



**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**No. of Company PV 315**

08<sup>th</sup> December 2016

Mr. Renuke Wijayawardhana  
Chief Operating Officer  
Colombo Stock Exchange  
# 04 - 01, West Block  
World Trade Centre  
Echelon Square  
Colombo 01

Our Ref: SHAL/CSE/ANN/2016/DM/04

Dear Sir,

**SHALIMAR (MALAY) PLC (the Company)**  
**ANNOUNCEMENT IN TERMS OF RULE 7.1, 7.11.1 AND 8 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE**

We write further to the disclosure made on 17<sup>th</sup> October 2016 in terms of Rule 8.1 of the Listing Rules of the Colombo Stock Exchange.

We wish to inform you that the approval of the shareholders was obtained at the Extraordinary General Meeting held on 16<sup>th</sup> November 2016 for the payment of consideration to the shareholders for the Repurchase Offer, as a Major Transaction in terms of Section 185 of the Companies Act No 7 of 2007 (the "Act").

The Company has obtained all relevant regulatory approvals in Sri Lanka and Malaysia in respect of the sale of the plantation. As per the Sale and Purchase Agreement, the net sale proceeds from the sale of its' plantation in Malaysia was received by the Company in Sri Lanka on 08<sup>th</sup> December 2016. **The Board of Directors have decided to distribute all the net sale proceeds received without retaining any amount within the Company.**

As per the Circular to Shareholders dated 24<sup>th</sup> October 2016, the total consideration of the net sale proceeds to be distributed via a share repurchase was based on the assumed exchange rate of Rs.35/41 per RM 1/- as at the prevailing market rates as at 30<sup>th</sup> September 2016. However, the exchange rate on the date of receipt of the net sale proceeds in Sri Lanka (i.e. 08<sup>th</sup> December 2016) was Rs.33/374745879 per RM 1/- which is a significant variation from the assumed exchange rate of Rs.35/41 per RM 1/-. Due to the terms and conditions in the Sale and Purchase Agreement, the Company was not in a position to mitigate the risk of any exchange rate fluctuations through forward booking of exchange rates which has therefore resulted in a reduction of the total net sale proceeds available for distribution.

Therefore, the total net sales proceeds of Rs.3,780,616,291/20 (equivalent to RM 113,277,755/13) will be distributed through the Repurchase Offer and an interim dividend to the shareholders.

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**A) REPURCHASE OF SHARES**

The Board of Directors of the Company has determined and finalised the maximum number of shares to be repurchased from shareholders together with the maximum consideration payable on the repurchase offer as mentioned below in accordance with Rule 7.11.1d of the Listing Rules of the Colombo Stock Exchange.

1. Maximum number of shares to be re- purchased	1,542,240 shares
2. Price per share at which the repurchase is to be carried out	Rs.2,298/20 per share
3. Total consideration for which shares to be repurchased	Rs. 3,544,375,968/-
4. Proportion in which shares to be repurchased	<p>Two (02) shares for every Nine (09) shares held.</p> <p>The shareholders as at end of trading on 20<sup>th</sup> December 2016 (Eligible Shareholders) will be given the opportunity to tender for repurchase by the Company, additional shares over and above their pro-rata entitlement, which may be repurchased by the Company, at its absolute discretion, in the event that any of the Eligible Shareholders do not accept the offer in full and as a result, the total number of shares accepted by the Eligible Shareholders pursuant to the offer is less than 1,542,240 shares.</p> <p>In the event the total number of such additional shares tendered by shareholders exceeds the maximum number of additional shares that the Company is willing to repurchase, the number of such additional shares to be repurchased from each shareholder will be determined on a pro-rata basis. In any event, the maximum number of shares to be repurchased (including the additional shares) pursuant to the proposed repurchase will not exceed 1,542,240 (i.e. the maximum number of shares available for repurchases).</p>
5. Proposed date of Opening of the offer to repurchase	29 <sup>th</sup> December 2016
6. Proposed date of closing of the offer to repurchase	06 <sup>th</sup> January 2017

Contd....03

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The Directors have signed a certificate of solvency as required by Section 56(3) of the Companies Act No 7 of 2007 confirming that the Company will satisfy the solvency test immediately upon completion of the proposed distribution as aforesaid.

