanka.	+94 11 282 5404 +94 76 098 8086
Galle	119, Wakwella Road, Galle, Sri Lanka.	+94 91 224 7222
Karadeniya	Elpitiya Road, Maha-A danda, Karadeniya, Sri Lanka.	+94 91 229 0255
Matara	68, Anagarika Dharmapala Mawatha, Matara, Sri Lanka.	+94 41 225 0017
Mathugama	No.170, Aluthgama Road, Mathugama, Sri Lanka.	+94 34 228 4810
Rathgama	No. 634, Devinigoda Rathgama, Sri Lanka.	+94 91 226 8160
Karapitiya	No.249d, Golden Range, Karapitiya, Sri Lanka.	+94 91 224 5810
Negombo	No 615, Colombo Road, Kurana, Katunayaka, Sri Lanka.	+94 31 222 6565
Kuliyapitiya	No. 33 & 35, Hettipola Road, Kuliyapitiya, Sri Lanka.	+94 37 228 6280
Tangalle	157, Hambantota Road, Tangalle, Sri Lanka.	+94 47 224 4000
Kamburupitiya	No. 90, Matara Road, Kamburupitiya, Sri Lanka.	+94 41 226 8958
Akuressa	No. 66A, Matara Road, Akuressa, Sri Lanka.	+94 41 228 0090
Embilipitiya	No 47, Pallewela, Embilipitiya, Sri Lanka.	+94 47 226 1505
Maharagama	No 155, High level Road, Maharagama, Sri Lanka.	+94 11 284 0244
Kegalle	No. 44, Main Street, Kegalle, Sri Lanka.	+94 35 223 3383
Tissamaharama	No.472, Opposite the Clock Tower Debarawewa, Tissamahara, Sri Lanka.	+94 47 225 9044
Walasmulla	No.70, Beliatta Road, Walasmulla, Sri Lanka.	+94 47 224 7067
Agunukolapelessa	No 439/11, Ranna Road, Angunakolapelessa, Sri Lanka.	+94 47 222 8313
Gampaha	No.57A , Bauddhaloka Mawatha, Gampaha, Sri Lanka.	+94 33 223 8062
Minuwangoda	No 194, Veyangoda Road, Minuwangoda, Sri Lanka.	+94 11 228 5804
Piliyandala	No.162, Colombo Road, Wewala Junction, Piliyandala, Sri Lanka.	+94 11 260 7391
Kurunegala	No.07, Wahara Junction, Colombo Road, Kurunegala, Sri Lanka.	+94 37 204 1378

ANNEXURE II - COLLECTION POINTS

TRADING PARTICIPANTS OF THE CSE

HNB Stockbrokers (Private) Limited

No 53, Dharmapala Mawatha,
Colombo 03

Tel: +94 11 2 206 206

Fax: +94 11 2 206 298/9

E-mail: sales@hnbstockbrokers.lk

Ambeon Securities (Private) Limited

No.100/1,2nd Floor, Elvitigala Mawatha,
Colombo 8.

Tel: +94 11 5 328 100

Fax: +94 11 5 328 177

E-mail: info@ambeonsecurities.lk

Asia Securities (Private) Limited

4th Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03.

Tel: +94 11 7 722 000

Fax: +94 11 258 4864

E-mail: inquiries@asiasecurities.lk

Bartleet Religare Securities (Private) Limited

Level "G", "Bartleet House"
65, Braybrooke Place,
Colombo 02.

Tel: +94 11 4 221 000

Fax: +94 11 2 434 985

E-mail: info@bartleetstock.com

ACAP Stock Brokers (Private) Limited

No. 46/46, 6th Floor, Greenlanka Building, 6th Floor,
Nawam Mawatha, Colombo 02

Tel: +94 117 564 000

Fax: +94 112 331 756

E-mail: info@acapstockbrokers.lk

Capital Trust Securities (Private) Limited

42, Mohamed Macan Markar Mawatha, Colombo 03.

Tel: +94 11 2 174 174/ +94 11 2 174 175

Fax: +94 11 2 174 173

E-mail: inquiries@capitaltrust.lk

Capital Alliance Securities (Pvt) Ltd

Level 5, "Millenium House" 46/58, Nawam Mawatha,
Colombo 02.

