

C T Holdings PLC
Co. Reg. No. PQ 210

Circular to the Shareholders

THIS DOCUMENT IS OF VALUE AND WARRANTS YOUR CAREFUL CONSIDERATION

IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT
YOUR STOCKBROKER OR OTHER INDEPENDENT PROFESSIONAL ADVISOR IMMEDIATELY

Dear Sir/Madam

PROPOSED REPURCHASE OF SHARES

The Board of Directors of CT Holdings PLC (CTHR) resolved by circulation on 23 July 2020 to:

1. Authorize the Board of Directors to carry out a single repurchase of shares up to a maximum of 5% of the ordinary voting shares of CT Holdings PLC on a pro-rata basis applicable to all shareholders within a period of twelve months from the date of the ordinary resolution being approved at an Extra Ordinary General Meeting or prior to the next Annual General Meeting of the shareholders of the Company, whichever is earlier, solely at the discretion of the Board of Directors at an appropriate time within the above mentioned time frame at a share price that is fair and reasonable
2. Call an Extra Ordinary General Meeting to obtain shareholder approval for the resolution

The share repurchase is subject to the requirements of the Companies Act No. 07 of 2007 and the rules of the Colombo Stock Exchange (CSE) and appropriate regulatory authorities (as applicable) being complied with.

Justification for repurchase of shares

The Board of Directors of CTHR is of the view that the current share price of the Company does not reflect the value of the Company and growth prospects of its underlying businesses and therefore presents an opportunity for CTHR to repurchase its own shares.

The COVID 19 pandemic has caused many challenges in calling of shareholder meetings and regulations require adherence to health and safety guidelines when conducting such meetings. Given that the Articles of Association of CTHR require shareholder approval to proceed with a repurchase of shares, the Board of Directors deemed that it would be appropriate to obtain the approval to carry out a repurchase of shares during a period of twelve months from the date of EGM or prior to the next AGM of the shareholders of the Company, whichever is earlier due to the prevailing challenging environment. Furthermore, this will provide the Board of Directors the flexibility to make the appropriate decision at a suitable time taking into consideration the best interest of all stakeholders of the Company

Whilst the Board of Directors view that the current environment and share price of the Company are conducive to effect the repurchase, the continued recovery of the businesses in Q1 and Q2 of FY 2021 would be considered prior to proceeding with the repurchase, as determined by the Board.

CTHR made a disclosure detailing the impact of COVID 19 on its business on 1 June 2020. A copy of the disclosure is enclosed herewith.

In the event the Board of Directors resolve to proceed with the repurchase of shares as stated above:

CTHR will make an announcement to the Colombo Stock Exchange (CSE) of the decision of the Board to re-purchase shares, immediately upon such decision being made, followed by a Circular to the Shareholders containing the following information

- The maximum number of shares to be re-purchased which will be limited to a maximum of 5% of the ordinary voting shares of CTHR
- The price per share at which the re-purchases is to be carried out
- The reserves out of which the re-purchase is to be carried out
- The proportion in which the shares are to be re-purchased
- The proposed date of commencement and closing of the offer to re-purchase
- The date of entitlement
- Instructions containing the procedure to the acceptance of offer
- Form of Acceptance
- Payment date

The Repurchase offer will be applicable to all shareholders on a pro rata basis

Shareholder may accept the offer in full, or in part thereof, or reject. The shareholder will also be given the option to sell more number of shares than on offer.

In the event a shareholder rejects the offer, or accept it only in part, CTHR will be permitted to re-purchase such shortfall of shares from any other shareholder/s who give their consent to sell more than the number of shares on offer to each shareholder. In the event the number of such additional shares exceeds the maximum number of shares that CTHR is proposing to re-purchase, the number of additional shares shall be reduced on a pro- rata basis.

The company is yet to determine the Reserve from out of which the repurchase is to be carried out.

In the event the Board of Directors decide not to proceed with re purchase of shares as proposed, an announcement will be made to the CSE of the decision of the Board not to re-purchase shares, immediately upon such decision being made.

Accordingly, attached hereto is a Notice convening an Extraordinary General Meeting of the Company setting out the requisite resolution to be passed by the Members in order to approve the proposed authorization of the Board of Directors to carry out a single repurchase of shares as aforesaid.

If you are unable to attend the Extraordinary General Meeting you are entitled to appoint a Proxy to attend and vote on your behalf. If such be the case, please complete and return the attached Form of Proxy to the Registered Office of the Company not less than 48 hours before the time appointed for the holding of the Meeting so that your Proxy can represent you thereat and exercise your vote in accordance with your directions.

By order of the Board
C T Holdings PLC



(Signed)
S L W Dissanayake
Company Secretary

Colombo
07 October 2020

C T Holdings PLC.

