

# **OFFER DOCUMENT**

## **OFFER BY CEYLON INVESTMENT PLC (PQ 68)**

**TO REPURCHASE UPTO A MAXIMUM OF 983,770 ORDINARY  
SHARES AT RS.105/36 PER SHARE FROM THE HOLDERS OF  
SUCH SHARES**

**THIS DOCUMENT IS IMPORTANT AND WARRANTS YOUR IMMEDIATE AND CAREFUL  
CONSIDERATION**

If you are in any doubt as to the action you should take, and/or regarding any implications arising therefrom (including taxation), you are recommended to seek your own independent personal financial advice from your stockbroker or other professional advisor immediately.

**If you have any queries as to the completion of the “Form of Acceptance” or other documents, please contact the Registrars to the Offer, Corporate Solutions Unit, Central Depository Systems (Private) Limited, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya via below Telephone Nos. for assistance.**

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<b>Prabhashi Fernando</b>	<b>+94 758 135 652</b>
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## DEFINITIONS

<b>Articles of Association</b>	Articles of Association of Ceylon Investment PLC
<b>Auditors</b>	Messrs. KPMG, the Auditors of Ceylon Investment PLC
<b>AWPLR</b>	Average Weighted Prime Lending Rate
<b>Board</b>	Board of Directors of Ceylon Investment PLC
<b>CDS</b>	Central Depository Systems (Private) Limited
<b>Closing Date</b>	Date on which the Offer to Eligible Shareholders will cease, i.e. Friday, 01 September 2023
<b>Companies Act</b>	Companies Act, No. 07 of 2007
<b>CSE</b>	Colombo Stock Exchange
<b>Consideration/Repurchase price</b>	Rs.105/36 per share The Board of Directors have obtained an opinion dated 21st June 2023 from Messrs. KPMG, the Auditors of the Company regarding the fair value of the consideration to be paid by the Company for the Repurchase of Shares as required by Section 64(2)(b) of the Companies Act, No. 07 of 2007
<b>Company/ CINV/ Offeror</b>	Ceylon Investment PLC
<b>CTRA</b>	Capital Transaction Rupee Account
<b>Eligible Shareholder(s)/Offeree(s)</b>	Holders of Ordinary Shares of CINV listed in the shareholders' ledger of CINV and in the CDS as at the end of trading on Friday, 04 August 2023 ( <i>i.e. the 'Record date'</i> ).
<b>Entitlement Date</b>	Friday, 04 August 2023 ( <i>i.e. the 'Record date'</i> )
<b>Form of Acceptance/Form</b>	Form of Acceptance for the Offer, that constitutes part of the Offer Document through which the Eligible Shareholders may accept the Offer
<b>IIA</b>	Inward Investment Account
<b>Market Day</b>	Any day on which the CSE is open for trading
<b>CINV/Company/Offeror</b>	Ceylon Investment PLC
<b>Non-Resident Shareholder(s)</b>	Eligible Shareholder who is not a resident of Sri Lanka, or an Eligible Shareholder who has a registered address in a jurisdiction outside Sri Lanka or is incorporated or registered with, or approved by any authority outside Sri Lanka

<b>Offer/Repurchase Offer</b>	Repurchase by CINV from its Shareholders listed in the Shareholders' ledger and in the CDS as at the end of trading on Friday, 04 August 2023, ( <i>i.e. the 'Record date'</i> ) of up to 983,770 Ordinary Shares on the basis of 01 ordinary share for every 102 ordinary shares held at a price of Rs.105/36 per share.
<b>Offer Document</b>	This document dated 21st July 2023 by which the Offer is made and sets out the terms and conditions relating to the Offer and includes the "Form of Acceptance" and Annexures to this document
<b>Opening Date</b>	12 August 2023
<b>Registrars to the Offer</b>	Central Depository Systems (Private) Limited Corporate Solution Unit, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka
<b>ROE</b>	Return on Equity
<b>SEC</b>	Securities and Exchange Commission of Sri Lanka

**Singular/Plural** - Words importing the singular shall, where applicable, include the plural and *vice versa*.

**Genders** - Words importing the masculine gender shall, where applicable, include the feminine and the neuter gender. References to persons shall, where applicable, include corporations.

**Headings** - The headings in the Offer Document are inserted for convenience only and shall be ignored in construing the Offer Document.

**Eligible Shareholders** - References to "**you**", "**your**" and "**yours**" in the Offer Document are, as the context so determines, to Eligible Shareholders.

**Statutes** - Any reference in the Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any modification thereof and used in the Offer Document shall, where applicable, have the meaning assigned to that word under the Act or that modification, as the case may be.

**Time and Date** - Any reference to a time of day and date in the Offer Document shall be a reference to Sri Lankan time and date, unless otherwise specified.

