



# **MELSTACORP LIMITED**

## **INTRODUCTORY DOCUMENT**

**Listing of 1,165,397,072 Voting Ordinary Shares**

**To be Listed on the Main Board of the Colombo Stock Exchange**

**At a Reference Price of LKR 69.00**

**Financial Advisors and Managers to the Introduction:**



CT CLSA Capital (Pvt) Ltd  
(A CT Holdings Group and CLSA Group Company)  
# 4-15A, Majestic City,  
10, Station Road,  
Colombo 04.  
Tel : +94 11 250 3523  
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## **Registration of the Introductory Document**

A copy of this Introductory Document has been delivered to the Registrar General of Companies in Sri Lanka for registration. The following documents were also attached to the copy of the Introductory Document delivered to the Registrar General of Companies.

### *1) The written consent of the Financial Advisors and Managers to the Introduction*

The Financial Advisors and Managers to the Introduction have given and have not before the delivery of a copy of the Introductory Document for registration withdrawn their written consent for the inclusion of their name as Financial Advisors and Managers to the Introduction and for the inclusion of their statements/declarations in the form in which it is included in the Introductory Document.

### *2) The written consent of the Auditors and Reporting Accountants to the Company*

The Auditors and Reporting Accountants to the Company have given and have not before the delivery of a copy of the Introductory Document for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and for the inclusion of their report/statements in the form and context in which it included in the Introductory Document.

### *3) The written consent of the Bankers to the Company*

The Bankers to the Company have given and have not before the delivery of a copy of the Introductory Document for registration withdrawn their written consent for the inclusion of their name as Bankers to the Company in the Introductory Document.

### *4) The written consent of the Company Secretary*

The Company Secretary has given and has not before the delivery of a copy of the Introductory Document for registration withdrawn their written consent for the inclusion of their name as Company Secretary in the Introductory Document.

### *5) The Declarations by the Directors*

A declaration made by each of the directors of the company confirming that each of them have read the provisions of the Companies Act relating to an issue of a Prospectus, and that those provisions have been complied with in the Introductory Document.

## **Representation**

No person is authorized to give any information or make any representation not contained in this Introductory Document and if given or made, any such information or representation must not be relied upon as having been authorized by the company.

## **Registration of the Introductory Document in Jurisdictions outside Sri Lanka**

This Introductory Document has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdictions of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making their investment.

**This Introductory Document is dated 28<sup>th</sup> December 2016**

## TABLE OF CONTENTS

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<b>1.0</b>	<b>DETAILS OF THE COMPANY</b> .....	<b>7</b>
<b>2.0</b>	<b>DIRECTORS</b> .....	<b>9</b>
2.1	Profile of Board of Directors .....	9
2.2	Directors' Shareholdings in the Company .....	13
2.3	Directors' Emoluments .....	14
2.4	Directors' Interests.....	14
2.5	Directors' Interest in Assets.....	14
2.6	Directors' Involvement in Litigation and Offences .....	14
<b>3.0</b>	<b>CAPITAL STRUCTURE</b> .....	<b>15</b>
3.1	Details of Share Issues for the two years prior to Introductory Document.....	15
3.2	Redemption, Re-purchase or Reduction of Stated Capital for the 2 years prior to Introductory Document. ....	15
3.3	Share Reconciliation.....	16
3.4	Nature of the Existing Shares .....	16
3.5	Minimum Public Holding .....	17
3.6	Locked-In Shares.....	17
3.7	Details of Convertible Debt Securities .....	17
3.8	Details of Securities subscribed or sold privately .....	18
3.9	Statutory restrictions on the free transferability of Securities .....	18
<b>4.0</b>	<b>PROFILE OF THE ENTITY</b> .....	<b>19</b>
4.1	Profile of the Company .....	19
4.2	Details of the Ten Largest Shareholders of the Company as at 19 <sup>th</sup> December 2016:.....	20
4.3	Details of the Non Public Shareholders of the Company as at 19 <sup>th</sup> December 2016:.....	20
4.4	Public Shareholding in Melstacorp Limited as at 19 <sup>th</sup> December 2016:.....	20
4.5	Degree of dependence on key Customers and Suppliers .....	20
4.6	Details of the Group Structure – Post-Restructure .....	21
4.7	Number of Employees in the Company/Group.....	22
4.8	Collective Agreements.....	22
4.9	Future Plans, Assumptions on which future plans are based and risks associated with such plans .....	23
4.10	Takeover Offers.....	26
<b>5.0</b>	<b>MANAGEMENT</b> .....	<b>27</b>
5.1	Managing Director .....	27
5.2	Senior Management of the Company/Group .....	27
5.3	Senior Management's Emoluments .....	28
5.4	Material Contracts .....	28
5.5	Details of Commissions paid .....	28
<b>6.0</b>	<b>LITIGATIONS, DISPUTES AND CONTINGENT LIABILITIES</b> .....	<b>29</b>
6.1	Details of any Legal, Arbitration or Mediation Proceedings .....	29
6.2	Details of Penalties imposed by Regulatory and State Authorities .....	30
6.3	Statement of Contingent Liabilities .....	30

<b>7.0</b>	<b>FINANCIAL INFORMATION</b> .....	<b>31</b>
7.1	Audited Financial Statements.....	31
7.2	Interim Financial Statements .....	31
7.3	Proforma Financial Statements.....	31
7.4	Forecasted Financial Statements.....	31
7.5	Sector Analysis.....	31
7.6	Audited 5 Year Summary .....	31
7.7	Research Report .....	31
7.8	Dividend Policy .....	31
7.9	Details of Loan Capital Outstanding as at 30 <sup>th</sup> September 2016 – (Post Arrangement) .....	31
7.10	Details of Term Loans and Other Borrowings as at 30 <sup>th</sup> September 2016 – (Post Arrangement).....	32
7.11	Details of Leasing and Hire Purchase Commitments as at 30 <sup>th</sup> September 2016 – (Post Arrangement).....	32
7.12	Details of Guarantees and Other Contingent Liabilities as at 30 <sup>th</sup> September 2016 – (Post Arrangement).....	32
7.13	Details of Mortgages and Charges on Assets as at 30 <sup>th</sup> September 2016 – (Post Arrangement) .....	33
7.14	Taxation.....	34
<b>8.0</b>	<b>REFERENCE PRICE</b> .....	<b>35</b>
8.1	Qualitative Factors .....	35
8.2	Quantitative Factors.....	36
8.3	Issue of Shares during the last 12 months .....	38
<b>9.0</b>	<b>CORPORATE GOVERNANCE PRACTICES</b> .....	<b>39</b>
9.1	Details of Independent Directors.....	39
9.2	Remuneration Committee.....	39
9.3	Audit Committee .....	39
9.4	Related Party Transactions Review Committee .....	39
<b>10.0</b>	<b>OTHER INFORMATION</b> .....	<b>40</b>
<b>11.0</b>	<b>DECLARATION BY THE DIRECTORS</b> .....	<b>41</b>
ANNEXURE I	..... Audited Financial Statements for FY16	
ANNEXURE II	..... Interim Financial Statements as at 30 <sup>th</sup> September 2016	
ANNEXURE III	..... Proforma Financial Statements as at 30 <sup>th</sup> September 2016	
ANNEXURE IV	..... Three Year Forecasted Financial Statements	
ANNEXURE V	..... Sector Analysis	
ANNEXURE VI	..... Audited 5 Year Summary	
ANNEXURE VII	..... Research Report	

## GLOSSARY OF TERMS AND ABBREVIATIONS

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BBH	-	Browns Beach Hotels PLC
BOI	-	Board of Investment of Sri Lanka
BPL	-	Balangoda Plantations PLC
CAGR	-	Compounded Annual Growth Rate
CBSL	-	Central Bank of Sri Lanka
CIL	-	Continental Insurance Lanka Limited
CSE	-	Colombo Stock Exchange
DIST	-	Distilleries Company of Sri Lanka PLC
DPS	-	Dividends Per Share
FLAG	-	Fiber-Optic Link Around the Globe
FY	-	Financial Year
HNB	-	Hatton National Bank PLC
LBL	-	Lanka Bell Limited
LC	-	Letter of Credit
LTE	-	Long Term Evolution
MADU	-	Madulsima Plantations PLC
MCRP	-	Melstacorp Limited
MERF	-	Melsta Regal Finance Limited
MHL	-	Milford Holdings (Pvt) Limited
NAV	-	Net Asset Value per Share
PCEYL	-	Periceyl (Pvt) Ltd
PLC	-	Public Limited Company
PSIP	-	Pelwatte Sugar Industries PLC
Rs. / LKR	-	Sri Lankan Rupees
SCB	-	Standard Chartered Bank
SEC	-	Securities and Exchange Commission of Sri Lanka
SLIC	-	Sri Lanka Insurance Corporation
SLT	-	Sri Lanka Telecom PLC
SPEN	-	Aitken Spence PLC
SSPA	-	Share Sale and Purchase Agreement
USD	-	United States Dollar
YoY	-	Year on Year

## RELEVANT PARTIES TO THE INTRODUCTION

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<b>Financial Advisors and Managers to the Introduction</b>	CT CLSA Capital (Pvt) Ltd # 4-15A, Majestic City, 10, Station Road, Colombo 04. Tel : +94 11 250 3523 / 258 4843 Fax : +94 11 258 0181
<b>Auditors and Reporting Accountants to the Introduction</b>	Messrs. KPMG 32A, Sir Mohamed Macan Marker Mawatha, Colombo 03.
<b>Registrars to the Introduction</b>	P W Corporate Secretarial (Pvt) Ltd 3/17, Kynsey Road, Colombo 08.

