

# PUBLIC ANNOUNCEMENT

The Board of Lavastone Ltd ('Lavastone') wishes to inform its shareholders and the public that it has been advised on 06 September 2021 of the firm intention of Kingston Asset Management Ltd (the 'Offeror') to make a mandatory offer ('Mandatory Offer') to the shareholders of Lavastone to acquire all the voting shares, not already held by the Offeror at a price of Rs 1.76 per share (the 'Offer Price').

The Mandatory Offer follows, and is triggered by, the acquisition by the Offeror of 203,120,004 shares in Lavastone at a price of Rs 1.76 on 06 September 2021 (the 'Transaction').

	BEFORE THE TRANSACTION		AFTER THE TRANSACTION	
	Number of voting shares held in Lavastone	% of the ordinary share capital	Number of voting shares held in Lavastone	% of the ordinary share capital
Kingston Asset Management Ltd	203,877,712	29.96%	406,997,716	59.81%

Effective control is defined in Rule 2 of the Securities (Takeover) Rules 2010 (the 'Rules') as the holding of securities by any person, either individually or together with a person acting in concert, which will result in that person, either individually or together with a person acting in concert, having the right to exercise more than 30% of the rights attached to the voting shares of the company.

Pursuant to Rule 33(1)(b) and (c) of the Securities (Takeover) Rules 2010, if a person, either individually or together with a person acting in concert, acquires effective control of a company, that person shall make an offer in accordance with the Rules, on all voting shares of the offeree not already held by the offeror.

The Offer Price is determined according to Rule 14(2) of the Securities (Takeover) Rules 2010 which stipulates that the offer price shall be the sum of any premium and of the highest of:

- the price paid by the offeror or a person acting in concert for any acquisition during the 6 months preceding the date of public announcement;
- the price paid by the offeror under a preferential allotment made to him or to a person acting in concert at any time during the 12 months' period up to the date of closure of the offer; or
- the average of the weekly high and low of the closing prices of the shares of the offeree as listed on the securities exchange where the shares of the offeree are most frequently traded during the 6 months preceding the date of the public announcement.

The Board of the Offeror further confirmed that:

- sufficient financial resources are available to Kingston Asset Management Ltd to satisfy the acceptance of the Mandatory Offer;
- there exist no agreements between Kingston Asset Management Ltd on the one hand and Lavastone on the other hand in relation to the relevant shares;
- the Mandatory Offer is not subject to any condition;
- the Mandatory Offer to shareholders of Lavastone will be made as soon as practicable; and
- there is no intention to change the business plans or strategy of Lavastone nor to delist Lavastone from the DEM of the SEM.

According to the Rules, the Offeror must submit an offer document to the shareholders of Lavastone, following which the Board of Lavastone will communicate to its shareholders a reply document to enable them to reach an informed decision about the Mandatory Offer.

The shareholders and the investing public are advised to exercise caution when dealing in the shares of Lavastone and will be kept informed of further developments in respect of this matter.

**By order of the Board**  
**Cim Administrators Ltd**  
**Company Secretary**  
**08 September 2021**

This public announcement has been issued pursuant to Rule 12 (1)(a) of the Securities (Takeover) Rules 2010, DEM Rule 21.1 and Rule 5 of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Lavastone Ltd accepts full responsibility for the accuracy of the information contained in this public announcement.