

Lotus Renewable Energy Acquires Hatton Plantations PLC

Hatton Plantations PLC (“HPL”) valued at LKR 2.0 Bn at a PBV Multiple of 1.0 x

G&G committed to Sri Lanka and proceeded with the transaction in the aftermath of April 21st events

Transaction structured as 51% acquisition, mandatory offer undertaking and put option

NDBIB acted as the Sole Transaction Advisor and Arranger of Acquisition Funding



Left to Right: NDBIB Transaction Team; Directors of Lotus Renewable Energy - Mr. Menaka Athukorala and Mr. Gowri Shankar;; NDB Bank Transaction

Transaction Structure

- LRE, initially acquired a 51.0% stake in HPL from EMS (part of the Sunshine Holdings Group)
- EMS undertook to only accept the subsequent Mandatory Offer in the event LRE fails to secure a 75.65% stake in HPL
- LRE provided a Put Option to EMS in order to acquire the balance shares held by EMS for a period of three months subsequent to the Mandatory Offer

Acquisition Rationale

- LRE is part of G&G Group of Companies in Singapore with a wide array of interest in agribusiness and renewable energy
- G&G is bullish on agricultural prospects in Sri Lanka, especially tea, given its rising “share of throat”
- HPL has c. 5,000 ha of arable land and is renowned for its high and medium-grown teas in the key regions of Hatton, Watawala and Lindula
- This divesture by SUN is in line with its strategic refocus on healthcare and consumer segments



NDBIB’s Dynamic Role

- Advised LRE on the entire acquisition process including due diligence coordination, negotiations, share sale and purchase agreement and transaction structuring whilst ensuring adherence to applicable regulations
- Arranged acquisition funding via NDB Bank based on the strength of the renewable energy assets of LRE; and facilitated the market crossing via NDB Securities
- Previously, NDBIB was involved in spinning off HPL from Watawala Plantations PLC to create pure-play businesses

Abbreviation: EMS: Estate Management Services (Pvt) Ltd; G&G: G&G Group of Companies; HPL: Hatton Plantations PLC; LRE: Lotus Renewable Energy (Pvt) Ltd; SUN :Sunshine Holdings PLC

Transaction Team

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Preferred Partner in Investment Banking

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