## 1.0 DETAILS OF THE COMPANY

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<b>Name of Company</b>	Melstacorp Limited
<b>Legal Form</b>	Public Limited Liability Company
<b>Company Registration No.</b>	PV11755 PB
<b>Registered Address</b>	110, Norris Canal Road, Colombo 10.
<b>Date of Incorporation</b>	Incorporated on 02 <sup>nd</sup> March 1998 under the Companies Act No. 17 of 1982, as a Private Limited Company and re-registered under the Companies Act No. 07 of 2007 on 13 <sup>th</sup> February 2009. Changed its status to a Public Limited Company on 08 <sup>th</sup> September 2011.
<b>Place of Incorporation</b>	Colombo
<b>Company Secretaries</b>	P W Corporate Secretarial (Pvt) Ltd 3/17, Kynsey Road, Colombo 08.
<b>Auditors to the Company</b>	Messrs. KPMG 32A, Sir Mohamed Macan Marker Mawatha, Colombo 03.
<b>Board of Directors</b>	Don Harold Stassen Jayawardena - <i>Chairman/ Director</i> Amitha Lal Gooneratne - <i>Managing Director</i> Cedric Royle Jansz - <i>Executive Director</i> Niranjan De Silva Deva Aditya - <i>Independent Non-Executive Director</i> Capt. Kolitha Jagath Kahanda - <i>Non-Independent Non-Executive Director</i> Dr. Adrian Naomal Balasuriya - <i>Independent Non-Executive Director</i> Don Hasitha Stassen Jayawardena - <i>Non-Independent Non-Executive Director</i> Ranjeewan Seevaratnam - <i>Independent Non-Executive Director</i> Vijayanthimala Jayathilleke Senaratne - <i>Alternative Director to Niranjan De Silva Deva Aditya</i>

**Bankers to the Company**

Commercial Bank of Ceylon PLC  
Commercial House - Foreign Branch  
21, Sir Razik Fareed Mawatha,  
P. O. Box 856,  
Colombo 01  
Tel : +94 11 5331544  
Fax : +94 11 537 7881

Bank of Ceylon  
04, Bank of Ceylon Mawatha,  
Colombo 01.  
Tel: +94 11 2204444  
Fax: +94 11 2321160

Hatton National Bank PLC  
417, Galle Road,  
Kalutara South  
Kalutara  
Tel : +94 34 2222152



## 2.0 DIRECTORS

### 2.1 Profile of Board of Directors

Name	Designation	Qualification & Experience	Directorships in Other Companies
<p>Don Harold Stassen Jayawardena</p> <p>No. 82, Main Street, Ja-Ela</p>	<p>Chairman/ Director</p>	<p>Mr. Harry Jayawardena is one the most successful and prominent business Magnates in Sri Lanka.</p> <p>He heads many successful ventures in diversified fields of business. He is the founder Director and the present Chairman / Managing Director of the Stassen Group of Companies.</p> <p>He is a former Director of Hatton National Bank PLC., one of the largest listed bank in Sri Lanka and former Chairman of Ceylon Petroleum Corporation and Sri Lankan Airlines.</p> <p>Mr. Jayawardena is the Honorary Consul for Denmark and was the only Sri Lankan honoured with the prestigious “Knight’s Cross of Dannebrog’ by Her Majesty, Queen Margrethe II of Denmark, for his significant contribution to the Danish arts, sciences and business life. He has also been awarded the title, “Deshamanya” in recognition of his services to the Motherland, since November 2005.</p>	<p>Aitken Spence Hotel Holding PLC Aitken Spence Hotel Managements Asia (Pvt) Ltd Aitken Spence PLC Ambewela Livestock Company Ltd Ambewela Products (Pvt) Ltd Balangoda Plantations PLC Bell Solutions (Private) Limited Bogo Power (Pvt) Ltd Browns Beach Hotels PLC C B D Exports (Pvt)Ltd Ceylon Garden Coir (Pvt) Ltd Distilleries Company of Sri Lanka PLC Indo Lanka Exports (Pvt) Ltd Lanka Bell (Pvt) Ltd Lanka Dairies (Pvt) Ltd Lanka Milk Foods (CWE) PLC Lanka Power Projects (Pvt)Ltd Madulsima Plantations PLC Milford Developers (Pvt) Ltd Milford Exports (Ceylon) (Pvt) Ltd Milford Holdings (Pvt) Ltd Negombo Beach Resorts(Pvt).Ltd Pattipola Livestock Company Ltd Periceyl (Pvt) Ltd, Stassen Exports (Pvt) Limited Stassen Foods (Pvt) Ltd Stassen International (Pvt) Ltd Stassen Natural Foods (Pvt) Ltd Stassen Plantations Management Services (Pvt) Ltd Stassen Real Estate Developers (Pvt) Ltd Telecom Frontier(Pvt) Ltd Texpro Industries Limited Timpex (Pvt) Ltd</p>

Name	Designation	Qualification & Experience	Directorships in Other Companies
<p>Amitha Lal Gooneratne <i>FCA (SL), FCA (Eng. &amp; Wales)</i></p> <p>No. 171/4, Model Farm Road, Colombo 08.</p>	<p>Managing Director</p>	<p>Mr. Amitha Gooneratne has held several senior positions at Commercial Bank of Ceylon PLC and served as the Managing Director from 1996 to April 2012. He is a Fellow of the Institute of Chartered Accountants, United Kingdom and Wales and a Fellow of the Chartered Accountants of Sri Lanka. He was the Founder Chairman of the Financial Ombudsman Sri Lanka (Guarantee) Ltd., and former Chairman of the Sri Lanka Banks' Association (Guarantee) Ltd. He was also the Managing Director of Commercial Development Company PLC, a Public Quoted Company listed in the CSE and was the Chairman of Commercial Insurance Brokers (Pvt) Limited. He was also nominated to the Board of Sri Lankan Airlines during 2002–2004 by the Government of Sri Lanka.</p>	<p>Balangoda Plantations PLC Bell Solutions (Pvt) Limited Bellvantage (Pvt) Limited Bogo Power Limited Browns Beach Hotel PLC Commercial Development Company Limited. Continental Insurance Lanka Limited Lanka Bell Limited Lanka IOC PLC Melsta Logistics (Pvt) Limited Melsta Regal Finance Limited, Periceyl (Pvt) Limited Telecom Frontier (Pvt) Limited Texpro Industries Limited Textured Jersey Lanka PLC Timpex (Pvt)Limited</p> <p>Alternate Director to Mr. N. de S. Deva Aditya on the Boards of Distilleries Company of Sri Lanka PLC and Aitken Spence PLC</p>
<p>Cedric Royle Jansz</p> <p>No. 34A, Lumbini Avenue, Pirivena Road, Ratmalana</p>	<p>Executive Director</p>	<p>Mr. Jansz is the Chairman of DFCC Bank PLC and a former Chairman of Sri Lanka Shippers Council and a former member of the National Trade Facilitation Committee of Sri Lanka. He has many years of experience in logistics and in documentation, insurance, banking and finance relating to international trade.</p> <p>Mr. Jansz holds a Diploma in Banking and Finance from the London Guildhall University, UK. He is a Chevening Scholar and a UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.</p>	<p>Ambewela Livestock Company Ltd Ambewela Products (Pvt) Ltd Balangoda Plantations PLC DFCC Bank PLC Distilleries Company of Sri Lanka PLC Indo Lanka Exports (Pvt) Ltd Lanka Bell Limited Lanka Dairies (Pvt) Limited Lanka Milk Foods (CWE) PLC Lanka Power Projects (Pvt) Limited Milford Holdings (Pvt) Limited Pattipola Livestock Company Limited Periceyl (Pvt) Limited</p>

Name	Designation	Qualification & Experience	Directorships in Other Companies
<p>Niranjan De Silva Deva Aditya <i>DL, FRSA</i></p> <p>No. 20 Castle Street, Colombo 08</p>	<p>Independent Non- Executive Director</p>	<p>Mr. Niranjan Deva Aditya, is an Aeronautical Engineer, Scientist and Economist, is a Conservative Member of the European Parliament elected from the SE England. He is the Vice President of the Development Committee; ECR coordinator, Chairman of the European Parliament's Delegation for Relations with the Korean Peninsula and Conservative Spokesman for Overseas' Development and Co-operation.</p> <p>He was the Co Leader of the Parliamentary Delegation to the UN World Summit and General Assembly 2006, Chairman Working Group A of Development Committee overseeing Asia, Central Asia and Far East; - Co Coordinator Assembly of 79 Parliaments of the EU-ACP 2004 and the President EU India Chamber of Commerce from 2005. In 2012 he stood for and came runner-up, beating the Liberal candidate into 3rd place to be the President (Speaker) to the European Parliament. He was the first Asian to be elected as a Conservative Member of British Parliament, first Asian MP to serve in the British Government as PPS in the Scottish Office and first Asian born MP to be elected to the European Parliament. He was nominated as a candidate to succeed Kofi Annan as Secretary General to the UN in 2006.</p> <p>He is a Hon. Ambassador without portfolio for Sri Lanka; the first Asian to be appointed as Her Majesty's Deputy Lord Lieutenant for Greater London, representing The Queen on official occasions since 1985; awarded the honor "ViswaKirithi Sri Lanka Abhimani" by the Buddhist Clergy for his Services to Sri Lanka and given the Knighthood with Merit of the Sacred Constantin an Military Order of St. George for his global work on poverty eradication. He is a Fellow of the Royal Society for Arts, Manufacture and Commerce (Est:1765).</p>	<p>Aitken Spence PLC Ceylon Hotel Services PLC Distilleries Company of Sri Lanka PLC MTD Walkers Group PLC Serene Residencies (Pvt) Ltd.</p>