## 1. BACKGROUND OF THE OFFER

The Board of Directors of CINV is of the view that the shares of CINV are presently trading at a significant discount to its NAV of a share. Given below is a comparison of the market price versus the NAV of the Company as at September 30, 2022 and December 31, 2022, based on the interim (unaudited) financial statements and March 31, 2023, based on the audited financial statements.

	30/09/2022	31/12/2022	31/03/2023
Net Asset Value per share	Rs.90/00	Rs.86/27	Rs.105/36
Market price per share	Rs.43/80	Rs.31/20	Rs.33/50
Discount to NAV	Rs.46/20	Rs.55/07	Rs.71/86
Discount as a percentage of NAV	51.33%	63.83%	68.20%

Therefore, the primary objective of the proposed share repurchase scheme is to provide an opportunity for the Shareholders to realize the intrinsic value for a portion of their investment and thereby minimize the gap between the NAV and the market price per share of the Company. Furthermore, a corporate payout strategy focusing on active share buyback programs at appropriate times may gradually increase the share price over time, bridging the gap to its intrinsic value.

Accordingly, on 22nd June 2023, the Board of Directors of Ceylon Investment PLC resolved that the Company repurchase upto a maximum of 983,770 Ordinary Shares on the basis of 01 Ordinary Share for every 102 Ordinary Shares held by an Eligible Ordinary Shareholder at a consideration of Rs.105/36 per Ordinary Share.

Eligible Shareholders who may wish to accept the Offer are provided the opportunity to do so via this Offer Document. Further details relating to the Offer are set forth in the subsequent sections of this Offer Document.

## 2. COMPLIANCE WITH STATUTORY PROCEDURE

The Repurchase of Shares by the Company is carried out in accordance with the applicable provisions of the Companies Act, No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange ("CSE") and the Articles of Association of the Company.

Shareholders are informed that Article 17 of the Articles of Association of the Company authorizes the Board of Directors to approve to purchase or otherwise acquire its own shares, in accordance with the provisions of the Companies Act without the need for Shareholder approval.

### **"17. Repurchase of Shares**

*The Company may agree to purchase or otherwise acquire its own Shares (which shall include a particular class of shares in the Company), from one or more of the Shareholders or from all of the Shareholders **with the approval of the Board without the need for approval of Shareholders and in accordance with the provisions of the Act.***

As required by Section 64(2) of the Companies Act, the Board of Directors of the Company has resolved that,

- (a) The acquisition of 983,770 ordinary shares on the basis of 01 ordinary share for every 102 ordinary shares held by an Eligible Shareholder at a consideration of Rs.105/36 per ordinary share is in the interests of the Company;
- (b) The terms of the Repurchase Offer and the consideration to be paid for the shares is in the opinion of the Company's Auditors, a fair value; and
- (c) The Board of Directors of the Company are not aware of any information that has not been disclosed to the Shareholders which is material to an assessment of the value of the shares in respect of the Repurchase Offer, and as a result of which the terms of the Repurchase Offer or the consideration offered for the shares under such Repurchase Offer are unfair to Shareholders accepting the Repurchase Offer.

The payment of consideration for a Repurchase of Shares amounts to a distribution within the definition of the Companies Act and accordingly, the Company is required to satisfy the Solvency Test in terms of Section 57 of the Companies Act immediately upon the payment of the consideration for the Repurchase of Shares.

The Board of Directors of the Company has obtained a Certificate of Solvency from the Auditors as required in terms of Section 56(2) of the Companies Act and the Directors have signed a Certificate of Solvency as required in terms of Section 56(3) of the Companies Act, confirming that the Company will satisfy the Solvency Test immediately upon the payment of consideration for the Repurchase of Shares.

A disclosure was duly made to the CSE on 23rd June 2023 in terms of Rule 7.11.1(d) and Rule 8 - Appendix 8A(6) of the Listing Rules of the CSE with regard to the Repurchase Offer.

The payment of consideration to Eligible Shareholders accepting the Offer will be made within 10 Market Days from the Closing Date (excluding the Closing Date), i.e. **on or before Friday, 15 September 2023**.

The Company will make a request to the CSE and CDS to cancel the shares that are repurchased by CINV along with the declaration to be filed with the CSE in terms of Rule 7.11.1 (f) of the Listing Rules of the CSE confirming the following;

- (i) number of shares in issue prior to the repurchase;
- (ii) number of shares repurchased;
- (iii) number of shares in issue and Stated Capital of the Company subsequent to the repurchase;
- (iv) the CDS account to which the shares were repurchased (for the purpose of cancelling the shares repurchased).

The CSE will make an Announcement in the market accordingly.

