

24 July 2020

Mr Renuke Wijayawardhana,
Chief Regulatory Officer,
Colombo Stock Exchange,
Level 04 – 01, West Tower
World Trade Center,
Colombo - 01

Dear Sir,

PROPOSED REPURCHASE OF SHARES – CARGILLS (CEYLON) PLC

The Board of Directors of Cargills (Ceylon) PLC (CCP), resolved by circulation on 23 July 2020 to seek shareholder approval to authorize the Board of Directors to carry out a single repurchase of shares of the Company on a pro-rata basis applicable to all shareholders up to a maximum of 5% of the issued number of shares within a period of twelve months from the date of the resolution being passed at an Extra Ordinary General Meeting (EGM) or prior to the next Annual General Meeting (AGM) of the shareholders of the Company, whichever is earlier. The aforementioned repurchase of shares will be executed solely at the discretion of the Board of Directors at an appropriate time within the mentioned time frame at a share price that is fair and reasonable.

Justification for repurchase of shares

The Board of Directors of CCP 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 CCP 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 CCP 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 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.

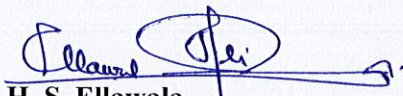
Accordingly, an EGM would be held to obtain the approval of the shareholders by an ordinary resolution authorizing the Board of Directors of Cargills (Ceylon) PLC to carry out a single repurchase of the shares of the Company on a pro-rata basis applicable to all shareholders up to a maximum of 5% of the issued number of shares within a period of twelve months from the date of the resolution being passed at an EGM or prior to the next AGM of the shareholders of the Company, whichever is earlier at a price and on terms that are fair and reasonable.

This 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 (if any) being complied with.

The date and venue of the EGM will be notified shortly.

Attached herewith please find the certified extract of the relevant Article (13) of the Articles of Association of the Company applicable to re-purchase of shares.

Yours faithfully,
CARGILLS (CEYLON) PLC


H. S. Ellawala
COMPANY SECRETARY

EXTRACT OF ARTICLE 13 OF THE ARTICLES OF ASSOCIATION OF CARGILLS (CEYLON) PLC

REPURCHASE OF SHARES

13. The Company may agree to purchase or otherwise acquire any of its own shares subject to the approval of the Shareholders by Ordinary Resolution. Power to acquire own shares.

CERTIFIED TRUE COPY
CARGILLS (CEYLON) PLC

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Company Secretary
Date 23.10.2020 .