Name	Designation	Qualification & Experience	Directorships in Other Companies
<p>Capt. Kolitha Jagath Kahanda</p> <p>No. 311/17, River Place Garden, Waratanna, Halouwa, Kandy.</p>	<p>Non-Independent Non-Executive Director</p>	<p>Captain Kahanda joined DIST in 1993 as Regional Manager (Central Region) and was appointed a Director in December 2006. Being a former officer of the Sri Lanka Army, he spearheaded the re organisation of the operations of the Central Region since privatisation. He is involved in logistics, distribution and security matters in the Group</p>	<p>Distilleries Company of Sri Lanka PLC G4S Security Services (Pvt) Ltd Melsta Properties (Pvt) Ltd Pelwatte Sugar Industries PLC</p>
<p>Dr. Adrian Naomal Balasuriya</p> <p><i>MBBS [Sri Lanka], MBA [Sri. J], CIM [UK], MCGP [SL], MSLIM, MIMSL</i></p> <p>No. 222/5, Cotta Road, Colombo 08.</p>	<p>Independent Non-Executive Director</p>	<p>Dr. Naomal Balasuriya, a medical doctor turned-entrepreneur is internationally sought after as a life changing motivational speaker. His professional expertise ranges from medicine, military, management, marketing, mentoring to motivational speaking. He holds both the Master of Business Administration (MBA) and CIM (UK) qualifications. Having worked in the government sector, private sector and the Sri Lanka Air Force as a medical doctor, he now leads his entrepreneurial training company, Success Factory.</p>	<p>Company Doctors (Pvt) Ltd Distilleries Company of Sri Lanka PLC Peace of Mind Residencies (Pvt) Ltd Success Factory (Pvt) Ltd</p>
<p>Don Hasitha Stassen Jayawardena</p> <p><i>BBA (Hons) (UK)</i></p> <p>No. 82, Main Street, Ja-Ela</p>	<p>Non-Independent Non-Executive Director</p>	<p>Mr. Hasitha Jayawardena holds a Bachelor's Degree in Business Administration BBA (Hons) from the University of Kent in the United Kingdom.</p> <p>Mr. Jayawardena joined Stassen Group in February 2013.</p> <p>Mr. Jayawardena has also worked as an Intern at the Clinton Global Initiative programme (CGI) in New York in 2007.</p>	<p>C.B.D. Exports (Pvt) Ltd Ceylon Garden Coir (Pvt) Ltd Distilleries Company of Sri Lanka PLC Mcsen Range (Private) Ltd Milford Developers (Pvt) Ltd Milford Exports (Ceylon) (Pvt) Ltd Periceyl (Pvt) Ltd Stassen Exports (Pvt) Ltd Stassen Foods (Pvt) Ltd Stassen International (Pvt) Ltd Stassen Natural Foods (Pvt) Ltd</p>

<b>Name</b>	<b>Designation</b>	<b>Qualification &amp; Experience</b>	<b>Directorships in Other Companies</b>
<p>Ranjeevan Seevaratnam <i>FCA (SL), FCA (Eng. &amp; Wales)</i></p> <p>19-4/6, No. 19, Station Court, Station Road, Colombo 06.</p>	<p>Independent Non-Executive Director</p>	<p>He is a Graduate of University of London in Chemistry, Botany and Zoology. He is a Fellow of the Chartered Accountants of England and Wales and Fellow of the Chartered Accountants of Sri Lanka. Mr. Seevaratnam was a Senior Partner of KPMG, Chartered Accountants, for a period of 30 years, where he was mainly involved with audits of banks, financial services and manufacturing companies. He was a designated banking partner in Sri Lanka. He is also a Non-Executive Independent Director of a number of Public Quoted Companies.</p>	<p>Acme Packaging Solutions (Pvt)Ltd Acme Printing &amp; Packaging PLC Alpha Apparels Ltd Benji Ltd Colombo Fort Land &amp; Building Co. PLC Colombo Fort Land Investments PLC Darley Butler PLC Diesel &amp; Motor Engineering PLC Distilleries Company of Sri Lanka PLC Green Farms Ltd Hayleys Advantis (Pvt) Ltd Hayleys Agricultural Holdings (Pvt) Ltd Hayleys Consumer (Pvt) Ltd Lanka Aluminium Industries PLC Lankem Ceylon PLC Metecno Lanka (Pvt) Limited Nestle Lanka PLC Omega Line Ltd Sirio Ltd Tea Small Holders Factories Ltd Tokyo Cement PLC</p>
<p>Vijayanthimala Jayathilleke Senaratne <i>Attorney-At-Law, Notary Public, Solicitor (Eng. &amp; Wales)</i></p> <p>No. 60/1, Malwatta Road, Dehiwala.</p>	<p>Alternative Director to Niranjan De Silva Deva Aditya</p>	<p>Ms. Senaratne was appointed as the Company Secretary of DIST in 1993. She was admitted to the Bar in 1977 and was enrolled as a Solicitor (England &amp; Wales) in June 1990. She also holds the position as Company Secretary of Periceyl (Pvt) Ltd .She also serves as a Director on the Board of Paradise Resort Pasikudah (Private) Limited, Amethyst Leisure Limited, DFCC Bank PLC and as an Alternate Director of Melstacorp Limited and Distilleries Company of Sri Lanka PLC.</p>	<p>DFCC Bank PLC Paradise Resort Pasikudah (Private) Limited Amethyst Leisure Limited</p> <p>Alternate Director of Distilleries Company of Sri Lanka PLC.</p>

## 2.2 Directors' Shareholdings in the Company

<b>Director's Name</b>	<b>No. of shares</b>
Don Hasitha Stassen Jayawardena	7,531,332

Other than disclosed above, there have been no shareholdings by the Directors of MCRP.

### **2.3 Directors' Emoluments**

Emoluments paid to Directors including bonus and/or profit sharing payments for the year ended 31<sup>st</sup> March 2016 is Rs. 37,416,667/- and the estimated emoluments including bonus and/or profit sharing payments payable to the Directors for the financial year ending 31<sup>st</sup> March 2017 would be Rs. 39,137,834/-.

### **2.4 Directors' Interests**

No Directors hold interest in any assets acquired disposed or leased by the Entity during the past two years preceding the Introduction. Further, it is not proposed that the Directors will hold any interest in assets to be acquired, disposed or leased during the two (2) years succeeding the Introduction.

The Directors hold no interest of any Contract or Arrangement in force at the date of the application (14<sup>th</sup> October 2016) in which a Director of the Entity is materially interested in relation to the business of the Entity

### **2.5 Directors' Interest in Assets**

There were no transactions relating to the property completed within the two (2) preceding years in which any vendor of the property to MCRP or any person who is or was at the time of the transaction, a promoter or a director or proposed director of MCRP had any interest, direct or indirect.

### **2.6 Directors' Involvement in Litigation and Offences**

No Director of the Company has been involved in:

- Any petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an Executive Officer.
- Any conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.
- No such Director was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### 3.0 CAPITAL STRUCTURE

#### 3.1 Details of Share Issues for the two years prior to Introductory Document

Date of Allotment	02 <sup>nd</sup> Jan 2015	24 <sup>th</sup> Mar 2015	01 <sup>st</sup> Aug 2016*	30 <sup>th</sup> Sep 2016**
Consideration received per share	Rs. 195/-	Rs. 195/-	Rs. 180/-	Rs. 11.75
Number of shares Issued	64,273,869	1,176,131	148,218,056	1,200,000,000
Total Consideration (Rs.)	12,533,404,455	229,345,545	26,679,250,080	14,100,000,000

On 1<sup>st</sup> August 2016, 413,668,056 (148,218,056 + 265,450,000) were consolidated to 1,000 Voting Ordinary Shares. On 19<sup>th</sup> December 2016, the 1,000 Voting Ordinary Shares were converted to 1,000 Non-Voting Ordinary Shares

\* 1<sup>st</sup> August 2016 – Refer table below

Description	No. of Shares	Consideration Per Share (Rs.)	Consideration (Rs.)
Settlement of intercompany balance with DIST	10,089,330	180.00	1,816,079,400
New Issue of shares to DIST (Payable by on demand Promissory Notes)	138,128,726	180.00	24,863,170,680
Total	148,218,056	180.00	26,679,250,080

\*\* 30<sup>th</sup> September 2016 - Issue of 4 new shares of Melstacorp for every 1 share held at DIST (DIST shares in issue 300 Mn) in terms of the "Arrangement" in terms of Part X of the Companies Act No. 07 of 2007 effective from 19<sup>th</sup> December 2016 being the date on which SEC approved the off-the-floor transfer of shares in DIST to the Company in exchange of the issue of shares of the Company, to the shareholders of DIST.

Apart from above, there were no share issues or share transfers during the period of two (02) years immediately preceding the date of this Introductory Document.

#### 3.2 Redemption, Re-purchase or Reduction of Stated Capital for the 2 years prior to Introductory Document.

Date	No. Of Shares	Share Price (Rs.)	Consideration (Rs.)
19 <sup>th</sup> December 2016	34,602,928	40.23	1,392,075,793

Apart from the above, there were no shares redeemed, re-purchased in terms of Section 63, 64, 66, 67, 68, 69, 93 and 100 of the Companies Act and of any reduction of Stated Capital in terms of section 59 of the Companies Act for the two years prior to the Introductory Document.

### 3.3 Share Reconciliation

Voting Ordinary Shares	No. of Shares	Value (Rs.)	Date
<b>Balance as at 1<sup>st</sup> April 2014</b>	<b>200,000,000</b>	<b>35,558,000,000</b>	-
Issue of shares for the Settlement of balance due to DIST	64,273,869	12,533,404,455	02-Jan-15
Issue of shares for the Settlement of balance due to DIST	1,176,131	229,345,545	24-Mar-15
<b>Balance as at 31<sup>st</sup> March 2015</b>	<b>265,450,000</b>	<b>48,320,750,000</b>	-
Shares issues during FY16	-	-	-
<b>Balance as at 31<sup>st</sup> March 2016</b>	<b>265,450,000</b>	<b>48,320,750,000</b>	-
Issue of shares for Promissory Note	138,128,726	24,863,170,680	01-Aug-16
Issue of shares for the Settlement of balance due to DIST	10,089,330	1,816,079,400	01-Aug-16
<b>Share Consolidation</b>	<b>1,000</b>	<b>75,000,000,080</b>	<b>01-Aug-16</b>
Issue of shares for the share SWAP	1,200,000,000	14,100,000,000	<b>30-Sep-16</b> (effective from 19 <sup>th</sup> December 2016)*
<b>Balance as at 30<sup>th</sup> September 2016</b>	<b>1,200,001,000</b>	<b>89,100,000,080</b>	-
Share Repurchase	(34,602,928)	-	19-Dec-16*
Conversion of 1,000 Voting Ordinary Shares into Non-Voting Ordinary Shares	(1,000)	-	19-Dec-16*
<b>Balance as at 19<sup>th</sup> December 2016</b>	<b>1,165,397,072</b>	<b>89,100,000,080</b>	-

Non-Voting Ordinary Shares	No. of Shares (No.)	Value (Rs.)	Date
Conversion of 1,000 Voting Ordinary Shares into Non-Voting Ordinary Shares	1,000	-	19-Dec-16*
<b>Balance as at 19<sup>th</sup> December 2016</b>	<b>1,000</b>	-	-

\* The company submitted the corrected details in relation to off-the-floor transfer application on 15<sup>th</sup> December 2016 to the SEC and SEC approved the off-the-floor transfer of shares in DIST to the Company in exchange of the issue of shares of the Company, to the shareholders of DIST on 19<sup>th</sup> of December 2016

### 3.4 Nature of the Existing Shares

1,165,397,072 (One Billion One Hundred and Sixty Five Million, Three Hundred and Ninety Seven Thousand, Seventy Two) Voting Ordinary Shares, in issue rank equal and pari-passu with each other in respect to voting rights and right to participate in any dividend declared to Ordinary Shareholders by the Company and a right to the distribution of the surplus assets of the Company on liquidation

There are 1,000 Ordinary Non-Voting Ordinary Shares in issue, held by DIST for which a Listing is not sought.