Tel: +94 11 2 317 777

Fax: +94 11 2 317 788

E-Mail: info@cal.lk

Asha Securities Limited

No. 60, 5th Lane, Colombo 03.

Tel: +94 11 2 429 100

Fax: +94 11 2 429 199

E-Mail: asl@ashasecurities.net

ACS Capital (Private) Limited

No.44, Guildford Crescent, Colombo 07.

Tel: +94 11 789 8302

E-Mail: info@acscapital.lk

Capital Alliance PLC

Level 5, "Millenium House" 46/58, Nawam Mawatha,
Colombo 02.

Tel: +94 11 2 317 777

Fax: +94 11 2 317 788

E-Mail: info@cal.lk

CT Smith Securities (Private) Limited

4-14, Majestic City, 10, Station Road, Colombo 04.

Tel: +94 11 2 552 290-4

Fax: +94 11 2 552 289

E-mail: info@ctcls.lk

Enterprise Ceylon Capital (Private) Limited

2nd Floor-4B, Liberty Plaza, 250, R. A. De Mel Mawatha,
Colombo 3.

Tel: +94 11 2 445 644

E-mail: info@ecc.lk

Almas Equities (Private) Limited

Westin Tower, 5th Level,
No 2 - 4/1, Lake Drive,
Colombo 8.

Tel: +94 11 707 1445 51

Fax: +94 11 2 673 908

E-mail: info@almasequities.com

First Capital Equities (Pvt) Limited

Level 12, Vallible Property Building, No. 480, Galle Road,
Colombo 03.

Tel: +94 11 2 123 901

E-mail: equity@firstcapital.lk

John Keells Stockbrokers (Private) Limited

186, Vauxhall Street,
Colombo 02.

Tel: +94 11 2 306 250
Fax: +94 11 2 342 068
E-mail: jkstock@keells.com

Lanka Securities (Private) Limited

3rd Floor, "M2M Veranda Offices", No34, W.A.D. Ramanayeke
Mawatha, Colombo 02.

Tel: +94 11 4 706 757 / +94 11 2 554 942
Fax: +94 11 4 706 767
E-mail: info@lankasec.com

NDB Securities (Private) Limited

Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha,
Colombo 04.

Tel: +94 11 2 131 000
Fax: +94 11 2 314 181
E-mail: mail@ndbs.lk

Richard Pieris Securities (Pvt) Limited

No 310, Highlevel Road, Nawinna,
Maharagama.

Tel: +94 11 4 310 500
Fax: +94 11 2 802 385
E-mail: communication@rpsecurities.com

Seylan Bank PLC

Level 3, Seylan Towers, 90, Galle Road,
Colombo 03.

Tel: +94 11 245 6300
Fax: +94 11 245 2215
E-Mail: info@seylan.lk

Softlogic Stockbrokers (Private) Limited

Level 16, One Galle Face Tower,
Colombo 02.

Tel: +94 11 7 277 000
Fax: +94 11 7 277 099
Email: info@softlogicstockbrokers.lk

Wealthtrust Securities Limited

No. 102/1, Dr. N.M. Perera Mawatha,
Colombo 8.

Tel: +94 11 2 675 091 – 4
Fax: +94 11 2 689 605
E-Mail: info@wealthtrust.lk

First Guardian Equities (Private) Limited

32nd Floor, East Tower, World Trade Centre, Colombo 01.

Tel: +94 11 446 4400
E-mail: info@fge.lk

J B Securities (Private) Limited

No. 150, St. Joseph Street, Colombo 14.

Tel: +94 11 2 490 900
Fax: +94 11 2 430 070
E-mail: jbs@jb.lk

LOLC Securities Limited

No. 481, T.B.Jayah Mawatha, Colombo 10.

Tel: +94 11 758 2000
Fax: +94 11 2 662 883
E-mail: info@lolcsecurities.com

Nestor Stock Brokers (Private) Limited

The Landmark Building, No. 385, Galle Road,
Colombo 03

Tel: +94 11 475 8813
Fax: +94 11 2 550 100
E-mail: info@nestorstockbrokers.lk

Senfin Securities Limited

4th Floor, No.180, Bauddhaloka Mawatha,
Colombo 04.

