



MULLER & PHIPPS (CEYLON) PLC

1st March, 2024.

Our Ref: SEC/M&P/904

Mr. R. Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 4 – West Tower
World Trade Centre
Echelon Square
Colombo 1.

Dear Sir,

DISCLOSURE UNDER SECTIONS 8 AND 9 OF THE CSE LISTING RULES

We write in terms of Sections 8 and 9 of the Listing Rules of the Colombo Stock Exchange.

EQUITY INVESTMENT OF RS.270 MN. IN SUBSIDIARY COMPANY MULLER & PHIPPS (HEALTH CARE) LIMITED (MPHC)

The Board of Directors of Muller & Phipps (Ceylon) PLC ("the Company" or M&P) have resolved to invest Rs. 270 Mn. in the Equity Capital of its Subsidiary Company Muller & Phipps (Health Care) Limited (MPHC) which is engaged in the business of importing and selling Drugs and Pharmaceuticals. The issue price of a MPHC share is placed at Rs. 1/- per share based on which the Company would invest in 270,000,000 Ordinary Shares of MPHC.

The aforesaid investment would be on the basis that M&P has agreed to the acceptance of 154,547,798 MPHC shares in settlement of the amounts due to M&P from MPHC to the extent of Rs.154,547,798/- and by a direct investment of Rs.115,452,202/- in 115,452,202 shares of MPHC.

The aforementioned transactions and the funding for the said direct investment of Rs.115,452,202/- would amount to major transactions in terms of Section 185 of the Companies Act No.07 of 2007 and will be subject to the approval of the shareholders being obtained at General Meeting.

In terms of Section 9 of the Listing Rules, the aforementioned transactions of the Company would amount to Related Party Transactions (RPT) as defined by the Sri Lanka Accounting Standards. The Related Party Transactions Review Committee of the Company is of the view that the transaction is on usual commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and its shareholders as a whole and is not prejudicial to the interests of the Company and its minority shareholders and have considered the Management valuation from Muller & Phipps (Health Care) Limited prior to forming its view on the transactions. The said RPT would also be subject to the sanction of the shareholders being obtained at a General Meeting by way of a Special Resolution, in terms of Section 9.14.6 (1) (A) of the Listing Rules of the Colombo Stock Exchange.

As required by the Listing Rules, we confirm that the Aggregate Value of all Related Party Transactions with MPHCL for the financial period 2023/2024 is Rs. 75,212,105/35 and the overall Aggregate Value of all Non recurrent Related Party Transactions of the Company for the same period is Rs. 63,100,000/- .

Yours faithfully

By Order of the Board

MULLER & PHIPPS (CEYLON) PLC

CORPORATE MANAGERS & SECRETARIES (PVT) LTD.



Secretaries