### 3.5 Minimum Public Holding

The Company as at the date of this Introductory Document has a Public Float of 42.71%, constituting 497,731,772 shares held by 10,534 public shareholders. Out of the 497,731,772 shares at least 1,000 public shareholders, hold not less than 100 shares each as required by Rule 2.1.2(d) of the Listing Rules of the CSE.

### 3.6 Locked-In Shares

In terms of the SEC letter dated 29<sup>th</sup> November, 2016, reference SEC/DG/2016/11/305, the Commission granted a waiver of the Listing Rules applicable to the Company, pertaining to the “Locked-In-shares” so that shares allotted to former shareholders of DIST, were excluded from the “Locked-In-shares” Rule.

The said letter also required the Company to lock the shares of deceased shareholders in the Register (65) and to continue the locking in of six (6) shareholders who have locked their shares voluntarily. Since then, three (3) out of those six (6) shareholders cancelled the locking “whilst the remaining three (3) shareholders continue with the locking. See the schedule below for details.

Additionally, the number of shares allotted to Non-Resident shareholders as referred to below have been locked in by the Company, as required by the Controller of Exchange, by letter dated 09<sup>th</sup> December 2016 reference 06/02/004/0582/001 until such time, proof of remittance of funds have been established by the applicable shareholders.

		Locked-in Shares	The time period after which the shares will be available for trading	No. of shares	No. of shares as a percentage of total number of shares in issue (%)
(i)	Non- Public	Not locked	Not applicable	665,721,012	57.124
(ii)	Non-Public (64 deceased shareholders)	Locked	Shares will be transferred to the “trading balance” upon completion of the transmission of shares to legal heirs, post obtaining approval of the SEC	591,052	0.051
(iii)	Non-Public (1 deceased Non-Resident shareholders)	Locked	Shares will be transferred to the “trading balance” upon completion of the transmission of shares to legal heirs, post obtaining approval of the SEC and the proof of remittance of funds by the original shareholder is established	52,000	0.004
(iv)	Non-Public (62 Non-Resident shareholders)	Locked	Shares will be transferred to the “trading balance” upon proof of remittance of funds by the original shareholders is established	1,301,236	0.112
(v)	Public (3 shareholders locked in voluntarily)*	Locked	Shares will be transferred to the “trading balance” upon the shareholder transferring their DIST shares to trading balance, post obtaining approval of the SEC	5,604	0.000
(vi)	Public*	Not locked	Not applicable	497,726,168	42.709
			<b>Total</b>	<b>1,165,397,072</b>	<b>100.000</b>

\*Shareholders referred to in (v) and (vi) above, constituting 42.71% shareholding held by 10,534 shareholders as at 19<sup>th</sup> December 2016 are considered as public shareholding (public float).

The Company hereby confirms that the information furnished herein shall remain unchanged until the Date of Listing.

### 3.7 Details of Convertible Debt Securities

The Company has not issued any convertible Debt Security as of the date of the Introductory Document.

### **3.8 Details of Securities subscribed or sold privately**

There were no securities of the same or another class which are subscribed or sold privately as of the date of the Introductory Document.

### **3.9 Statutory restrictions on the free transferability of Securities**

There are no statutory restrictions on the free transferability of the Shares of the Company.

Since the 1,165,397,072 Shares for which a Listing is sought from the CSE have been allotted pursuant to the Arrangement to DIST Shareholders during the period of twelve (12) months prior to the date of the Initial Listing application made by the Company, the Company on 18<sup>th</sup> October 2016, made an Application to the SEC, seeking a Waiver from the Application of Rule 2.1.1 (f) (iv) of the Listing Rules of the CSE. The SEC on 29<sup>th</sup> November 2016 granted the Waiver (please see 3.6 for details of the Waiver).

## 4.0 PROFILE OF THE ENTITY

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### 4.1 Profile of the Company

Melstacorp Limited (MCRP) is a diversified conglomerate domiciled in Sri Lanka with its business interest spanning Beverage, Plantations, Telecommunication, Financial Services and Other Diversified Sectors. The Distilleries Company of Sri Lanka PLC, the market leader in the hard alcohol segment in the country, Balangoda Plantations PLC and Browns Beach Hotels PLC are subsidiaries of the MCRP Group which are listed on the Colombo Stock Exchange (CSE). Furthermore CSE listed conglomerate Aitken Spence PLC and Madulsima Plantations PLC are associate companies of MCRP. The Group employs a staff cadre of approximately 12,700.

#### **Beverage Sector**

The Beverage sector comprises operations across two companies, DIST Alcohol Company and Periceyl (Pvt) Ltd (PCEYL) and is the largest revenue generating segment for the Group (71.5% of total Group net revenue in FY16).

#### **Plantation Sector**

MCRP's exposure to the Plantation sector stems from its subsidiary (effective stake of 43.2%), Balangoda Plantations PLC (BPL), which primarily focuses on the cultivation and processing of tea and rubber. The Group is also exposed to the Plantation industry through its associate, Madulsima Plantations PLC (MADU), of which it has an effective stake of 45.9%.

#### **Telecommunication Sector**

The Group's telecommunication sector consists of Lanka Bell (LBL), Bell Solutions and Telecom Frontier. Lanka Bell is the pioneer of fixed wireless telephony who introduced CDMA technology to Sri Lanka and currently provides a range of telecommunication services to corporate and residential customers

#### **Financial Services Sector**

The Financial Services sector consists of Continental Insurance Lanka Limited (CIL), which operates in the general insurance business, and Melsta Regal Finance Limited (MERF), which focuses on financing, leasing, hire purchase and factoring

#### **Diversified Sector**

The diversified Sector consists of Milford Holdings, Browns Beach Hotels, Texpro Industries, Timpex, Melsta Logistics, Splendor Media, Bogo Power, Bellvantage, Melsta Properties, Melsta Tower and Melsta Technologies.

#### 4.2 Details of the Ten Largest Shareholders of the Company as at 19<sup>th</sup> December 2016:

Rank	Name	No. of shares	%
1	Milford Exports (Ceylon) (Pvt) Limited	497,882,000	42.72
2	Lanka Milk Foods (CWE) PLC	151,846,000	13.03
3	Mr. M.A. Yaseen	89,674,048	7.69
4	Commercial Bank Of Ceylon Plc/L.E.M. Yaseen	52,200,000	4.48
5	Caceis Bank Luxembourg S/A Barca Global Master Fund	27,920,236	2.40
6	Citigroup Global Markets Limited Agency Trading Prop Securities A/C	26,231,684	2.25
7	Citibank New York S/A Norges Bank Account 2	24,959,784	2.14
8	Commercial Bank Of Ceylon Plc/M.A. Yaseen	16,000,000	1.37
9	Lahugala Plantation (Private) Limited	14,782,240	1.27
10	HSBC International Nominees Ltd-Morgan Stanley & Co Intl Plc-Own A/C	14,079,000	1.21

#### 4.3 Details of the Non Public Shareholders of the Company as at 19<sup>th</sup> December 2016:

##### 4.3.1 Voting Ordinary Shares

Rank	Name	No. of shares	%
1	Milford Exports (Ceylon ) (Pvt) Limited**	497,882,000	42.7221
2	Lanka Milk Foods (CWE) PLC*	151,846,000	13.0296
3	Stassen Exports (Pvt) Limited**	8,456,800	0.7257
4	Mr. D. Hasitha S. Jayawardena***	7,531,332	0.6462
5	Mr. N. Nagahawatte****	40	0.0000
6	Mr. S. Rajanathan****	800	0.0001
7	Mr. L.P. Liyanaarachchi****	4,000	0.0003
8	Mr. C. Mallawaarachchi****	40	0.0000
9	64 Deceased Shareholders (Refer section 3.6)	591,052	0.0507
10	1 Deceased Non Resident Shareholder (Refer section 3.6)	52,000	0.0045
11	62 Non-Resident Shareholders (Refer section 3.6)	1,301,236	0.1117
	<b>Total % of Non-Public Shareholders</b>	<b>667,665,300</b>	<b>57.2908</b>

\*The Company and Milford Exports (Ceylon) (Pvt) Limited together hold 50.35% of Lanka Milk Foods (CWE) PLC

\*\*Mr. D H S Jayawardena and his family hold the majority shares/control of both Milford Exports (Ceylon) (Pvt) Limited and Stassen Exports (Pvt) Limited. Mr. D H S Jayawardena is the Chairman of the Company