### 3. TERMS OF THE OFFER

The Repurchase Offer will be made to the Shareholders of the Company registered in the Shareholders' Ledger and the Central Depository Systems (Private) Limited [CDS] as at the end of trading on the 'Record Date', Friday, 04 August 2023 ["Eligible Shareholder(s)"] in the following manner,

	Ordinary Shares
<b>No. of issued shares of the Company as at 31st March 2023</b>	100,344,530
<b>Ratio/ No. of shares to be repurchased</b>	01 ordinary share for every 102 ordinary shares held  Maximum of 983,770 ordinary shares
<b>Price at which the shares are to be repurchased</b>	Rs.105/36 per ordinary share

<b>Opening date of the Offer</b>	12 August 2023
<b>Closing date of the Offer</b>	01 September 2023
<b>Payment for shares repurchased</b>	Within ten (10) Market Days from the date of closing the Offer (excluding the date of closing the offer) on/before 15 September 2023

*\* The Company has in issue 100,344,530 Ordinary Shares, which are listed on the Colombo Stock Exchange.*

Based on the Share Repurchase ratio stated above, there will be Eligible Shareholders who will have fractions of shareholding and it is informed that such fractions will be ignored.

#### 3.1 Repurchase of Additional Shares

The Eligible Shareholders will be given the opportunity to tender additional shares over and above their pro-rata entitlement to be repurchased by the Company.

In the event any Eligible Shareholders do not accept the Repurchase Offer or accepts the Repurchase Offer only in part and in addition the fractions that would arise will form the Ordinary Shares that the Company could additionally repurchase. The Board of Directors shall determine the number of such additional shares to be repurchased from each Eligible Shareholder who has tendered additional shares and the total number of additional shares to be repurchased, so that the total number of Ordinary Shares repurchased including the additional shares do not exceed the maximum number of Ordinary Shares to be repurchased, i.e. 983,770 Ordinary Shares.

In the event the number of additional Ordinary Shares tendered for repurchase by an Eligible Shareholder exceeds the maximum number of ordinary Shares that the Company is willing to repurchase, the number of additional ordinary shares shall be reduced on a pro-rata basis in accordance with Listing Rule 7.11.1.c of the CSE.



The controlling shareholder of the Company, Ceylon Guardian Investment Trust PLC has indicated to the Board of Directors of the Company that they will accept their entitlement of the Share Repurchase in full.

An Eligible Shareholder tendering any additional shares for repurchase will be deemed to have accepted such number of shares as CINV determines that it will acquire.

In the event any Eligible Shareholder holds less than One Hundred and Two (102) ordinary shares, such Shareholder will not be entitled to submit an acceptance by completing **FORM A - "Form of Acceptance"** under the Repurchase Offer. However, such Eligible Shareholder may still tender for repurchase any ordinary shares held by such Shareholder under the repurchase of additional shares by completing **FORM B - "Form for Additional Shares"**.

Acceptance of the Offer should be made in the manner as set out in Section 4 - "Procedure for Acceptance" of this Offer Document.

#### **4. PROCEDURE FOR ACCEPTANCE**

Acceptance of the Repurchase Offer should be made by completing **FORM A - "Form of Acceptance"**, which is forwarded together with this Offer Document.

Any Eligible Shareholder who wishes to tender additional shares over and above their pro-rata entitlement under the Repurchase Offer must complete and return **FORM B - "Form for Additional Shares"** specifying the number of additional shares that he wishes to tender. Eligible Shareholders should note that the Repurchase Offer is only being made for repurchase of shares on a pro-rata basis of One (01) ordinary share for every One Hundred and Two (102) ordinary shares held by Eligible Shareholders and that the Board of Directors shall determine the number of such additional shares to be repurchased from each Eligible Shareholder who has tendered such additional application in accordance with the relevant Listing Rule.

If any of the Eligible Shareholders do not accept the Repurchase Offer or accepts the Repurchase Offer only in part, and as a result the total number of shares accepted by Eligible Shareholders by completing **FORM A - "Form of Acceptance"**, is less than 983,770 Ordinary Shares, CINV may acquire any number of shares out of the additional Ordinary Shares tendered by the Eligible Shareholders. In the event the number of such additional Ordinary Shares exceeds the maximum number of Ordinary Shares that the Company is willing to repurchase, the number of additional Ordinary Shares shall be reduced on a pro-rata basis in accordance with Listing Rule 7.11.1.c of the CSE.

All Eligible Shareholders who wish to accept the Offer made by CINV must complete and return the **FORM A - "Form of Acceptance"**, in terms of Section 4.1.

Section 4.1 below will not be applicable to the Eligible Shareholders who do not wish to accept the Offer.

#### 4.1 Acceptance of the Offer

The Eligible Shareholders who wish to accept the Repurchase Offer in full or part of their entitlement under the Repurchase Offer and/or tender additional shares should follow all the instructions specified herein and in Annexure I when completing the respective forms (FORM A and/or FORM B).

