



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

BY FAX & BY HAND

23rd November 2016

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

Our Ref: SELI/CSE/ANN/2016/DA/04

Dear Sir,

SELINSING PLC (The Company)
REPURCHASE OF SHARES

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 that the approval of the shareholders was obtained at the Extraordinary General Meeting (EGM) held on 16th November 2016 by way of an ordinary resolution for the distribution of net sale proceeds through a repurchase of shares.

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 21st November 2016. **The Company has decided to distribute all the net sale proceeds received without retaining any amount.**

As per the Circular to Shareholders dated 24th October 2016, the total consideration of the net sale proceeds to be distributed for the share repurchase was based on the assumed exchange rate of LKR 35/41 per RM 1/- as at 30th September 2016. However, the exchange rate on the date of receipt of the net sale proceeds (i.e. 21st November 2016) was LKR 33/56 per RM 1/- which is a significant variation from the assumed exchange rate of LKR 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 sale proceeds of LKR 1,703,222,183/40 (equivalent to RM 50,753,547/51) will be distributed through the proposed share repurchase and an interim dividend as previously considered will not be distributed to the shareholders of the Company.

...2

..2..

Accordingly, at the Board Meeting held on 23rd November 2016, the Board of Directors of Selinsing PLC 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 7.11.1.d of the Listing Rules of the Colombo Stock Exchange.

1. Maximum number of shares to be re- purchased	1,261,833 shares
2. Price per share at which the repurchase is to be carried out	Rupees One Thousand There Hundred and Forty Nine Cents Eighty (Rs. 1,349/80) per share
3. Total consideration for which shares to be repurchased	Rs. 1,703,222,183/40/-
4. Entitlement Date	23 rd November 2016
5. Proportion in which shares to be repurchased	<p>Two (02) shares for every Eleven (11) shares held.</p> <p>The shareholders as at end of trading on 23rd November 2016 (Eligible Shareholders) will be given the opportunity to tender additional shares over and above their pro-rata entitlement for repurchase by the Company, 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 One Million Two Hundred and Sixty One Thousand Eight Hundred and Thirty Three (1,261,833) shares.</p> <p>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 by the Board of Directors.</p>
6. Proposed date of Opening of the offer to repurchase	9 th December 2016
7. Proposed date of closing of the offer to repurchase	21 st December 2016

..3

..3..

The Directors have signed a certificate of solvency as required by Sec. 56 (3) confirming that the Company would satisfy the solvency test immediately upon completion of the Repurchase Offer.

We also enclose herewith the certified extract of the minutes of the Board Meeting held on 23rd November 2016 and a copy of the Article 10A of the Articles of Association which authorises the Company to repurchase its shares, for your information.

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

Yours faithfully,
For and on Behalf of
Selinsing PLC
Carson Management Services (Private) Limited



Director
Secretaries

Encl: a/s





CARSON'S MANAGEMENT SERVICES (PRIVATE) LIMITED
No. of Company PV 315

SELINSING PLC

CERTIFIED EXTRACT OF THE MINUTES OF THE BOARD MEETING OF
SELINSING PLC HELD ON 23RD NOVEMBER 2016

"15.2 REPURCHASE OF SHARES

WHEREAS the Board of Directors on 14th October 2016 approved in principle, that the Company do, subject to and upon obtaining all necessary approvals and consents therefor and a certificate of solvency from the Auditors of the Company as required in terms of Section 56(2) of the Companies Act, and upon receipt of the proceeds from the sale of the plantation, repurchase shares from the shareholders of the Company, at a consideration of LKR 1,349/80 per share amounting to a maximum total consideration of LKR 1,822,321,697/- ('Repurchase Offer') on a date to be decided by the Board of Directors following receipt of the net sale proceeds; and

WHEREAS the Board further resolved on 14th October 2016 that the repurchase of shares in the manner referred to above:

- a) is in the interests of the Company;
- b) the repurchase of the shares at the above mentioned consideration is in the opinion of the company's auditors, a fair value as provided in their valuation dated 14th October 2016;
- c) the Board is not aware of any information that has not been disclosed to the said shareholders which is material to an assessment of the value of the said shares, and as a result of which the consideration offered for the said shares is unfair to the shareholders accepting the offer;
- d) that a certificate of solvency be obtained from the auditors in terms of Section 56(2) of the Companies Act confirming that the Company will satisfy the Solvency Test immediately upon completion of the Repurchase Offer; and

WHEREAS the Board of Directors also resolved that **upon receipt of the net sale proceeds**, the remainder of the net sale proceeds be distributed as an interim dividend to the shareholders of the Company on a future date to be determined by the Board and that before doing so, a certificate of solvency be obtained from the auditors in terms of Section 56(2) of the Companies Act that the Company will satisfy the Solvency Test immediately upon completion of the interim dividend; and

WHEREAS the approval of the Estate Land Board of Malaysia was obtained on the 03rd August 2016; and

WHEREAS the net sale proceeds were received by the Company in Sri Lanka on 21st November 2016 and the Board is of the view that the Company will satisfy the solvency test immediately upon completion of the Repurchase Offer; and

WHEREAS the approval of the shareholders was obtained by way of an ordinary resolution at the Extraordinary General Meeting held on 16th November 2016, viz.