\*\*\*Director of the Company

\*\*\*\*Senior Management of the Company/DIST

##### 4.3.2 Non-Voting Ordinary Shares

Name	Shareholdings	%
Distilleries Company of Sri Lanka PLC *****	1,000	100

\*\*\*\*\*A subsidiary of the Company

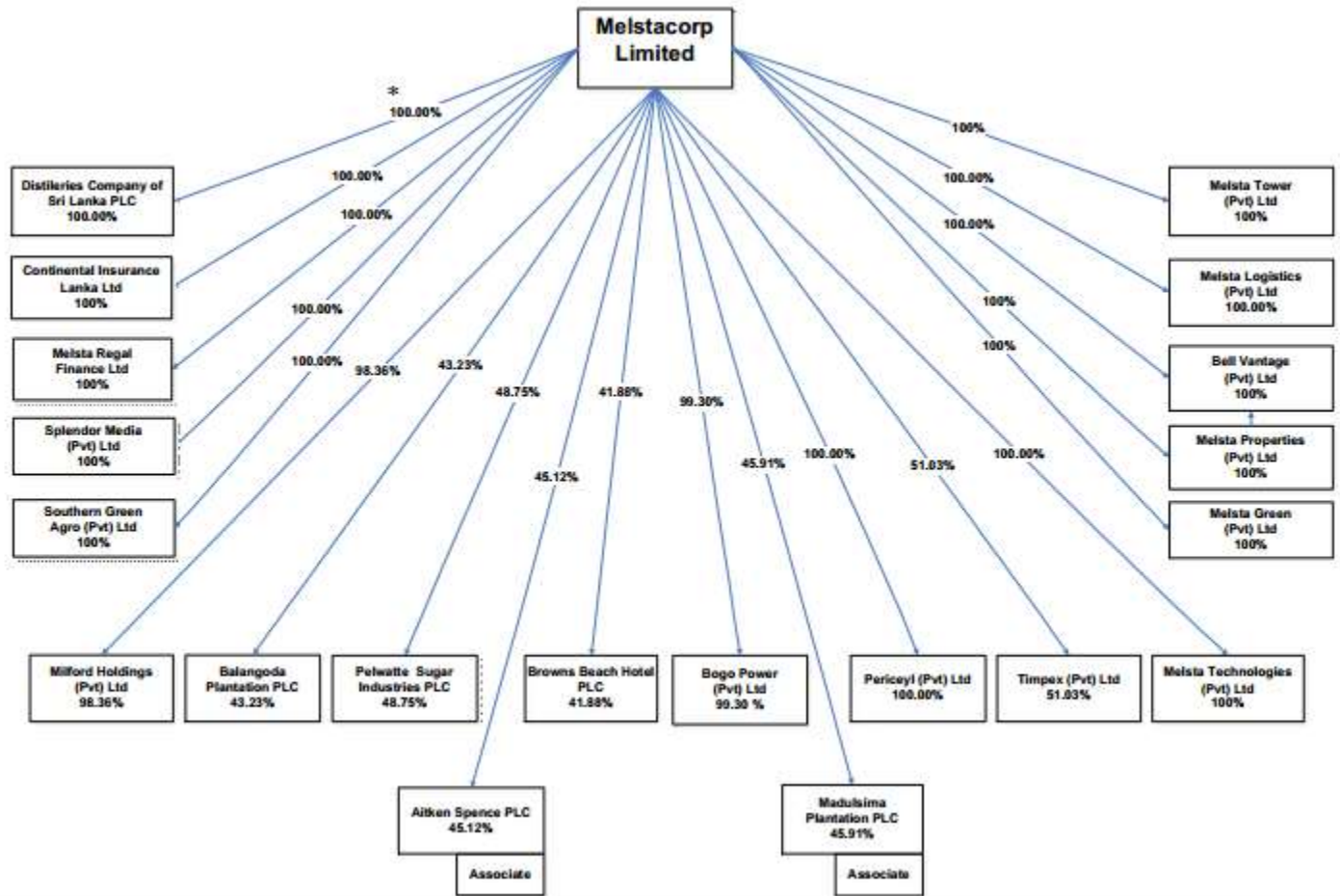
#### 4.4 Public Shareholding in Melstacorp Limited as at 19<sup>th</sup> December 2016:

Public Shareholding (%)	Total No. of shareholders who hold the Public Holding %
42.71	10,534

#### 4.5 Degree of dependence on key Customers and Suppliers

As MCRP is an investment holding company with no significant operations, there is no dependence on key customers and suppliers

#### 4.6 Details of the Group Structure – Post-Restructure



\* The above reference to 100% ownership is subject to the following:

162,164 shares held by deceased shareholders and shareholders who continued to hold their shares in “locked balances” in DIST were excluded from the off-the-floor share transfer as directed by the SEC. These shares are considered as held in trust for MCRP in consideration of the 648,656 MCRP shares allotted to those shareholders by MCRP for the transfer of their DIST shares to MCRP in terms of the ‘Arrangement’.

Accordingly, the said 162,164 shares in DIST have been transferred to ‘locked balances’ to be unlocked upon the completion of the transmission of those shares/cancellation of the locking, post obtaining the approval of the SEC.

#### 4.7 Number of Employees in the Company/Group

<b>Group</b>	12,076
<b>Company</b>	16

#### 4.8 Collective Agreements

<b>Name of Company</b>	<b>Type of Agreement</b>	<b>Terms covered</b>
Balangoda Plantations PLC	Collective agreement with the worker category	wages and other terms and conditions of employees
	Collective agreement with the staff category	wages and other terms and conditions of employees
Madulsima Plantations PLC	Collective agreement with the worker category	wages and other terms and conditions of employees
	Collective agreement with the staff category	wages and other terms and conditions of employees

Other than disclosed above, as at 30<sup>th</sup> September 2016 there are no labour unions in the Group and no significant agreements have been entered into between any labour unions and any Group company.

## 4.9 Future Plans, Assumptions on which future plans are based and risks associated with such plans

### **FUTURE PLANS**

#### **Beverage**

Continue to maintain its market leadership in the Sri Lankan Hard Liquor Segment leveraging on brand equity of Distilleries Company of Sri Lanka and the established liquor brand portfolio within the Group. DIST's Extra Special arrack brand has continued to be the market leader in the Sri Lankan hard liquor segment. The consistent and reliable quality of products provided by the Beverage sector of the Group is expected to sustain its loyal customer-base.

Periceyl (Pvt) Ltd. focuses on the distribution of locally manufactured foreign liquor, and as such targets customers for its premium-branded products. The Group is expected to increase its focus on premium brands such as Franklin Brandy, Flinton London Dry Gin and Petroff Vodka, given an expected increase in per capita GDP and tourism in Sri Lanka. Furthermore, the Group continues to invest in research and development of new and innovative products to be offered to the market.

#### **Plantation**

At present the Company is exposed to tea and rubber segments through its plantations Balangoda Plantations PLC and Madulsima Plantations PLC. The plantation industry of Sri Lanka has been facing challenges owing to weak commodity prices due to volatility in global markets and mandatory wage hikes. The Company's strategy for the plantation segment in future is to diversify in to other crops and as such reduce exposure to the volatile tea and rubber segments.

#### **Telecommunication**

Continue to focus on technology advancements and opportunities in penetration of data use in Sri Lanka. Potential areas for growth could be in its 4G LTE network, which is currently the most sought after brand in the Asian region. The Group is expected to continue evaluating its exposure in the telecommunication sector.

#### **Diversified**

MCRP holds significant strategic and non-strategic equity portfolio and will continue to evaluate its portfolio exposure on a regular basis.

#### **Financial Services**

The insurance business focuses on developing more customer-centric products with the view of increasing its market share while improving the quality of service it offers to customers. In order to facilitate same it intends to adopt technologically advanced tools and methodologies which are expected to improve efficiency across the Company

The Insurance Business of the Group is expected to focus on developing more customer-centric products and as such increase its market share. It will also focus on continuing to enhance its relationships with current customers, current clients and developing business partnerships to become their preferred insurance solutions provider. Meanwhile, the key strategy for Melsta Regal Finance is to expand its product range to include housing loans and micro leasing products as well as increase its geographical diversification.

#### **Assumptions**

- 1) Nominal GDP per Capita growth at a CAGR of 6.3% over 2015-2021E in Sri Lanka in line with IMF forecasts
- 2) Annual average inflation in Sri Lanka is expected to range between 5.3-5.6% in 2016-17E
- 3) 12 month treasury yield as at 31<sup>st</sup> December 2016 is expected to be 12%
- 4) Demand for alcohol is expected to continue its growth trajectory with a potential shift towards premium alcoholic products
- 5) The Liquor segment is expected to continue as a major contributor to government revenue in terms of taxes and duties. As such, the Government is expected to continue in its efforts to restrict the illicit liquor market in Sri Lanka

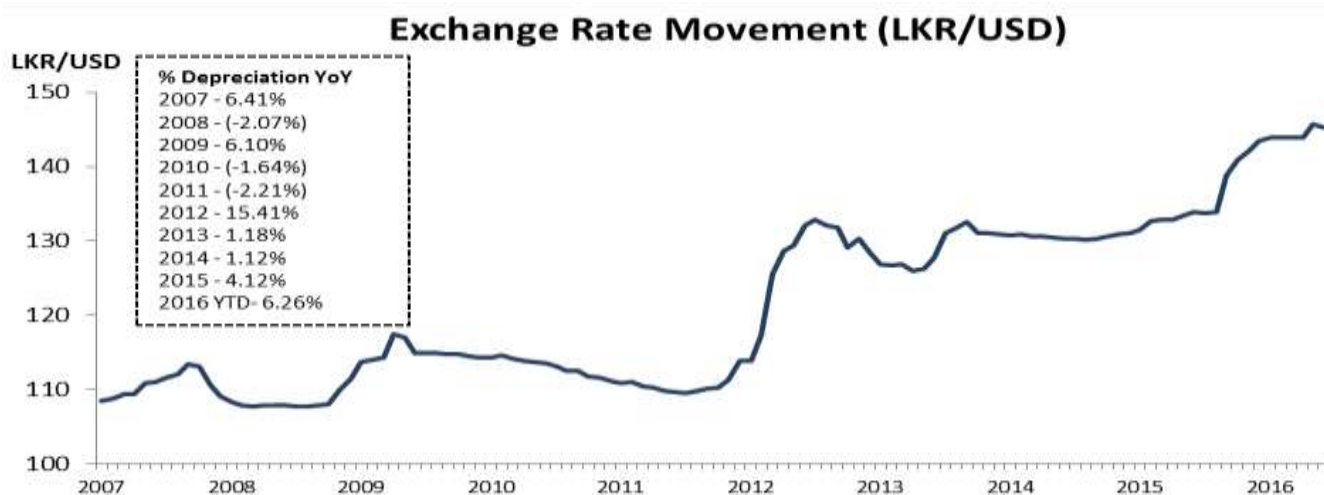
## RISK

### Macro-Economic Risks

#### **A. Exchange Rate Risk**

A key component of the Beverage Sector Cost of Sales is made up of cost of imported spirits which is the main raw material in manufacturing alcohol, thus a depreciating LKR would mean an increase in cost of production.