##### (a) If CINV shares are held in Certificate form

**FORM A** relating to the acceptance of the Repurchase Offer and if Eligible Shareholder wishes to tender any additional Shares for repurchase, **FORM B** should be duly completed and sent along with the original share certificate(s) by courier or post or by hand to reach the Registrars to the Repurchase Offer, Central Depository Systems (Private) Limited at the Central Depository Systems (Private) Limited, Corporate Solutions Unit, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka during the Offer period (i.e. from 12 August 2023 to 01 September 2023) in any event not later than 4.30 p.m. on the Closing Date i.e. 01 September 2023. Please refer Section 4.4 for further details.

On completion of the Repurchase Offer, in respect of share certificate(s) of Shareholders who do not possess a CDS Account, the Company will retain the updated share certificate until such time a valid CDS account is opened by the Shareholder.

Eligible Shareholders who have lost/misplaced their share certificates and/or other documents of title or where such documents of title are not readily available, may nevertheless complete the Forms (FORM A and/or FORM B) and forward the same along with a **Declaration of Affidavit and Indemnity** (refer Annexure II) by courier or post or by hand to reach the Registrars to the Repurchase Offer, Central Depository Systems (Private) Limited, Corporate Solutions Unit, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka during the Offer period (i.e. from 12 August 2023 to 01 September 2023) in any event not later than 4.30 p.m. on the Closing Date, i.e. 01 September 2023. Please refer Section 4.4 for further details.

Please note that 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 Central Depository System (Private) Limited dated 30th November 2010, all shares must be directly uploaded to CDS accounts. As such, Eligible Shareholders whose shares are registered only in the share register maintained by the Company, will not be issued share certificates for the balance shares they hold subsequent to the completion of the Repurchase Offer. Such remaining shares after the Repurchase Offer will be registered in the Share Register maintained by CINV under the respective name of the Eligible Shareholders until such time a valid CDS account is opened by the Eligible Shareholders of CINV. Therefore, Eligible Shareholders who hold shares in certificate form are advised to open a CDS account and send a written request to the Company Secretaries, Carsons Management Services (Private) Limited, No. 61, Janadhipathi Mawatha, Colombo 1, Sri Lanka to upload such shares to the CDS. Direct uploads pertaining to written requests received from Eligible Shareholders to deposit such shares will be carried out on a weekly basis after the work pertaining to the Repurchase Offer has been completed.

**(b) If Ordinary Shares are deposited with the CDS**

**FORM A** relating to the acceptance of the Repurchase Offer and if Eligible Shareholder wishes to tender for repurchase, any additional shares, **FORM B** should be duly completed and **returned through your stockbroker or the custodian bank** who in turn will forward same directly to the CDS during the offer period (i.e. from 12 August 2023 to 01 September 2023) and in any event not later than 4.30 p.m. on the Closing Date for onward transmission to the Registrars to the Repurchase Offer. Please refer Section 4.4 for further details.

If an Eligible Shareholder accepting the Repurchase Offer, holds his shares in the “locked balance” of the CDS, it is advised to sign and execute CDS Form 6(A) issued by the CDS and available with the stockbroker/custodian bank, expressing his/her consent to the transfer of shares for which the repurchase is to be made, from the “locked balance” to the “trading balance” of his/her CDS account and instruct the respective stockbroker/CDS in that regard. Duly completed CDS Form 6(A) should also be returned to the stockbroker or the custodian bank along with the Forms (FORM A and/or FORM B), who in turn will forward it directly to the CDS on or before 4.30 p.m. on the Closing Date for onward transmission to the Registrars to the Repurchase Offer.

If an Eligible Shareholder holds shares in multiple CDS accounts, only one set of Forms (FORM A and/or FORM B) will be mailed to the respective Eligible Shareholder for his/her total holding in multiple CDS accounts and he must indicate on the Forms (FORM A and/or FORM B) the CDS account from which the shares should be repurchased.

In the event an Eligible Shareholder wishes to accept the Repurchase Offer and one CDS account does not hold the entire quantity, he must use separate Forms (FORM A and/or FORM B) for the shares in each CDS account through which he/she wishes the shares to be repurchased. The use of photocopies of the original Forms (FORM A and/or FORM B) is permitted for this purpose. In the event one CDS account does not hold the entire quantity accepted, he/she must use a separate Form of Acceptance and Letter of Authorisation to CDS for each account from which he/she wishes to accept the Offer.

In the event a CDS Account does not hold the entire quantity of shares for which the Offer is accepted and/or application for additional shares (that is accepted by the Company), the shares will be repurchased from the CDS account as indicated by the Shareholder. On the conclusion of the Offer, if the total number of additional shares applied for exceeds the maximum number of shares offered for repurchase by the Company and available for repurchase, the balance shares will be credited back to the Shareholders’ CDS account within 09 market days after the Closing Date of the Repurchase Offer.