The certified extract of the Board Resolution (Annex A) and Article 10A of the Articles of Association (Annex B) which authorises the Company to repurchase its shares are enclosed herewith for your information.

The Company has appointed NDB Investment Bank Limited as the Managers and Corporate Services (Private) Limited as the Registrars to the Repurchase Offer.

**B) FIRST INTERIM DIVIDEND FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH 2017**

We wish to inform you that the Board of Directors have approved the First Interim Dividend of Rs. 34/04 per share for the financial year ending 31<sup>st</sup> March 2017.

In terms of Article 122 (ii) of the Articles of Association of the Company, the payment of an Interim dividend does not require the approval of the shareholders.

The total dividend amounting to Rs.236,240,323/20 would be subject to a withholding tax of 10%.

The above dividend payment would be dispatched to the shareholders on 30<sup>th</sup> December 2016.

We attach herewith the certified copies of the Board Resolution passed by the Directors (Annex C) and the solvency certificate signed by the Directors of the Company pertaining to the said dividend payment. (Annex D)

We undertake to forward to you a certified copy of the Certificate of Solvency issued by Auditors of the Company prior to dispatching the dividend payment on 30<sup>th</sup> December 2016.

Please note that the transfer books of the Company will not be closed.

Yours faithfully,

For and on behalf of

**SHALIMAR (MALAY) PLC**

Carson Management Services (Private) Limited



Director

Secretaries

Encl: a/s







**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**No. of Company PV 315**

**SHALIMAR (MALAY) PLC**

CERTIFIED EXTRACT OF THE CIRCULAR RESOLUTION NO.SHAL/2016/24 DATED 08<sup>TH</sup> DECEMBER 2016  
PASSED BY THE BOARD OF SHALIMAR (MALAY) PLC

**"A. REPURCHASE OF SHARES**

**IT IS HEREBY RESOLVED** to repurchase up to a maximum of 1,542,240 shares from the shareholders of the Company as at end of trading on 20<sup>th</sup> December 2016 (Eligible Shareholders), at a price of Rs.2,298/20 per share, on the basis of 02 shares for every 09 shares held in the Company amounting to a total consideration of Rs.3,544,375,968/- in terms of Section 64 of the Companies Act No 07 of 2007 and Article 10A of the Articles of Association of the Company.

**IT IS FURTHER RESOLVED** that the Board of Directors may, at their absolute discretion, repurchase any additional shares tendered by the Eligible Shareholders, if all Eligible Shareholders do not accept the Repurchase Offer in full and as a result, the total number of shares accepted pursuant to the Repurchase Offer is less than 1,542,240 and in the event, the total number of such additional shares tendered by Eligible Shareholders exceeds the maximum number of shares that the Company is willing to repurchase, the number of such additional shares to be repurchased from each Eligible Shareholder who has tendered additional shares will be determined, on a pro rata basis.

**IT IS ALSO RESOLVED** that the draft offer document attached hereto marked 'Annex A' be forwarded to the Colombo Stock Exchange and thereafter to the shareholders of the Company as at end of trading on 20<sup>th</sup> December 2016.

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**C. SOLVENCY CERTIFICATES FOR THE REPURCHASE OF SHARES AND FIRST INTERIM DIVIDEND**

**IT IS HEREBY RESOLVED** that the Board of Directors having reasonable grounds to believe that the Company will satisfy the solvency test immediately after the distribution of Rs.3,544,375,968/- being the consideration for the repurchase of shares and the distribution of Rs.236,240,323/20 being the payment for the first interim dividend for the financial year ending 31<sup>st</sup> March 2017, do sign a certificate of solvency as per the attached marked 'Annex B' as required by Section 56(3) of the Companies Act No 07 of 2007 and obtain a certificate of solvency from the Auditors of the Company, confirming that the Company will satisfy the Solvency Test immediately upon completion of the Repurchase Offer and the payment of the first interim dividend respectively.

**IT IS FURTHER RESOLVED** that that an announcement as per the attached marked 'Annex C' be made to the Colombo Stock Exchange in terms of Rule 8 of the Listing Rules of the Colombo Stock Exchange, in relation to the repurchase of shares and payment of the First Interim Dividend."

  
.....  
**DIRECTOR**  
**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**Secretaries**

DA 06/12/2016



10A. The Company may agree to purchase or otherwise acquire its own shares, from one or more of the shareholders or from all of the shareholders with the approval of the Directors and in accordance with the provisions of the Companies Act No.07 of 2007.