With the Central Bank of Sri Lanka (CBSL) allowing the LKR to be more market oriented in September 2015, the currency depreciated by 8.5% from August 2015 – June 2016 against the USD. However, CBSL increased interest rates in February 2016 with the intention of stabilizing the currency and increased it further in July 2016. An appreciation of currency would present an advantage to MCRP.



*Source: CBSL Annual Report 2015*

#### **B. Interest Rate Risk**

MCRP faces interest rate risk, particularly in the Financial Services sector. It is critical that the Company manages its financial assets and liabilities, in order to minimize interest rate risk. This would require effective management of the duration of deposits and loans. Interest rate risk could also arise due to an imbalance between floating and fixed loans, which should be managed with the outlook for interest rate movements in the country.

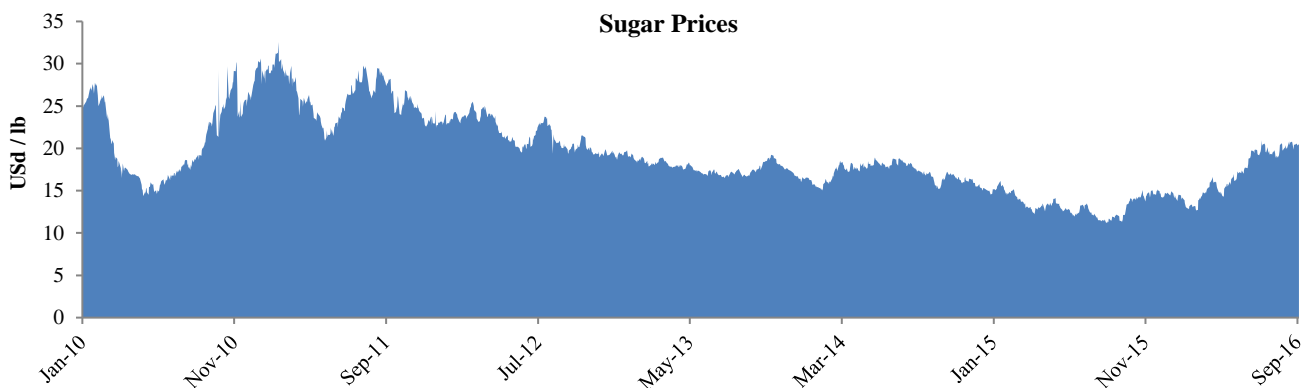
Other segments could also be exposed to interest rate risk based on their borrowings, which could lead to volatility in finance costs.



## **Risks related to the business operations**

### **A. Fluctuation in Global Spirit Prices to Impact Gross Profit Margin**

Given that spirits account for a substantial portion of the beverage sector's raw materials, the company is exposed to movement of spirit prices. A price hike is therefore likely to contract margins for the sector. During FY16, sugar prices (which broadly track the spirit prices) averaged USd 13.4 per pound compared with USd 16.4 per pound recorded in the previous year. However, prices have increased to an average of USd 16.8 per pound during the period January - August 2016 which would have a negative impact on margins. As a mitigating strategy however, the company's policy is to increase its level of inventory on spirit volumes during periods of low prices.



*Source: Bloomberg ISOSDALY Index*

### **B. High Regulatory Risk**

A key risk relating to MCRP Group's Beverage sector is the regulatory risk. The Beverages segment is highly regulated by the Government of Sri Lanka and is therefore subject to changing policies. Higher taxation in order to curtail the alcohol beverage industry is one such policy which could hamper demand. However, Beverage Sector has been able to sustain despite tax hikes, due to its market leading position in the industry and the loyal customer-base it has created. Furthermore, other industries such as Plantation are also subject to changes in policies regarding labour, which could affect financial performance. In addition, changes to tariff and tax structures also have an impact on the telecommunication industry.

### **C. Impact from Illicit Liquor Market**

The Beverage sector of MCRP Group is also exposed to the risk of a growing illicit liquor market. The legal Alcohol Sector has contracted from FY12 – FY14 as a result of cheaper priced alcohol being sold in the market by illicit alcohol manufacturers. However, with stringent regulation being imposed on the alcohol industry by the Government of Sri Lanka, MCRP expects the market for illicit alcohol to decline over the future years.

### **D. Volatility in Commodity Prices**

MCRP Group has exposure to the plantation sector, and as such faces the risk of volatility in prices of tea and rubber. The prices have been on a declining trend due to uncertainties in the Middle East (key export destination for Sri Lanka) and increasing competition from Kenya and India.

## **E. Changing Weather Patterns to Affect Business Operations**

Unfavourable weather patterns will impact the crop in the Plantation sector, and will also have an impact on the Power sector.

## **F. High Dependency on the Beverage Segment**

Over 70% of MCRP Group's Net Revenue is generated from the Beverage segment, reflecting the high dependency of the Group on one segment. However, MCRP has continued to diversify its business portfolio to sectors such as financial services, hydro-power and tourism, which is likely to reduce the dependence on the Beverage sector. The Group also continues to evaluate investment opportunities in other segments.

## **G. Market and Liquidity Risks**

MCRP Group is exposed to market and liquidity risks through its Diversified sector, which invests in quoted equity investments through the Colombo Stock Exchange. Negative movements in the stock market will adversely impact Group earnings through realized and unrealized losses.

### **Capital Market Related Risk**

#### **A. Price Volatility**

The share issue price of the Company is not an indication of the market price for the Company as the share may fluctuate in the secondary market due to several reasons. These reasons may include, but are not only limited to: the risk of changes in the nature or scope of the Company's operations, industry-wide changes, changes to regulation and tax laws, macro-economic factors, secondary market volatility and market sentiment.

#### **B. Investment Risk**

Equity instruments may not be a suitable investment for all investors. Potential investors who wish to purchase shares should possess the relevant knowledge and analytical skills required to evaluate an investment in shares by judging the risk reward proposition of such an investment decision. The decision to invest in shares should also be considered in light of an investor's financial situation, risk appetite, investment horizon and investment objectives.

#### **C. Liquidity Risk**

This is the risk stemming from the lack of marketability of shares that cannot be bought or sold quickly enough to prevent or minimize losses. Liquidity risk is typically reflected in an unusually wide gap between the buying and selling price (particularly to the downside).

## **4.10 Takeover Offers**

There have been no take-over offers by third parties in respect of the Company's shares during the past three years. Further, the Company has not made any takeover offers in respect of shares of a third party

The 1,165,397,072 Voting Ordinary Shares of the Company for which a Listing is sought, are shares issued pursuant to an Arrangement in terms of Part X of the Companies Act No.7 of 2007, to the Shareholders of Distilleries Company of Sri Lanka (DIST), in the proportion of Four (4) Shares in the Company for every one (1) Share held in DIST by the Shareholders of DIST in the Register of Shareholders as at end of trading on 30<sup>th</sup> September 2016 at a share price of LKR 11.75.

## 5.0 MANAGEMENT

### 5.1 Managing Director

Name	Address	Work Experience
Mr. Amitha Lal Gooneratne	No.171/4, Model Farm Road, Colombo 08.	He has held several senior positions at Commercial Bank of Ceylon PLC and served as the Managing Director from 1996 to 2012.

The Managing Director, Mr. Amitha Lal Gooneratne

- Has not been involved in a petition under any bankruptcy laws filed against them or any partnership in which he was a partner or any corporation of which he was an executive officer.
- Has not been convicted for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification

### 5.2 Senior Management of the Company/Group

Name	Company and Designation	Work Experience
Mr. Amitha Lal Gooneratne	Melstacorp Limited - <i>Managing Director</i>	He has held several senior positions at Commercial Bank of Ceylon PLC and served as the Managing Director from 1996 to 2012.
Mr. Cedric Royle Jansz	Executive Director	He has many years of experience in logistics and in documentation, insurance, banking and finance relating to international trade.
Mr. Shantha Balasooriya	Melstacorp Limited - <i>Head of Operations</i>	He counts more than 40 years of experience in banking industry which includes State owned, Foreign and private banks in senior positions.
Mr. M. B. M. Ifthikar	Melstacorp Limited - <i>Group Head of Systems of Controls and Internal Audit</i>	He counts over 35 years of experience both local and foreign in the fields of external auditing, internal auditing, finance management.
Mr. Cleetus Mallawaarachchi	<i>Group Financial Controller</i>	He counts over 25 years of experience both local and foreign in the fields of Finance, Accountancy, Auditing, and Consulting. He joined Distilleries Company of Sri Lanka PLC in 2007 as the Group Financial Controller.
Mr. Prasanna Karunanayake	<i>Group Head of Information Technology</i>	He has 16 years of experience in IT industry and held Senior positions in IT Management in several Organizations.
Mr. Dilan Welikandage	<i>Manager-Finance</i>	He counts over 7 years of experience in the field of finance and auditing. Prior to joining the Melsta Group, he was attached to "KPMG" Sri Lanka.

### **5.3 Senior Management's Emoluments**

Emoluments paid to Senior Management including bonus and/or profit sharing payments for the year ended 31<sup>st</sup> March 2016 is Rs. 58.1 Mn and the estimated emoluments including bonus and/or profit sharing payments payable to the Senior Management for the financial year ending 31<sup>st</sup> March 2017 would be Rs. 55.9 Mn.

### **5.4 Material Contracts**

As at the date of the Introductory Document there were no material contracts or management agreements entered into or any agreements entered into with other parties by MCRP within the preceding two (2) years other than those contracts entered into as part of the ordinary course of business.

### **5.5 Details of Commissions paid**

MCRP has not paid any commission in the two (2) years preceding the Issue or payable for subscribing or agreeing to subscribe or procure or agreeing or procure subscription for any Shares of the Company

## 6.0 LITIGATIONS, DISPUTES AND CONTINGENT LIABILITIES

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### 6.1 Details of any Legal, Arbitration or Mediation Proceedings

The Group did not and does not have any legal, arbitration or mediation proceedings, which may have or have had in the recent past significant effects on the Entity's financial position or profitability other than disclosed below.

#### 6.1.1 Milford Holdings (Pvt) Ltd

##### **Amount Due From the Secretary to the Treasury on Account of Sri Lanka Insurance Corporation (SLIC)**

###### **A) In Respect of Shares**

As per the Judgment delivered by the Supreme Court of the Democratic Socialist Republic of Sri Lanka on 4 June 2009 it was declared and directed that the shares of SLIC purported to have been sold to Distilleries Consortium on 11<sup>th</sup> April 2003 along with any shares purchased from employees as per Share Sale and Purchase Agreement (SSPA) shall be deemed to have been held for and on behalf of the Secretary to the Treasury.