CINV does not have a responsibility to verify whether the Eligible Shareholder has sufficient number of shares in each of such accounts to accept the Repurchase Offer and CINV shall only abide by the instructions as given above. In the event the aforementioned instructions are not followed by the Eligible Shareholder, CINV may reject such Forms (FORM A and/or FORM B).

### **(c) If shares are deposited partly with the CDS and partly held in Certificate form**

If an Eligible Shareholder holds CINV shares both through a physical share certificate and through CDS account(s), two separate Forms (FORM A and/or FORM B) will be mailed to the Eligible Shareholder. Eligible Shareholder is required to complete separate Forms (FORM A and/or FORM B) for each such holding and forward the forms as stated in (a) and (b) above.

If an Eligible Shareholder accepting the Repurchase Offer, holds his/her shares in the “locked balance” of the CDS, it is advised to sign and execute Form CDS 6(A) issued by the CDS and available with the stockbroker/custodian bank, expressing his consent to the transfer of shares for which the repurchase is to be made, from the “locked balance” to the “trading balance” of his/her CDS account and instruct the respective stockbroker/CDS in that regard. Duly completed Form CDS 6(A) should also be returned to the stockbroker or the custodian bank along with the Forms (FORM A and/or FORM B), who in turn will forward it directly to the CDS on or before 4.30 p.m. on the Closing Date for onward transmission to the Registrars of the Repurchase Offer.

### **4.2 Trading of Shares during the Offer period**

During the Offer period (i.e. from 12 August 2023 to 01 September 2023), Eligible Shareholders accepting the Repurchase Offer, whose shares are deposited in the CDS, will **NOT** be permitted to trade in the number of shares for which they have accepted the Repurchase Offer, including the number of additional shares tendered.

In the event the total number of additional shares tendered exceeds the maximum number of additional shares repurchased by CINV subsequent to the closure of the Repurchase Offer, the balance shares will be credited back to the Shareholder’s CDS account within 09 Market days after the Closing Date of the Repurchase Offer.

The shares for which the Repurchase Offer has been accepted through the CDS, would be credited to a reserve account titled ‘**CINV Share Repurchase Acceptance Account**’ maintained by the CDS for this purpose immediately upon the receipt of such Forms of Acceptance (FORM A) by the CDS. Hence, Eligible Shareholders accepting the Repurchase Offer through the CDS, **CANNOT** trade on the entitlement shares in respect of which they have accepted the Repurchase Offer.

In addition to the above, Eligible Shareholders tendering for repurchase by CINV, any additional shares deposited in the CDS by submitting FORM B, **CANNOT** trade on such additional shares immediately upon the receipt of such Forms (**FORM B**) by the CDS. The number of additional shares to be repurchased by CINV will be held in a reserve account titled ‘**CINV Share Repurchase Additional Shares Account**’ at the CDS.

### **4.3 Acknowledgement**

No acknowledgment of receipt of any document including “**Form of Acceptance (FORM A)**”, “**Form for Additional Shares (FORM B)**”, Share Certificate(s) and/or other document(s) of title will be given by or on behalf of CINV.

#### **4.4 Receipt of Documents after the Closing Date**

Documents with regard to the Repurchase Offer, dispatched by courier or post should reach the Registrars to the Repurchase Offer or the Depository Operations of CDS through your stockbroker or custodian bank, as applicable to you, as mentioned in Section 4.1 of this document, not later than 4.30 p.m. on the Closing Date of the Repurchase Offer i.e. 01 September 2023.

All correspondence in this regard should be addressed to the Registrars to the Offer, Central Depository Systems (Pvt) Limited, Corporate Solution Unit, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya and the top left hand corner of the envelope marked **“CEYLON INVESTMENT PLC - SHARE REPURCHASE 2023/24”**.

Any documents received by courier or post after the above deadline shall be rejected even though the courier or postmark is dated prior to the Closing Date.

#### **4.5 Documents signed under Power of Attorney**

If any document is signed under a Power of Attorney, the original should be first registered in the books of the Company through its Company Secretaries, and a copy thereof duly certified by a Notary Public should be sent along with the Forms (FORM A and/or FORM B) on or before 4.30 p.m. on the Closing Date i.e. 01 September 2023, either directly to the Registrars to the Repurchase Offer or the Depository Operations of CDS through your stockbroker or custodian bank, as applicable to you, as mentioned in Section 4.1 of this document.

#### **4.6 Non-Resident Shareholders**

Non-Resident Shareholders who wish to accept the Repurchase Offer should through his/her professional advisors investigate, verify and ascertain the laws and regulations applicable to such shareholders in any and all jurisdictions (including, for the avoidance of doubt, Department of Foreign Exchange, Central Bank of Sri Lanka) in respect of the Repurchase Offer. CINV will not be responsible for obtaining or providing any assistance, nor for such Non-Resident Shareholders' compliance, in connection with any statutory or other approvals that may be necessary or for any cost involved in the event of such persons accepting the Repurchase Offer.

