

Ceyline Investments (Pvt) Ltd

PV 132169



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Sri Lanka.

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**ANNOUNCEMENT UNDER THE COMPANY TAKEOVERS AND MERGERS
CODE 1995 (AS AMENDED IN 2003) AND GAZETTED IN THE GAZETTE
EXTRAORDINARY NO.875/9 DATED 16TH JUNE 1995 AND AMENDED BY
GAZETTE NO.1299/6 DATED 29TH JULY 2003 (TOM CODE)**

**MANDATORY OFFER BY CEYLINE INVESTMENTS(PVT)LTD (THE OFFEROR)
TO PURCHASE FOURTY FOUR MILLION SIX HUNDRED AND EIGHTY FIVE
THOUSAND SEVEN HUNDRED AND NINETY EIGHT ORDINARY VOTING
SHARES OF DANKOTUWA PORCELAIN PLC (THE OFFEREE)**

BACKGROUND TO THE OFFER

“The Offeror acquired by way of a crossing from Ambeon Holdings PLC Eighty One Million Four Hundred and Thirty Nine Thousand and Thirteen (81,439,013) shares of Dankotuwa Porcelain PLC amounting to 50.1 % (fifty decimal one per centum) of the shares in issue and listed on the Colombo Stock Exchange on 13th July 2023 at a price of Rupees twenty eight and thirty cents (Rs.28/30) per share.

Consequently, it has become obligatory for the Offeror., to make a mandatory offer in terms of Rule 31(1)(a) of the TOM Code to acquire the remaining forty nine decimal nine per centum (49.90%) of the shares of the Offeree at a price of Rupees twenty eight and thirty cents (Rs. 28.30) per share, which being the highest price paid by the Offeror twelve months immediately preceding 13th July 2023, and amounting approximately to a total value of Rupees Two Billion Two Hundred and Ninety Five Million, Five Hundred and Twenty -Three Thousand and Five Hundred and Sixty Nine (Rs.2,295,523,569/-).

Rule 31(1)(a) of the TOM Code states as follows,

(1) Where any person –

a) acquires, whether by a series of transactions over a period of time or otherwise, shares which taken together with shares held or acquired by persons acting in concert with such person, carry thirty per centum or more of the voting rights of a company

such person shall extend within thirty-five days, an offer in accordance with this rule to the holders of any class of equity shares which carry voting rights and in which such person or persons acting in concert with him hold shares.

1. TERMS OF THE OFFER

The Offeror will be obligated to purchase only twenty seven decimal four nine per centum (27.49%) of the shares of the Offeree, as Ambeon Holdings PLC has informed the Offeror that they would not be accepting the mandatory offer of the Offeror to purchase their remaining shares. Therefore, the Offeror by way of this mandatory offer although obligated to purchase the entirety of the remaining shares of the Offeree, will now be obligated to purchase only Forty Four Million Six Hundred and Eighty Five Thousand, Seven Hundred and Ninety Eight (44,685,798) ordinary shares of the Offeree company.

The Offeror therefore offers to purchase from the shareholders of the Offeree, Forty Four Million Six Hundred and Eighty Five Thousand (44,685,798) ordinary voting shares at the price of Rs. 28.30 /-per share; this being the price at which the Offeror acquired the shares of the Offeree on 13th July 2023 on the Colombo Stock Exchange and the highest price paid by the Offeror or any person acting in concert during the period from 13th July 2022 to 13th July 2023.

2. IDENTITY OF THE OFFEROR

The Offeror (i.e Ceyline Investments (Pvt.) Ltd.) is a limited liability company incorporated on 25th June 2018 under the provisions of the Companies Act No. 07 of 2007 as amended bearing Registration No PV 132169. The Registered office of the Offeror is at No.01, Alfred House Avenue, Colombo 03, Sri Lanka. The Offeror is domiciled in Sri Lanka.

The Directors of the Offeror are as follows;

- Capt.Pattiyage Ajith Priyantha Peiris (Group Executive Chairman),
- Roshan Sanjaya Egodage,
- Prasanna Senani Rajiv Casie Chitty,
- Deepagoda Thuduwe Kankanamge Chathura Lakindu and
- Pattiyage Mevan Sriyantha Peiris.

The stated capital of the Offeror as per the audited financial statements as at 31st March 2022, was Rs.1000/- represented by 100 shares. Due to the exigencies of the Covid 19 situation and the Offeror being inactive, this capital of Rs.1000/- had become eroded as was noted in its audited financial statements. After a recent infusion of fresh equity, the capital of the Offeror as of date stands at Rupee Two Billion Three Hundred and Four Million Seven Hundred and Twenty Five Thousand and Sixty Eight (Rs.2,304,725,068/-), which funds were utilized by the Offeror to invest in the shares of the Offeree on 13th July 2023. Accordingly, the situation as noted in the audited financial statements no longer exists and the Offeror is now fully funded. The Offeror hereby confirms that it has sufficient financial resources to implement the mandatory offer to all the shareholders to whom such offer will be extended as well.