As directed by the said judgment, the Secretary to the Treasury returned Rs. 5,716 Mn in 2010/11 that was paid by Group Subsidiary Milford Holdings (Pvt) Limited (MHL) to purchase shares from SLIC.

###### **B) In Respect of Profits Earned**

Furthermore, MHL was entitled to retain the profits of SLIC derived by MHL from 11<sup>th</sup> April 2003 to 04<sup>th</sup> June 2009 in lieu of the interest for the aforesaid investment. The Secretary to the Treasury was directed to cause profits of SLIC to be computed and audited from the date of the last audited Reporting of SLIC to 04<sup>th</sup> June 2009 to enable MHL to obtain such profits.

However, Secretary to the Treasury has not yet determined the value of profits to be retained by the MHL; hence no adjustments were made to the financial statements in this regards.

#### 6.1.2 Melstacorp Limited

##### **Revival of Underperforming Enterprises and Underutilized Assets Bill – Pelwatte Sugar Industries PLC Group (PSIP)**

Consequent to the enactment and passage of the above Act of Parliament on 09<sup>th</sup> November 2011, the state officials are occupying the land leased to PSIP. As the leasing of the land to PSIP was done in 1985, and the above mentioned Act empowers the vesting of land leased during a period of 20 years before the enactment of the Act. The Company believes that the land that was used by PSIP have not been vested in the state. At this moment the management is unable to comment further on the implications on the ruling as the Company is awaiting instructions by the Secretary to the Treasury.

Subsequently a Compensation Tribunal was formed as required by the Act. Without assuming any liability or without any prejudice to, or impact on its rights, PSIP has submitted a claim to the Compensation Tribunal. Commercial High Court of Western Province (Colombo Civil) issued a winding-up order of Pelwatte Sugar Industries PLC on 13<sup>th</sup> March 2013. The Court has appointed P.E.A. Jayewickreme and G.J. David, as the Liquidators.

The investment in PSIP is fully impaired in the Melstacorp Individual Financial Statements and PSIP and its subsidiaries were de-consolidated in the Consolidated Financial Statements of Melstacorp Limited in the year 2013/14. Since the matter is pending at the compensation tribunal the Board of directors are not in a position to comment on possible outcomes in this stage.

### 6.1.3 Distilleries Company of Sri Lanka PLC

The Censtar International (Pvt) Ltd, a bottle Supplier has supplied a low Quality Stock of Empty Bottles and DIST has refused to accept the stock due it not being up to the required standard. Therefore Censtar International has filled a case claiming a sum of Rs. 17,982,358.38 with interest.

DIST has filed a claim in reconvention for Rs. 500 Mn and the next argument will be held on 14<sup>th</sup> June 2017.

### 6.1.4 Lanka Bell Limited

Sri Lanka Customs carried out an investigation claiming that Lanka Bell Limited is required to pay duty on the FLAG fiber optic submarine cable network which spans the globe connecting over 86 locations around the world. The Company is confident that no such duties are payable since Lanka Bell does not own this global network and also has already obtained BOI approval for the FLAG project.

## 6.2 Details of Penalties imposed by Regulatory and State Authorities

There are no penalties imposed by Regulatory and State Authorities.

## 6.3 Statement of Contingent Liabilities

(Rs.'000)	Group	Company
Bank Guarantees	21,889	-
Import/Export Bill Collection	-	-
Letter of Credit	784,329	-
Shipping Guarantee	-	-

There are no material contingent liabilities as at 30<sup>th</sup> September 2016 other than as disclosed above.

## 7.0 FINANCIAL INFORMATION

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### 7.1 Audited Financial Statements

Please refer the “Annexure I” of this document for the Audited Financial Statements for the year ended 31<sup>st</sup> March 2016.

### 7.2 Interim Financial Statements

Please refer the “Annexure II” of this document for the Interim Financial Statement for the six months ended 30<sup>th</sup> September 2016.

### 7.3 Proforma Financial Statements

Please refer the “Annexure III” of this document for the Proforma Financial Statements immediately Pre and Post Arrangement.

### 7.4 Forecasted Financial Statements

Please refer the “Annexure IV” of this document for the Three (3) Years’ Forecasted Financial Statements.

### 7.5 Sector Analysis

Please refer the “Annexure V” of this document for the Sector Analysis

### 7.6 Audited 5 Year Summary

Please refer the “Annexure VI” of this document for the Audited 5 Year Summary.

### 7.7 Research Report

Please refer the “Annexure VII” of this document for the Research Report.

### 7.8 Dividend Policy

The Company’s Dividend Policy is to pay sustainable dividends linked to long term performance, keeping in view the Company’s need for capital for its growth plans and the intent to finance such plans through internally generated funds.

Details of the Dividends distributed for last three financial years are as follows;

Instrument	2013/14		2014/15		2015/16	
	DPS Rs.	Total Rs.	DPS Rs.	Total Rs.	DPS Rs.	Total Rs.
Ordinary Shares Voting	4.60	920,000,000	3.00	796,350,000	-	-

### 7.9 Details of Loan Capital Outstanding as at 30<sup>th</sup> September 2016 – (Post Arrangement)

(Rs. '000)	As at 30 <sup>th</sup> September 2016 (Un-Audited)		As at 31 <sup>st</sup> March 2016 (Audited)	
	Group	Company	Group	Company
Redeemable preference shares	12,646	-	12,646	-

**7.10 Details of Term Loans and Other Borrowings as at 30<sup>th</sup> September 2016 – (Post Arrangement)**

<i>(Rs. '000)</i>	As at 30 <sup>th</sup> September 2016 (Un-Audited)		As at 31 <sup>st</sup> March 2016 (Audited)	
	Group	Company	Group	Company
Term loans	7,021,485	-	5,146,799	-
Other short term borrowings	1,454,381	-	2,088,898	-
Debt instruments-commercial papers	-	-	131,408	-
Bank Overdraft	2,848,930	1,214	1,791,296	-
Liabilities under Acceptance	-	-	-	-

**7.11 Details of Leasing and Hire Purchase Commitments as at 30<sup>th</sup> September 2016 – (Post Arrangement)**

<i>(Rs. '000)</i>	As at 30 <sup>th</sup> September 2016 (Un-Audited)		As at 31 <sup>st</sup> March 2016 (Audited)	
	Group	Company	Group	Company
Liability to make lease payments	96,254	-	97,133	-
Finance lease liabilities	103,865	-	120,515	-

**7.12 Details of Guarantees and Other Contingent Liabilities as at 30<sup>th</sup> September 2016 – (Post Arrangement)**

Company on behalf of	Name of Bank	Amount (USD)	Amount (LKR)	Total Value (LKR)
Lanka Bell Limited	SCB	-	600,000,000	600,000,000
Lanka Bell Limited	SCB	4,350,000	-	635,100,000
Lanka Bell Limited	SCB	3,700,000	-	540,200,000
Madulsima Plantations PLC	HNB	-	160,000,000	160,000,000
Madulsima Plantations PLC	SCB	-	50,000,000	50,000,000

As at 31<sup>st</sup> March 2016, there were no Guarantees given by the Group



7.13 Details of Mortgages and Charges on Assets as at 30<sup>th</sup> September 2016 – (Post Arrangement)

Company	Nature of Liability	Security		Value of Asset Pledged (Rs.'000)
		Description	Asset Type	
Melstacorp Limited	Permanent over draft facilities and other short term borrowings of DIST	Long Term Investments held in Quoted shares of John Keel Holdings PLC (25 Mn shares) & Aitken Spence PLC (71.25 Mn Shares)	Other Long Term Investments and Investments in equity accounted investees.	8,837,500
Melsta Regal Finance Limited	Bank Borrowings, Term Loans & Money Market Loans	Mortgage over specific Lease/Hire Purchase/ Loan Receivables of MERF	Lease / Hire Purchase /Loan Receivables	2,550,000
Texpro Industries Limited	Loan term Loans and Other short Term borrowing	Primary Concurrent Floating mortgage for USD 2.262 Mn	Land and Building, Machineries at Ranala	330,252
			Documents of title to goods imported & duly accepted Usance drafts.	
		Secondary mortgage for USD 1.1 Mn	Land and Building, Machineries at Ranala	160,600
			Over stocks & book debts USD 400,000	58,400
Primary Concurrent Floating mortgage for USD 1.806 Mn	Land and Building, Machineries at Ranala	263,676		
	Documents of title to goods imported & duly accepted Usance drafts.			
Lanka Bell Limited	Term Loan	Primary mortgage bond for Rs. 275 Mn over part of the tower Portfolio with a value of Rs.425 Mn. The percentage of advance is 65%	Towers	275,000
	Overdraft facility	Rs. 300 Mn overdraft facility for working capital requirements.	Fixed Deposit	146,000
	Red clause Letter of credit	To open LC with an advance payment clause	Movable Plant, Machinery and equipment	1,255,600
	Import Letter of credit-Unsecured, Import Letter of credit-Secured, Shipping Guarantees	Import LC and Shipping guarantee facility of USD 3.7 Mn	Mortgage over equipment	248,200
Balangoda Plantations PLC	Long Term Loan	Primary mortgage over the leasehold rights of Balangoda Estate.	Property, Plant and Equipment	11,110
	Permanent Over draft	Primary mortgage over the leasehold rights of Walaboda Estate.	Property, Plant and Equipment	5,416
	Finance Lease	Mortgage on Colour Separators and Machinery	Property, Plant and Equipment	125,694
		Absolute ownership of the leased bikes.	Motor Vehicles	382
Browns Beach Hotels PLC	Term Loan - Rs. 1 Bn	Mortgage	Land and Building of the Hotel	2,600,000
	Bridging Loan – Rs. 1.467 Bn			

## **7.14 Taxation**

### **Corporate Taxation**

Melstacorp Limited is liable for corporate tax at 28%

### **Value Added Tax (VAT)**

The Company is liable to pay VAT on liable turnover (excluding exports) at a rate of 15.0% (with effect from 1<sup>st</sup> of November 2016). This is in accordance with the provisions of the Value Added Tax Act No. 14 of 2002.