#### **4.7 Acceptance in respect of shares of deceased Eligible Shareholders**

In the case of deceased Eligible Shareholders, the Offer Document will be forwarded to their legal representatives if such legal representatives are registered in the books of the Company and their legal representatives are required to contact the Registrars to the Repurchase Offer immediately for information on the documents that must be tendered for a valid acceptance of the Repurchase Offer.

#### **4.8 No Right of Withdrawal or Varying Acceptance**

Once an Eligible Shareholder submits the “Form of Acceptance” and/or “Form for Additional Shares”, such Eligible Shareholder cannot withdraw or vary the same made thereby for the Repurchase of Shares.

#### **4.9 Validity of Acceptance**

Subject to the terms of the Repurchase Offer, CINV reserves the right to reject or treat as valid any acceptances of the Repurchase Offer, which are not in order or which are not accompanied by the relevant original share certificate(s) and/or other document(s) such as those relating to title or indemnities. In such event, the consideration under the Repurchase Offer will not be released to the accepting Eligible Shareholders until the shortcomings are rectified or the share certificate(s) and/or other document(s) such as those relating to title or indemnities, satisfactory to CINV are received, as the case may be.

CINV will not under any circumstances be under any duty or obligation to inform the Eligible Shareholder of any invalidity of acceptance before the Closing Date. In the case of an invalid acceptance, all documents forwarded to the CDS through the stockbroker/custodian bank or to the Registrars to the Offer will be returned to such Eligible Shareholder by ordinary post within twenty four (24) calendar days after the Closing Date at the risk of such Eligible Shareholder. In the case of any Eligible Shareholder holding any shares on Repurchase Offer jointly, the said documents will be returned to the Eligible Shareholder whose name first appears in the share certificate(s) or the CDS account.

**If an Eligible Shareholder does not adhere to the procedure set out herein, his “Form of Acceptance” and/or “Form for Additional Shares” will be rejected.**

### **5. PAYMENT OF CONSIDERATION**

The payment of consideration to Eligible Shareholders accepting the Repurchase Offer will be made by way of Sri Lanka Inter Bank Payment System (SLIPS) transfer/ a Real Time Gross Settlements (RTGS) transfer or via a bank draft as per the Shareholders’ instructions in the Forms (FORM A and/or FORM B).

The payment of consideration via SLIPS /RTGS will be made to the Eligible Shareholders to their respective bank account details provided in the Forms (FORM A and/or FORM B) and the bank drafts crossed “Not-Negotiable Account Payee Only” will be drawn in Sri Lanka Rupees for the appropriate amounts and mailed via registered post to such Eligible Shareholders at the risk of such Eligible Shareholders as soon as practicable, but in any case within 10 Market Days from the Closing Date (excluding the Closing Date), i.e. on or before Friday, 15 September 2023. In the case of joint Eligible Ordinary Shareholders, the bank draft will be drawn in favour of the Eligible Shareholder, whose name appears first in the CDS Account or share certificate.

Non-Resident Shareholders, may provide details of the Inward Investment Account (IIA) or Capital Transactions Rupee Account (CTRA) opened at any licensed commercial bank in Sri Lanka in compliance with the Foreign Exchange Act, No.12 of 2017, and the RTGS transfers or bank draft crossed as aforesaid will be drawn in favour of such IIA or CTRA provided in the Forms (FORM A and/or FORM B). With regard to payments to an IIA, confirmation should be forwarded from Broker/Bank that the funds to purchase these shares came through the same IIA account.

Payments to Eligible Shareholders on acceptances which are not accompanied by the relevant original share certificate(s) and/or other document(s) of title or indemnity/affidavit, but have been treated as valid by CINV will not be released until the share certificate(s) and/or other document(s) or indemnity/satisfactory to CINV are received in accordance with the terms and conditions of the Offer Document.

In case the payment for share repurchase on valid acceptances is not made within 10 Market days from the Closing Date of the Repurchase Offer i.e. on or before 15 September 2023, Eligible Shareholders accepting the Repurchase Offer will be entitled to an interest up to the actual date of payment, computed based on the last quoted Average Weighted Prime Lending Rate (AWPLR) plus 5% p.a. published by the Central Bank of Sri Lanka.

Upon the payment of consideration to the Eligible Shareholders who accept the Repurchase Offer, CINV will make a request to the CSE and CDS to cancel the shares that are repurchased by CINV.