Repurchase of shares

## SHARES

11. Save as the Company may by Ordinary Resolution otherwise direct and subject to the provisions of the next succeeding Article the shares in the capital of Company for the time being shall be at the disposal of the Directors, and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper, but so that no shares shall be issued at a discount, except in accordance with the Statutes.

Shares at the disposal of Directors

12. (i) Any further shares of the original capital and all new shares shall unless otherwise authorized by an Ordinary Resolution of the Company (which Resolution in the case of new shares may either be at the time of their creation or at any time thereafter) be offered to Members in proportion to the shares held by them at the time of such offer (or as near thereto as may be fractions being ignored) and such offer may be at a premium or subject to the provisions of the Statutes at a discount as may have been determined by an Ordinary Resolution of the Company or if there shall have been no such determination as the Directors shall determine. Such offer shall be made by notice in writing specifying the number of shares to which the Member is entitled and limiting a time within which the offer if not accepted will be deemed to have been declined and shall notify to Members that any Member who desires an allotment of shares in excess of his proportion should state in his reply how many excess shares he desires and if all Members do not claim their proportion the unclaimed shares shall be used for satisfying the claims in excess and any shares not required for satisfying such excess unclaimed shall be at the disposal of the Directors.

Shares to be offered to Members.

(ii) Notwithstanding anything in the preceding Article contained the Directors may at their discretion allot any shares (unless otherwise provided in any Resolution of the Company relating thereto) or any of them to the Vendor of any business, property or land being acquired by the Company in payment in whole or part of the purchase price for such business, property or land without offering the shares so allotted to members.

13. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company, but so that, if the commission shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with, and the commission shall not exceed 10 per cent, on the shares in each case subscribed or to be subscribed. Such commission may be satisfied in whole or in part by the allotment (if so agreed) of fully or partly paid shares. The Company may also on any issue of shares pay such brokerage as may be lawful.

Power to pay commissions and brokerage

14. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

Exclusion of equities.





**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**No. of Company PV 315**

**SHALIMAR (MALAY) PLC**

CERTIFIED EXTRACT OF THE CIRCULAR RESOLUTION NO.SHAL/2016/24 DATED 08<sup>TH</sup> DECEMBER 2016  
PASSED BY THE BOARD OF SHALIMAR (MALAY) PLC

**"B. FIRST INTERIM DIVIDEND FOR THE FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH 2017**

**IT IS HEREBY RESOLVED** that as per Article 122(ii) of the Articles of Association of the Company, the Board of Directors approve the payment of a First Interim Dividend of Rs.34/04 per Ordinary Share for the financial year ending 31<sup>st</sup> March 2017 amounting to Rs.236,240,323/20 only, which would be paid out of the net sale proceeds (i.e. from the remainder of the net sale proceeds after deducting the payment of consideration for the Repurchase Offer), which would be liable to a 10% dividend tax, and the said dividend will be paid on 30<sup>th</sup> December 2016 to the shareholders as at the ex-dividend date to be determined by the Colombo Stock Exchange.

**IT IS FURTHER RESOLVED** that the Secretaries be authorised to give due notice to the Colombo Stock Exchange of the above declaration of the First Interim Dividend of Rs.34/04 per Ordinary Share and to take all necessary steps to make the distribution accordingly, to the respective shareholders.

**C. SOLVENCY CERTIFICATES FOR THE REPURCHASE OF SHARES AND FIRST INTERIM DIVIDEND**

**IT IS HEREBY RESOLVED** that the Board of Directors having reasonable grounds to believe that the Company will satisfy the solvency test immediately after the distribution of Rs.3,544,375,968/- being the consideration for the repurchase of shares and the distribution of Rs.236,240,323/20 being the payment for the first interim dividend for the financial year ending 31<sup>st</sup> March 2017, do sign a certificate of solvency as per the attached marked 'Annex B' as required by Section 56(3) of the Companies Act No 07 of 2007 and obtain a certificate of solvency from the Auditors of the Company, confirming that the Company will satisfy the Solvency Test immediately upon completion of the Repurchase Offer and the payment of the first interim dividend respectively.

