

08th November 2023

Colombo Stock Exchange
#04-01 West Block,
World Trade Centre,
Echelon Square,
Colombo 01.

Attn: Mr. Renuke Wijayawardhane
Chief Regulatory Officer

Dear Sir,

PROPOSED AMALGAMATION OF REGNIS (LANKA) PLC AND SINGER INDUSTRIES (CEYLON) PLC WITH SINGER (SRI LANKA) PLC UNDER SECTION 239 OF THE COMPANIES ACT NO. 7 OF 2007

We write to inform you that, the Board of Directors of Singer (Sri Lanka) PLC has on 7th November 2023 decided that Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC will be amalgamated with Singer (Sri Lanka) PLC under section 239 of the Companies Act No. 7 of 2007 (the “Companies Act”), with Singer (Sri Lanka) PLC being the amalgamated company, subject to relevant regulatory and shareholder approvals. The proposed effective date of the amalgamation will be 31st January 2024.

Singer (Sri Lanka) PLC (hereinafter referred to as “amalgamated company”) currently holds fifty eight decimal two nine percent (58.29%) of the shares of Regnis (Lanka) PLC and eighty-seven decimal seven two percent (87.72%) of the shares of Singer Industries (Ceylon) PLC.

The capital structure of the amalgamating companies before the amalgamation and the amalgamated company after the amalgamation are as follows:

Capital Structure Information	As at 30-September-2023			Amalgamated company (i.e. Singer (Sri Lanka) PLC) after the Amalgamation
	Singer (Sri Lanka) PLC (amalgamated company)	Regnis (Lanka) PLC (amalgamating company)	Singer Industries (Ceylon) PLC (amalgamating company)	
Number of shares	1,126,886,490 ordinary voting shares	22,535,726 ordinary voting shares	20,000,760 ordinary voting shares	1,167,803,014 ordinary voting shares
Stated Capital	LKR 626,048,050/-	LKR 211,192,425/-	LKR100,003,800/-	LKR 1,141,187,087/-
Float Adjusted Market Capitalisation	LKR 1,452,827,138/-	LKR 427,684,135/-	LKR 85,893,264/-	LKR 2,135,431,655
Number of Public Shareholders	3,975	1,735	1,228	6,938
Public Holding Percentage (%)	7.72%	41.71%	12.27%	10.95%

Please note that post-amalgamation information relating to the amalgamated company in the above table are based on the assumptions that (i) all shareholders other than Singer (Sri Lanka) PLC (“minority shareholders”) of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC will receive shares in the amalgamated company based on the ratios given below pursuant to the proposed amalgamation, and (ii) the market price of the shares of the amalgamated company post amalgamation will be the same as the market price of the shares of Singer (Sri Lanka) PLC as at 30th September 2023.

The proposed amalgamation will be carried out in furtherance of a proposal of the Singer group of companies to streamline the group structure by rationalising the number of operating companies with a view to:

- (i) eliminating undue value leakages in optimising cost synergies, thereby enhancing profitability of the Singer group of companies and returns of the shareholders;

- (ii) minimising duplication of management functions, thereby ensuring operational efficiency; and
- (iii) benefiting from stronger financial strength with an increased asset base.

Further, the Board of Directors is of the view that this proposed amalgamation will enable the Singer group of companies to operationally and strategically drive planned value creation. Since the activities of the three companies are interdependent, bringing them under one entity would eliminate complexity arising from transfer pricing and other duplication of costs. The Board of Directors strongly believes that this proposal is beneficial to all shareholders of the three entities, who would be the beneficiaries of enhanced value creation. The proposed amalgamation of the companies will allow the consolidation of the businesses of the three companies under “Singer (Sri Lanka) PLC”.

Subsequent to the proposed amalgamation, Singer (Sri Lanka) PLC would become the amalgamated company, with the particulars of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC being removed from the register maintained by the Registrar General of Companies.

The proposed amalgamation will result in Singer (Sri Lanka) PLC succeeding, by operation of the provisions of the Companies Act, to the property, rights, powers and privileges of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC and also to all liabilities and obligations of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC as at the time of the amalgamation.

Shares in the amalgamated company (i.e. Singer (Sri Lanka) PLC) will be issued to the minority shareholders of Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC based on the fair values of the shares of the three companies determined based on an independent valuation carried out by Acuity Partners (Pvt) Limited. The report was dated 03rd November 2023 and financial statements as at 31st March 2023 and 30th September 2023 have been referred to in their evaluation. Accordingly, shares of the amalgamated company will be issued to:

- (i) the minority shareholders of Regnis (Lanka) PLC on the basis of three decimal six five four four eight seven seven (3.6544877) new ordinary voting shares in Singer (Sri Lanka) PLC for every one (1) ordinary voting share held in Regnis (Lanka) PLC, with any fractions arising from the computation of shares to be issued being rounded up to the nearest whole share; and
- (ii) the minority shareholders of Singer Industries (Ceylon) PLC on the basis of two decimal six seven three five five zero four (2.6735504) new ordinary voting shares in Singer (Sri Lanka) PLC for every one (1) ordinary voting share held in Singer Industries (Ceylon) PLC, with any

fractions arising from the computation of shares to be issued being rounded up to the nearest whole share.

Accordingly, up to a maximum of forty million nine hundred and sixteen thousand five hundred and twenty four (40,916,524) new ordinary voting shares in Singer (Sri Lanka) PLC will be issued to the minority shareholders of Regnis (Lanka) PLC (34,348,701 new ordinary voting shares in Singer (Sri Lanka) PLC) and Singer Industries (Ceylon) PLC (6,567,823 new ordinary voting shares in Singer (Sri Lanka) PLC) pursuant to the proposed amalgamation.

The Board of Directors has, in terms of Section 52 read together with Section 58 (2) of the Companies Act, determined that the consideration per share at which the aforementioned shares in Singer (Sri Lanka) PLC shall be issued pursuant to the proposed amalgamation is Sri Lanka Rupees Twelve and Cents Fifty Nine (LKR 12.59). In the opinion of the Board of Directors, such consideration is fair and reasonable to Singer (Sri Lanka) PLC and its existing shareholders.

The shares held by Singer (Sri Lanka) PLC in Regnis (Lanka) PLC and Singer Industries (Ceylon) PLC will, as per section 240(3) of the Companies Act, be cancelled in the entirety without payment or the provision of other consideration when the proposed amalgamation becomes effective.

An Extraordinary General Meeting of the Company will be conducted for the purpose of the shareholders considering and if thought fit, approving the amalgamation and the amalgamation proposal relating thereto approved by the Board of Directors. The date of the Extraordinary General Meeting will be informed in due course.

The issue and listing of shares by the amalgamated company (i.e. Singer (Sri Lanka) PLC) pursuant to the proposed amalgamation is subject to the Colombo Stock Exchange approving the issue and listing of shares and obtaining shareholder approval (where applicable) at a General Meeting.

Yours faithfully,



Mohan Pandithage

Chairman