Co. Reg. No. PQ210
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29 May 2020

Fax No. 2448925
Attention: Mr. Renuke Wijayawardhane

Chief Regulatory Officer
Colombo Stock Exchange
04-01 West Block
World trade Centre
Echelon Square
Colombo 1

Dear Sir

CORPORATE DISCLOSURE GUIDANCE NOTE ON DISCLOSURE TO BE MADE ON THE IMPACT OF COVID - 19

The below disclosure is made pursuant to Circular No: 04-05-2020 dated 9th May 2020 of the Colombo Stock Exchange.

The Covid-19 pandemic presently affecting most parts of the world was detected in Sri Lanka in March 2020. In response, the Government of Sri Lanka imposed work from home on 17th March 2020 and subsequently a total lock down on 20th March 2020. The curfew is now being released in stages across the country. The immediate response of the Government of Sri Lanka to the threat posed by the spread of Covid-19 virus and the steps taken, resulted in relatively low levels of infection and casualties in the Country compared to many other parts of the world. Easing of the curfew and the slow return to normalcy, gives us the confidence that a climate conducive to normal economic activities would soon be created across the island.

Overall Impact

C T Holdings PLC, is an investment holding company, with substantial day to day operational activities being carried out only at subsidiary and Associate company level. The listed subsidiaries, Cargills (Ceylon) PLC and C T Land Development PLC have made detailed disclosures in respect of the impact of the Covid-19 virus on the day to day operations of the Company / Group and therefore not repeated here.



COLOMBO STOCK EXCHANGE

Uthirika
01/6/2020

Of the other segments of the Group, the Banking sector, under Cargills Bank, continued operations throughout the lockdown period whereas the Financial Services sector was not operational during the period due to the closure of the Colombo Stock Exchange. All investment properties of the Group were shut down during the lockdown and all cinemas operated by the subsidiary, Ceylon Theatres (Pvt) Ltd have been shut down since 15th March 2020 and not yet reopened, pending Government approval for reopening.

Response to the impact of the COVID – 19 pandemic

The Group's focus during the period centered primarily around the health, safety and well being of the staff, protection of property plant & equipment, and expenditure controls to mitigate the adverse financial impact of the pandemic. The Retail & Wholesale Distribution sector and FMCG sector focused on continuation, as far as possible, of the operations in a safe and secure manner in order to supply essential goods to the public during the lockdown period and also support our partners in the dairy and agri sector through continuation of buying and timely settlement.

The above necessitated reassignment / relocation of staff, work from home arrangements and education and training to staff on the effects of the virus and protective measures to be taken. Arrangements were also worked out with Banks to facilitate the new working environment. Every effort was made to identify cost saving opportunities and speedily implement such measures with minimal impact to ongoing operations. This also involved re-engineering some of the internal processes in order to reduce operational expenses. These steps ensured the continued viability of the operations of the Group as a whole.

The Company and subsidiaries have adequate cash and / or credit lines to meet all ongoing operational and financial commitments. There have been no significant changes in the terms of borrowings from financial institutions. The impact on assets and any requirement for provisioning continues to be assessed.

Future impact and financial condition

The prospects for the future are largely dependent on macro economic factors connected to the impact of the Covid-19 virus in Sri Lanka and other parts of the globe. Sustained adversity on a global level will have implications for the operations of the Group due to the possible adverse impact on purchasing power, cost and availability of imported food items, borrowing costs etc. The Group has installed processes for these factors to be regularly monitored and take action accordingly.

Financial Reporting

The disruptions as mentioned above caused a delay in accounting, audit and financial reporting as well. The Group is devoting all its resources to catch up on the delays and fulfill its obligations for timely reporting of financial information. However, at this stage, we expect a delay of about one month to release the quarterly Financial Statements of the C T Holdings PLC and subsidiaries for the period ended 31st March 2020. The Annual Report will be released within the original reporting timelines of the CSE. Accordingly, as required by Circular No: 03-04-2020 of the Colombo Stock Exchange, we provide herewith the following information:

- Turnover (Group) – Rs.108,089,337,000 (2019/20), Rs.95,547,360,000 (2018/19)
- Turnover (Company) – Nil (2019/20), Nil (2018/19)

Investors are urged to exercise caution in trading in the securities of the company in view of the delays in the release of the quarterly financial statements. We do not foresee any other delays other than in the release of the quarterly statements for the period ended 31st March 2020.

The Company has informed its directors, Key Management Personnel and other related parties who have access to unpublished price-sensitive information not to trade in the securities of the Company or subsidiaries during the delayed period of information submission.

Conclusion

In closing we wish to state that despite the setbacks brought about by the Covid-19 pandemic, the adverse impact on the operations and financial position of the Company have been minimised through the mitigating actions taken by the management of the Company and the spread of the virus in the country being largely contained at present. Due to the many variables, the Group will review and proceed cautiously with its previously planned capital projects. Further, the release of the lockdown and opening of the economy will enable the company to return to pre-covid operational level and continue to serve customers across all districts of the country.

Sincerely

C T Holdings PLC



V R Page

Deputy Chairman / Managing Director