Tel: +94 11 2 359 100
Fax: +94 11 2 305 522
E-mail: info@senfinsecurities.com

SC Securities (Private) Limited

5th Floor, No. 26B, Alwis Place,
Colombo 03.

Tel: +94 11 4 711 000 / +94 11 4 711 001
Fax: +94 11 2 394 405
E-mail: itdivision@sampathsecurities.lk

Somerville Stockbrokers (Private) Limited

No. 410/95,1/1, Bauddhaloka Mawatha,
Colombo 7

Tel: +94 112 502 858 / +94 112 502 862
Fax: +94 11 2 502 852
E-mail: contact@somerville.lk

ANNEXURE III - CUSTODIAN BANKS

Bank of Ceylon (Head Office)

7th Floor, 04, Bank of Ceylon Mawatha, Colombo 01
T: +94 11 2 204 064

Commercial Bank of Ceylon PLC

Commercial House,
21, Sir Razik Fareed Mawatha, Colombo 01
T: +94 11 2 486 000/ +94 11 4 486 000/
+94 11 7 486 000/ +94 11 5 486 000

Hatton National Bank PLC

HNB Towers,
479, T. B. Jayah Mawatha, Colombo 10
T: +94 77 7 712 406

People's Bank (Head Office)

Treasury, 5th Floor,
75, Sir Chittampalam A Gardiner Mawatha, Colombo 02
T: +94 11 2 206 782

Sampath Bank PLC

110, Sir James Peiris Mawatha, Colombo 02
T: +94 11 5 331 458, +94 11 4 730 662

Seylan Bank PLC

Level 7, Seylan Towers, 90, Galle Road,
Colombo 03
T: +94 11 4 701 812, +94 11 4 701 819

Nations Trust Bank PLC

256, Sri Ramanathan Mawatha, Colombo 15
T: +94 11 4 313 131

National Development Bank PLC

No.40, Navam Mawatha, Colombo 02
T: +94 (0) 11 2 448 448

Citi Bank, N A

65 C, Dharmapala Mawatha, Colombo 07
T: +94 11 4794 728

Deutsche Bank AG

Level 21, One Galle Face Tower
No. 1A, Centre Road, Galle Face, Colombo 02
T: +94 11 2 447 062, 2 438 057

The Hong Kong and Shanghai Banking Corporation Limited

24, Sir Baron Jayathilake Mawatha, Colombo 01
T: +94 11 2325435, 2446591, 2446303

Standard Chartered Bank

37, York Street,
Colombo 01
T: +94 11 2 480 450

Union Bank of Colombo PLC

64, Galle Road, Colombo 03
T: +94 11 2 374 205

Pan Asia Banking Corporation PLC (Head Office)

450, Galle Road,
Colombo 03
T: +94 11 2 565 565

DFCC Bank PLC

No.73/5, Galle Road, Colombo 03.
T: +94 112 442 031

ANNEXURE IV – FATCA DECLARATION

Manager
Lanka Credit and Business Finance PLC
.....

I/We
..... and
..... of
(address) holder/s of Passport Number/
NIC Number who fall under definition of a US Persons under the provision of the Foreign
Account Tax Compliance Act (“FATCA”) which is a US legislation aimed at preventing tax evasion by US persons through
overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires “US Persons” to report
their financial assets held overseas.

I/We hereby request Hatton National Bank PLC which is recognized as a Foreign Financial Institutions (FFIs) in terms of the
FATCA to report all information pertaining to the accounts and investments held by me/us in the Hatton National Bank PLC
and to remit any tax payable to the Internal Revenue Services (IRS) of the United States of America. I/We further confirm
that this request is made by me/us with full knowledge and understanding of FATCA.

Date:

Signature/s of Applicants



LCB FINANCE PLC

NO. 76, S. DE S. JAYASINGHE MAWATHA, KOHUWALA

T: +94 11 28 25 404 | E: INFO@LCBFINANCE.LK