The Offeror is a wholly owned Subsidiary of Ceyline Holdings (Pvt) Ltd., which has its registered office at No.01 Alfred House Avenue, Colombo 03, Sri Lanka.

Ceyline Holdings (Pvt) Ltd., is the most diversified shipping and maritime group in Sri Lanka and through 24 subsidiary companies, and four associate companies. The Ceyline Group is engaged in a wide range of businesses spanning shipping, logistics, maritime to healthcare, travel, leisure and education for a considerable period of time. The Ceyline group made a quantum leap in its results during the last 5 years, including achieving a profit after tax of over Rs.1 billion in the last financial year.

The Board of Directors of Ceyline Holdings (Pvt) Ltd. are as follows;

- Prasanna Rajiv Cassie Chitty,
- Rohan S.W. Senanayake,
- Deepagoda Thuduwe Kankanamge Chathura Lakindu,
- Indika Udana Prematunge,
- Kasthuri Arachchilage Chaminda Janaka Jayathillake,
- Girisa Bandula Egodage,
- Pattiyage Mevan Sriyantha Peiris,
- Capt. Pattiyage Ajith Priyantha Peiris (Group Chairman) and
- Dr. Rajan Sara.

Ceyline Holdings (Pvt.) Ltd., is a fully owned subsidiary of BG International (Pvt.) Limited, and is a part of the BG group which functions as the parent for

- Commercial Credit and Finance PLC,
- Asia Pacific Institute of Information Technology (APIIT),
- Suwasevena Hospitals (Pvt) Ltd. and
- Mercantile Marine Management (Pvt) Ltd.

The Offeror currently functions as an investment company, and the acquisition of shares in the Offeree is its first significant acquisition. The Offeree is expected to benefit, amongst other things from the Ceyline Group's track record and experience and its financial capacity to support the growth of its subsidiaries.

3. EXISTING SHAREHOLDING OF THE OFFEROR IN THE OFFEREE COMPANY

The Offeror is the registered shareholder of 81,439,013 ordinary voting shares of the offeree amounting to 50.1% of the issued and paid up ordinary voting shares of the Offeree as at 13th July 2023 as stated above.

Other than the aforesaid shares there are no existing holdings in the Offeree which is owned or controlled by the Offeror and the Offeror is not acting in concert with any person/s with regard to its shareholding in the Offeree.

a) The number of Offeree shares the

Offeror owns or over which the Offeror

has control ;

81,439,013

b) The number of Offeree shares owned or

controlled by any person acting in

concert with the Offeror ;

Nil.

The number of Offeree shares in respect of

which the Offeror has received an undertaking

by any shareholder to accept the Offer ;

Nil.



4. CONDITIONS OF THE OFFER

In terms of Rule 31(2) of the TOM Code, offers made under Rule 31 shall be conditional only on the Offeror having received acceptances in respect of shares which together with shares acquired or agreed to be acquired before or during the offer would result in the Offeror and the persons acting in concert with the Offeror holding shares carrying more than fifty per centum (50%) of the voting rights.

However, the Offeror having already acquired 50.1% of the voting rights of the Offeree as at the date of this announcement, the Offeror states that this offer has become “unconditional as to acceptance”.

It must be noted that “**acceptance**” by a shareholder shall mean the acceptance according to the procedure that will be set out in the offer document (which is to be dispatched) being complied with.

“**Unconditional as to acceptance**” shall mean; “*The Offeror must accept and pay for all shares tendered at the offer price while the shareholders of the Offeree lose their right to withdraw the shares*”.

5. FURTHER DETAILS OF THE OFFER

A detailed Mandatory Offer Document giving other relevant information including the period during which the offer would be kept open in terms of the aforesaid Company Takeovers and Mergers Code, will be forwarded to all shareholders of the Offeree within thirty-five days from the date of incurring the obligation to make the mandatory offer.

A shareholder who does not receive a copy of the Mandatory Offer Document due to a postal delay or any other reason is advised to collect the Mandatory Offer Document from the Registrars to the Offer ;

SSP Corporate Services (Pvt.) Limited,

101, Inner Flower Road,

Colombo 03

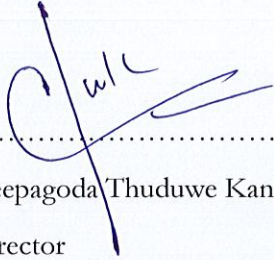
Tel. 94-112573894/ 011 2576871

E-mail; sspsec@sltnet.lk

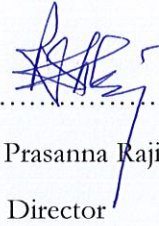
The Board of Directors of Ceyline Investments (Pvt.) Ltd., hereby declare and confirm that this announcement has been seen and approved by the Board and that they accept full responsibility for the accuracy and completeness of the information given in this announcement and confirms to the best of its knowledge that there are no other facts, the omission of which would make any statements herein to become misleading.

By Order of the Board

Ceyline Investments (Pvt.) Ltd.



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Deepagoda Thuduwe Kankanamge Chathura Lakindu
Director



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Prasanna Rajiv Cassie Chitty
Director

On this 19th day of July 2023.