



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

08th December 2016

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

Our Ref: INDO/CSE/ANN/2016/DM/05

Dear Sir,

INDO - 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 17th 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 16th 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 08th 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 24th 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 30th September 2016. However, the exchange rate on the date of receipt of the net sale proceeds in Sri Lanka (i.e. 08th 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.3,331,588,320/- (equivalent to RM 99,823,631/08) 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	2,187,000 shares
2. Price per share at which the repurchase is to be carried out	Rs. 1,429/60 per share
3. Total consideration for which shares to be repurchased	Rs. 3,126,535,200/-
4. Proportion in which shares to be repurchased	<p>Five (05) shares for every Sixteen (16) shares held.</p> <p>The shareholders as at end of trading on 20th 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 2,187,000 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 2,187,000 (i.e. the maximum number of shares available for repurchases).</p>
5. Proposed date of Opening of the offer to repurchase	29 th December 2016
6. Proposed date of closing of the offer to repurchase	6 th January 2017

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 15A 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 31ST MARCH 2017

We wish to inform you that the Board of Directors have approved the First Interim Dividend of Rs. 29/30 per share for the financial year ending 31st March 2017.

In terms of Article 121 (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.205,053,120/- would be subject to a withholding tax of 10%.

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

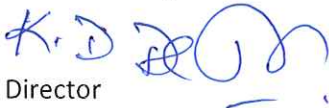
Please note that the transfer books of the Company will not be closed.

Yours faithfully,

For and on behalf of

INDO - MALAY PLC

Carson Management Services (Private) Limited



Director

Secretaries