In terms of Section 63(3) of the Companies Act, the shares that are repurchased by the Company under the Repurchase Offer will be deemed cancelled immediately upon such repurchase. Upon payments being made, the Company shall file a Declaration with CSE confirming the number of shares repurchased and make a request to the CSE to cancel the shares. In terms of Section 63(4) of the Companies Act, the Company shall give notice to the Registrar General of Companies of the number and class of shares repurchased by filing Form 9 [Notice of acquisition by Company of own shares].

## **6. TAX IMPLICATIONS ON SHARE REPURCHASE**

Repurchase of shares is considered as a dividend under definitions laid out in the Inland Revenue Act, No. 24 of 2017 ("IRD Act") and would generally be liable to income tax as a dividend income for the Shareholder. However, dividends declared out of dividend income received are exempt from income tax as per the IRD Act. Similarly, this Repurchase Offer is made entirely out of dividend income received by the Company and hence would be exempt from income tax for both Resident and Non-Resident Shareholders. However, Eligible Shareholders are advised to seek their independent professional advice regarding tax consequences of a Share Repurchase as tax treatments may differ based on each Shareholder's tax status and tax position taken.

## **7. DECLARATION BY THE DIRECTORS OF CEYLON INVESTMENT PLC**

21<sup>st</sup> July 2023

We, the Directors of Ceylon Investment PLC, do hereby declare and confirm that this Offer Document has been seen and approved by us, and we collectively and individually accept full responsibility for the accuracy and completeness of the information contained in the Offer Document and confirm that to the best of our knowledge and belief, there are no other facts, the omission of which would make any statements herein misleading in any material respect.

Yours faithfully,

For and on behalf of the Board of Ceylon Investment PLC

Sgd.

**Director**

Sgd.

**Director**



## ANNEXURES

### **ANNEXURE I - INSTRUCTIONS FOR COMPLETION OF FORM A AND FORM B**

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Ceylon Investment PLC, as the company repurchasing its own shares ('Company'), does not in any way represent that the submission by an eligible shareholder of a completed Form B will be binding on the Company to accept the Shares proposed to be transferred by such eligible shareholders.

Final and absolute acceptance will, notwithstanding anything to the contrary herein contained, be made by the Company, at its discretion and subject to the terms and conditions contained in this Offer Document.

NOTE: all references to acceptance of the Repurchase Offer are subject to the conditions in this Document.

1. Eligible Shareholders of Ceylon Investment PLC who wish to accept the Repurchase Offer must complete and return "Form of Acceptance" (FORM A). Further, an Eligible Shareholder who wishes to tender any additional shares for repurchase (subject to availability) must complete Form for Additional Shares (FORM B) and return both FORM A and FORM B by hand delivery or mail as follows;

**If Shares are not deposited with the CDS**

The Registrars to the Offer  
Central Depository Systems (Pvt) Limited  
Corporate Solutions Unit  
Ground Floor, M & M Center,  
341/5, Kotte Road, Rajagiriya, Sri Lanka

**If Shares are deposited with CDS**

to Depository Operations of CDS  
through your stockbroker or  
custodian bank

2. The relevant Forms referred to in item (1) above should be sent at the earliest possible, nevertheless in any case they should be received on or before 4.30 p.m. on the Closing Date of the Repurchase Offer, i.e. 01 September 2023.
3. Please ensure that in completing all the Sections, that appropriate boxes are duly ticked (v) and filled. Failure to do so carries risk of your acceptance of the Offer being rejected.
4. If your shares are not deposited with the CDS, please forward the completed "Form of Acceptance" together with the original share certificate(s) and/or other documents of title.

In the event your share certificates are lost, worn out, defaced etc., kindly duly complete the Declaration of Indemnity, as per the format set out in Annexure II.

**5. Section A: Acceptance of the Repurchase Offer (FORM A) and Tendering of Additional Shares (FORM B) (Subject to Availability)**

**FORM A**

- 5.1. Fill in the date of acceptance
- 5.2. Indicate the number of shares for which the Offer is accepted, and the total repurchase consideration receivable in the appropriate space provided in Column A1 & A3 respectively.
- 5.3. If shares are held in scrip form, fill the share certificate number and the number of shares held in the appropriate space provided.
- 5.4. If the shares are deposited with the CDS, fill in the CDS account number of the Eligible Shareholder from which the shares are to be repurchased.

**Form B**

- 5.5. Fill in the date and indicate the number of additional shares that the Eligible Shareholder wishes to tender (subject to availability) in the appropriate space provided in columns B1.
- 5.6. If shares are held in scrip form, fill the share certificate number and the number of shares held in the appropriate space provided.
- 5.7. If the shares are deposited with the CDS, fill in the CDS account number of the Eligible Shareholder from which the shares are to be repurchased.

**6. Section B: Information on Eligible Shareholder(s)**

Eligible Shareholder/s information must be filled. If available, please give a contact telephone number in the cage provided. The details entered in Section B of both forms (i.e. **FORM A** and **FORM B**) should be the same as appearing in your share certificate or as applicable to the relevant CDS account.