**IT IS FURTHER RESOLVED** that that an announcement as per the attached marked 'Annex C' be made to the Colombo Stock Exchange in terms of Rule 8 of the Listing Rules of the Colombo Stock Exchange, in relation to the repurchase of shares and payment of the First Interim Dividend."

  
.....  
**DIRECTOR**  
**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**Secretaries**

03/12/2016

**CERTIFIED TRUE COPY**


**DIRECTOR**  
**CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED**  
**SECRETARIES**

08/12/2016

Shalimar (Malay) PLC

COMPANY NO 990417D

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http://www.goodhopeholdings.com



08<sup>th</sup> December, 2016

The Board of Directors,  
 Shalimar (Malay) PLC.

Dear Sir,

**SHALIMAR (MALAY) PLC**

**Distribution of Rs. 3,780,616,291.20 via Share Repurchase and Dividend**

**Solvency Test in accordance with Section 57 of the Companies Act No. 7 of 2007**

We acknowledge our responsibility for the assessment of solvency of the Company, immediately after the distribution of net proceed of sale of Malaysian Property of the Company via Share Repurchase and dividend, is made, based on the Financial Statements for the period ended 31<sup>st</sup> October 2016.

We have made appropriate inquiries of directors and officers of the Company the relevant knowledge and experience and have tested for solvency in accordance with Section 57 of Companies Act, No 7 of 2007.

**1) Ability to pay debts in the normal course of business.**

The Company considers that, an adequate cash and cash equivalents, would determine the Company's ability to meet its obligations falling due in the normal course of business.

a) Net Current Asset position as at 31<sup>st</sup> October 2016.

**Shalimar (Malay PLC) - Net Current Assets Statement**

Figures are in Rs. '000

Management  
 Accounts -  
 October 2016

**Current Assets**

Inventories	505
Trade and other receivables	274,376
Advances and Prepayments	1,214
Cash and cash equivalents	22,496
Assets of disposal group held for sale	1,414,276
<b>Total Current Assets</b>	<b>1,715,020</b>

**Current Liabilities**

Trade and other payables	259,450
Unclaimed dividend	26
Liabilities directly associated with assets held for sale	18,810
<b>Total Current Liabilities</b>	<b>278,286</b>

**Net Current Assets**

**1,436,734**

## 2) Funding the Distribution

Based on the company's operational performance thus far and based on the receipt of the net sales proceeds of the Malaysian Property of the Company, the Board of Directors are confident of availability of sufficient cash flows to meet both operational requirements and the proposed distribution and that will not adversely affect the business operations of the Company.

## 3) Value of Company's Assets less Liabilities, Stated Capital and Proposed Distribution

### Shalimar (Malay PLC) - Solvency Statement

Figures are in Rs. '000

Management Accounts -  
October 2016

#### Non Current Assets

Non-current financial assets

5,001,578

**Total Non Current Assets**

**5,001,578**

#### Current Assets

Inventories

505

Trade and other receivables

274,376

Advances and Prepayments

1,214

Cash and cash equivalents

22,496

298,592

Assets of disposal group held for sale

1,371,224

**1,669,816**

**Total Assets**

**6,671,394**

#### Current Liabilities

Trade and other payables

259,450

Unclaimed Dividend

26

**Total liabilities**

**259,476**

Liabilities directly associated with assets held for sale

18,825

**278,301**

**(278,301)**

**Stated Capital**

**(69,401)**

**Adjustments required by S 57(2) b**

**-**

**Proposed Distribution**

**(3,780,616)**

**Solvency Position**

**2,543,075**



#### 4. Solvency test

Based on the above assessments and after considering circumstances which could affect the value of the Company's assets and liabilities as at this date, Company will satisfy the solvency test required by the Companies Act No. 7 of 2007, immediately after the distribution.

Yours faithfully,

(Sgd.)

.....  
K.C.N.Fernando

(Sgd.)

.....  
I. Paulraj

(Sgd.)

.....  
H. Selvanathan

(Sgd.)

.....  
M. Selvanathan

(Sgd.)

.....  
D. C. R. Gunawardena

(Sgd.)

.....  
P. C. P. Tissera

(Sgd.)

.....  
A. K. Sellayah

(Sgd.)

.....  
S. Mahendrarajah

Board of Directors  
Shalimar (Malay) PLC

08<sup>th</sup> December, 2016

SK/RA/PR/HD