- (i) For the payment by the Company upto a maximum of One Billion Eight Hundred and Twenty Two Million Three Hundred Twenty One Thousand Six Hundred and Ninety Seven (LKR 1,822,321,697/-) as consideration for the repurchase of shares from the shareholders who accept the Repurchase Offer; and

Contd....02

- (ii) That the Board be authorised to determine and vary the terms of the Repurchase Offer (i.e. the maximum number of shares to be repurchased at LKR 1,349/80 per share, the number of shares to be repurchased from each shareholder and the consideration) as they deem fit upon receipt of the net sales proceeds, in the event there is a significant variation to the assumed exchange rate of LKR 35/41 per RM 1/- and/or due to any unforeseen taxes or levies imposed by the relevant regulatory authorities as at the date of receipt of the net sale proceeds or any other circumstances that may have an impact on the net sale proceeds or the distribution thereof.; and

WHEREAS due to a significant variation from the assumed exchange rate of LKR 35/41 per RM 1/- as at 30th September 2016 to LKR 33/56 per RM 1/- as at 21st November 2016 (i.e. as at the date of receipt of net sale proceeds), the total net sale proceeds of LKR 1,703,222,183/40 (equivalent to RM 50,753,547/51) will be distributed as consideration for the repurchase of shares; and

WHEREAS 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 resulted in a reduction of the total net sale proceeds available for distribution and therefore, as previously resolved, the payment of an Interim Dividend from the remainder of the net sale proceeds (after deducting the payment of consideration for the repurchase offer as mentioned above) will not be distributed to the shareholders of the Company; and

WHEREAS the Board is now desirous of distributing the total net sale proceeds received from the sale of plantation via repurchase of shares from the shareholders, without retaining any amount; and

WHEREAS the Board of Directors is accordingly desirous of repurchasing up to a maximum of One Million Two Hundred and Sixty One Thousand Eight Hundred and Thirty Three (1,261,833) shares from and out of the Six Million Nine Hundred and Forty Thousand and Eighty (6,940,080) shares issued by the Company from all of its' shareholders as at the end of trading on 23rd November 2016 at a price of Rupees One Thousand Three Hundred and Forty Nine Cents Eighty (Rs.1,349/80) per share, on the basis of Two (02) shares for every Eleven (11) shares held in the Company, with the opportunity being given to the shareholders to tender additional shares over and above their pro-rata entitlement, to be repurchased by the Company, which may be repurchased by the Company at its absolute discretion, in the event that any of the shareholders do not accept the Repurchase Offer in full and as a result, the total number of shares accepted by the shareholders pursuant to the Repurchase Offer is less than One Million Two Hundred and Sixty One Thousand Eight Hundred and Thirty Three (1,261,833) shares; and

IT IS HEREBY RESOLVED to repurchase up to a maximum of One Million Two Hundred and Sixty One Thousand Eight Hundred and Thirty Three (1,261,833) shares from the shareholders of the Company as at end of trading on 23rd November 2016 (Eligible Shareholders), at a price of Rupees One Thousand Three Hundred and Forty Nine Cents Eighty (Rs1,349/80) per share, on the basis of Two (02) shares for every Eleven (11) shares held in the Company amounting to a total consideration of Rupees One Billion Seven Hundred and Three Million Two Hundred and Twenty Two Thousand One Hundred and Eighty Three Cents Forty (Rs.1,703,222,183/40) in terms of Section 64 of the Companies Act No. 7 of 2007 and Article 10A of the Articles of Association of the Company;

Contd....03

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 1,261,833 shares 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 by the Board of Directors.

IT IS FURTHER RESOLVED that the Board having reasonable grounds to believe that the Company would satisfy the Solvency test immediately after the distribution of Rs.1,703,222,183/40 being the consideration for the repurchase of shares, do sign a certificate of solvency as per attached marked Annex 'A' as required by Section 56 (3) of the Companies Act No 7 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 the completion of the Repurchase Offer.

IT IS FURTHER RESOLVED that the draft offer document attached hereto marked 'Annex B' be forwarded to the Colombo Stock Exchange and thereafter to the shareholders of the Company as at end of trading on 23rd November 2016.

IT IS ALSO RESOLVED that an announcement be made to the Colombo Stock Exchange in terms of Rule 8 of the Listing Rules of the Colombo Stock Exchange as per the attached marked 'Annex C'."



Director

Carsons Management Services (Private) Limited

Secretaries 

quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those of such holders who are present shall be a quorum) and that any holder of shares in the class present in person or by proxy may demand a poll, and that such holders shall on a poll have one vote for every share of the class held by them respectively.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Issue of shares
ranking *pari
passu*

INCREASE AND REDUCTION OF CAPITAL

8. The Company may from time to time, with the sanction of an Ordinary Resolution of the Company in General Meeting, increase its capital by the creation of new shares, such increase to be of such amount, and to be divided into shares of such respective amounts, and to be issued on such terms and conditions, and with or without a right of preference, whether in respect of dividend or of repayment of capital, or both, or with such deferred rights to the original or other shares of the Company, as the Company may by the resolution sanctioning the increase determine.

Power to
increase
capital

9. All new shares shall be subject to the provisions of these presents with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Rights and
liabilities
attached to
new sharers.

10. The Company may by Ordinary Resolution:-

- (i) consolidate shares in the Company or the shares in a particular class of shares in the Company into a lesser number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, by following a procedure to effect such consolidation as the Directors may consider appropriate.
- (ii) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken by any person and diminish the amount of its capital by the amount of the shares so cancelled.
- (iii) subdivide all of the shares in the Company or all of the shares in a particular class of shares in the Company into a greater number of shares, in proportion to those shares, leaving unaffected the relative voting and distribution rights of the holders of those shares, it being deemed that all of the rights attached to all of the shares that existed prior to the subdivision shall, ipso facto, vest by the subdivision on the shares so subdivided. The Directors may follow a procedure to effect such subdivision as the Directors may consider appropriate.

Power to
consolidate
shares.

Power to
cancel shares

Power to sub-
divide shares.

And may by Special Resolution:-

- (iv) reduce its stated capital in any manner authorized by the Companies Act No.07 of 2007.

Power to
reduce capital

10.A. 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