**7. Section C: Declaration and Signature(s) of Shareholder(s)**

- 7.1 Please tick (v) one of the boxes as applicable. At least one box must be ticked for the acceptance to be valid.
  - 7.2 Non-Resident shareholders accepting the Offer should provide their Inward Investment Account (IIA) through which the CINV shares were purchased or Capital Transaction Rupee Account (CTRA), formerly known as the Non Resident Blocked Account, details. The name of the Bank, Bank Branch, Address of the branch and the Account number, should be filled in the space provided. The payment for your CINV shares will be forwarded to the respective bank.
  - 7.3 Your signature must be placed in the area names as "Signature of Principal/Sole Shareholder" to indicate your acceptance of offer.
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- 7.4 In case of a joint shareholding, the principal/main/first named shareholder in the share register must sign on the space for “Signature of Principal/Sole Shareholder”.  
If multiple names have been filled in Section B as joint holders, all such joint holders should place their signatures in the areas specified for signatures of the joint holders in Section C.
- 7.5 If the entitled shareholder is a body corporate, the signatures (two Directors/one Director & Company Secretary) should be placed together with the company seal/rubber stamp (placed in the specified area). Signatures and seal should be in accordance with the Articles of Association or other constitutional documents of the entity.
- 7.6 If any document is signed under a Power of Attorney, the original should be first registered in the books of the Company through its Company Secretaries and a copy thereof duly certified by a Notary Public should be sent along with the Forms (FORM A and/or FORM B) on or before 4.30 p.m. on the Closing Date, either to the Registrars to the Repurchase Offer, Corporate Solutions Unit, Central Depository Systems (Private) Limited, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka or to the Depository Operations of CDS through your stockbroker or custodian bank, as applicable to you, as mentioned in Section 4.1 of this document. **Please do not forward the original Power of Attorney.**
- 7.7 Each entitled shareholder must sign the Form A and/or Form B in the presence of a witness who is not another joint holder and the witness must state his/her full name, address, NIC/Passport Number and place his/her signature in the spaces provided.

## **8. Section D: Declaration and Signatures of Offeror**

Please do not fill in this section. This section will be duly completed by CINV as the Offeror.

## **9. Section E: Authorisation to CDS**

This section of FORM A and/or FORM B should also be duly completed by Eligible Shareholders who wish to accept the Repurchase Offer and/or tender additional shares which are deposited with the CDS.

Please do not fill the sections applicable to Eligible Shareholder’s stockbroker/custodian bank and the CDS. These sections will be duly completed by the Eligible Shareholder’s stockbroker/custodian bank and the CDS.

## ANNEXURE II - DECLARATION OF AFFIDAVIT AND INDEMNITY

**(Please use this form if the Share Certificate(s) are worn out, defaced, lost or destroyed)**

*(As per Article 33(3) of the Articles of Association of Ceylon Investment PLC)*

I/We..... (insert full names) of  
No..... (insert addresses)..... (holder/s of  
National Identity Card No/Passport No.....) do solemnly sincerely and truly declare and  
affirm/make oath and state as follows;

1. THAT I/we am/are the owner/s of and have absolute title to.....(insert number of shares)  
shares in Ceylon Investment PLC ("the Company") and I/we have not transferred, encumbered, lent,  
deposited or dealt with the said shares that will have any effect or impact whatsoever to my/our  
title and ownership thereto and I/we am/are entitled to be registered in the books of the Company  
as a shareholder/s;
2. THAT the certificate(s) for.....(insert the number of shares) shares in the Company  
standing in my/our name have been misplaced/lost/destroyed;
3. THAT I/we wish to accept the Offer made by Ceylon Investment PLC by Offer Document  
dated.....(insert date); ('the Offer') in respect of.....(insert number of shares being  
given up for acquisition) shares held by me/us in the Company and I/we hereby request Ceylon  
Investment PLC to accept the duly completed Form of Acceptance and Form for Additional Shares dated  
..... (as relevant) submitted by me/us without the production of the corresponding original share  
certificates due to the aforesaid reason;
4. THAT I/we note that share certificates will not be issued for the balance shares I /we hold subsequent  
to the completion of the Offer 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 Central  
Depository System (Private) Limited (CDS) dated 30th November 2010 and that I am/we are advised to  
open a valid account with the CDS and inform the Company of the same in order to facilitate the  
uploading of the balance shares to my/our CDS Account.

I/we hereby undertake to deliver to the Company for cancellation the said original certificate should the  
same ever be recovered/found.

The foregoing having being duly read  
signed and affirmed/sworn to at  
.....on this.....  
2023

*Rs.50.00 stamp*

.....  
Signature of Shareholder(s)  
Signed Before me  
Commissioner for Oaths/Justice of Peace