### **Nation Building Tax (NBT)**

The Company is liable to pay NBT on liable turnover at a rate of 2%. This is in accordance with the provisions of the Nation Building Tax Act No. 09 2009.

## 8.0 REFERENCE PRICE

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**The Reference Price of LKR 69.00** was determined by the Entity in consultation with CT CLSA Capital (Pvt) Ltd (Financial Advisors to the Introduction) The Net Asset Value per share of the Company (NAV) is Rs. 57.32 as at 30<sup>th</sup> September 2016 (As per the Proforma Post Arrangement Financial Statements *Refer Annexure III*) and the Reference Price is 1.2 times the NAV. A Research Report by CT CLSA Capital (Pvt) Ltd., Financial Advisors to the Introduction, is annexed as Annexure VII.

**INVESTORS SHOULD READ THE FOLLOWING SUMMARY WITH THE RISK FACTORS INCLUDED ON PAGE NO. 23 - 25 AND THE DETAILS ABOUT THE ENTITY AND ITS FINANCIAL STATEMENTS INCLUDED IN THIS INTRODUCTORY DOCUMENT**

### 8.1 Qualitative Factors

#### *A) Balance Sheet that reflects financial strength*

MCRP Group reported a 0.16x Debt to Equity ratio for FY16 (Average of 0.10x over the last 4 years) reflecting a strong balance sheet with further borrowing capacity. The Group consists of several high profiled companies which have received ratings such as DIST rated AAA (lka) / on Rating Watch Negative by Fitch Rating, Melsta Regal Finance is rated A+ (lka) Rating Watch Negative by Fitch Rating and Continental Insurance is rated A- (lka) by Fitch Rating.

#### *B) Market Leadership and Brand Strength – Beverage Segment*

The beverage segment has continued to remain the market leader owing to its loyal customer-base and strong brand name. In 2015, Distilleries Company of Sri Lanka PLC (DIST), fully owned subsidiary of MCRP Group was ranked in Business Today ‘Top Twenty Five’ for the 17<sup>th</sup> consecutive year.

DIST is the market leader in the Arrack Segment with a market share of 68% for 2014<sup>1</sup>, through its flagship brands.

#### *C) Industry Potential – Beverage Segment*

The legal Alcohol industry is indicating a recovery owing to the new government’s continuous efforts in restricting the illicit liquor segment.

#### *D) Diversification*

The MCRP Group has diversified into new sectors such as financial services through the establishment of Continental Insurance and Melsta Regal Finance in recent years.

#### *E) Proven Management Team to Lead Business Operations*

MCRP Group consists of a reputed management team with a wealth of experience across various industries which has helped MCRP Group establish itself as one of the foremost entities in Sri Lanka

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<sup>1</sup> According to the Sri Lanka Excise Department “Performance Report 2014”. The Arrack Segment includes Molasses Arrack, Coconut & Processed Arrack, Special Arrack

## 8.2 Quantitative Factors

### *Melstacorp Limited*

For the period ended	Basic EPS (LKR) *	Diluted EPS (LKR) *	Return on Equity	P/E Ratio (Times)**
31 <sup>st</sup> March 2014	1.37	1.37	3.6%	N/A
31 <sup>st</sup> March 2015	2.19	2.19	4.9%	N/A
31 <sup>st</sup> March 2016	1.69	1.69	3.4%	N/A
<b>Average</b>	<b>1.75</b>	<b>1.75</b>	<b>4.0%</b>	N/A
Six Months ended 30 <sup>th</sup> September 2016	<b>0.75</b>	<b>0.75</b>	<b>1.2%</b>	N/A

\* EPS is calculated using the Post Restructure No. of shares throughout for comparison purposes

\*\* Not Applicable as MCRP did not own the DIST alcohol company historically

Subsequent to the restructuring process carried out, MCRP is the ultimate holding company of the former DIST Group, following the share swap. Hence, going forward, MCRP Group will also include the performance of DIST Alcohol Company. As the table above does not reflect the comparable financials for MCRP Group (Post Restructure), the following table depicts financials of DIST Group which is equivalent to Proforma MCRP financials.

### *Distilleries Company of Sri Lanka PLC*

For the period ended	Basic EPS (LKR) *	Diluted EPS (LKR) *	Return on Equity	P/E Ratio (Times)**
31 <sup>st</sup> March 2014	5.25	5.25	12.0%	N/A
31 <sup>st</sup> March 2015	5.62	5.62	11.4%	N/A
31 <sup>st</sup> March 2016	5.12	5.12	9.6%	13.48
<b>Average</b>	<b>5.33</b>	<b>5.33</b>	<b>4.0%</b>	<b>12.94</b>
Six Months ended 30 <sup>th</sup> September 2016	<b>3.53</b>	<b>3.53</b>	<b>6.3%</b>	<b>9.78***</b>

\* EPS is calculated based on post restructure Melstacorp Limited No. of shares throughout for comparison purposes

\*\*P/E ratio is calculated using the post restructure share reference price of Rs.69.00

\*\*\*P/E is based on annualized EPS and reference price of Rs.69.00

#### 8.2.1 Price/Earnings Ratio (P/E) in relation to Reference Price of Rs. 69.00

- Based on Basic & Diluted EPS of Rs. 5.12 for the financial year ended 31<sup>st</sup> March 2016 P/E Ratio is 13.48x (based on historical DIST Group numbers)
- Based on three year average (FY14-FY16) EPS of Rs. 5.33, the P/E Ratio is 12.94x (based on historical DIST Group numbers)
- Based on Annualized EPS of Rs. 7.05 for 30<sup>th</sup> September 2016 P/E ratio is 9.78x
- Industry P/E 12.76x

Particulars	Name of the peer entity	P/E Ratio (Times)*
Lowest	Vallibel One PLC	5.55
Highest	Hemas Holdings PLC	23.09
	<b>Industry Composite</b>	<b>12.76</b>

\*Market Price as at 31<sup>st</sup> October 2016, Earnings FY16

Source: Annual Financial Statements

Sector Classification: Diversified Holdings

### 8.2.2 NAV – Melstacorp Limited (Rs.) \*

- 1) As per the latest audited financial statements 31<sup>st</sup> March 2016 – Rs. 49.42
- 2) As per the latest interim financial statements 30<sup>th</sup> September 2016 – Rs. 74.46
- 3) As per the Proforma Post Arrangement Financial Statements 30<sup>th</sup> September 2016 – Rs. 57.32
- 4) Reference Price : Rs. 69.00

\* NAV per share is calculated based on the post restructure total number of shares (voting and non-voting) of 1,165,398,072.

### 8.2.3 Comparison of Accounting Ratios

The comparable ratios of entities which are to some extent similar in business are given below (as per the latest audited financial statements)

Name of the Peer Entity	Year Ended	NAV (LKR)	EPS* (LKR)	P/E Ratio** (Times)	ROE (%)
John Keels Holdings PLC	31.03.2016	113.89	10.34	14.41	9.6%
Hemas Holdings PLC	31.03.2016	38.41	4.63	23.09	14.1%
Hayleys PLC	31.03.2016	411.40	40.05	6.95	10.0%
Carson Cumberbatch PLC	31.03.2016	209.20	12.08	15.06	5.5%
Aitken Spence PLC	31.03.2016	90.26	4.99	13.80	5.7%
C T Holdings PLC	31.03.2016	103.00	8.88	13.62	9.0%
Vallibel One PLC	31.03.2016	35.06	3.89	5.55	11.6%
Richard Pieris and Company PLC	31.03.2016	5.34	1.06	7.39	20.7%

\*No of shares as at 31<sup>st</sup> October 2016, Earnings FY16

\*\*Market Price as at 31<sup>st</sup> October 2016, Earnings FY16

Source: Annual Financial statements

Sector Classification of peers: Diversified Holdings

### 8.3 Issue of Shares during the last 12 months

**Rs. 26,679 Mn share issue on Promissory Notes and Inter-company Balance at Rs. 180/share\*:** These shares were issued at the fair value of MCRP which was based on the Net Asset Value of the company as at 30<sup>th</sup> June 2016. This value per share reflects the MCRP Group value per share, and was considered fair and reasonable by the Board of Directors to issue new shares to DIST who owned 100% of the issued shares of MCRP. It should be also noted that this price was established as a fair value prior to the Restructuring process.

**Issue of 1,200 Mn ordinary shares by MCRP at Rs. 11.75/share to acquire 300 Mn shares of DIST (swap ratio of 4 MCRP shares for 1 share of DIST)\*:** This share issue, pursuant to the Arrangement, under the Part X of the Companies Act No 7 of 2007 was carried out to make MCRP the holding company of DIST Group, where all existing shareholders will ultimately end up holding the same Group with zero value leakage. This share issue resulted in MCRP acquiring the DIST Company, which now carries the Rs. 24,863 Mn interest bearing Promissory Note liability. The share swap ratio of 4 MCRP shares for 1 DIST share was established purely to improve the liquidity of the MCRP shares to be listed in the future, and was not based on the general Fair Value comparisons. This was due to the fact that the current shareholders would ultimately hold the same Group without any value leakage, and it was fair and reasonable to have any share swap ratio

The value of the total issue of 1,200 Mn MCRP shares was established based on the fair value of the DIST Company (including the Promissory note of Rs. 24,863 Mn) that was acquired by MCRP as a result of the share issue. The fair value of DIST Company was used as the value for the MCRP share issue, after considering the Accounting and Reporting requirements relating to the transaction of MCRP acquiring DIST. This valuation basis was considered fair and reasonable, as pre and post the share issue, the same shareholders will be holding the same Group without any value leakage.

**Repurchase of MCRP shares from the MCRP Employee Share Trust at Rs. 40.23/share\*:** The Settlor of the Trust (which is MCRP) has provided a loan facility to the Trust to purchase DIST shares at a total cost of Rs. 1,513 Mn. DIST shares held by the Trust has received a total dividend income of Rs. 121 Mn which has been paid to the Settlor to settle a portion of the loan outstanding. As such, the total dues outstanding towards the Settlor is Rs. 1,392 Mn. As a part of the Arrangement, the Trust property will be converted to MCRP shares, and at this point the Trust will terminate immediately as per the provisions of Clause 20(i) (a) of the Trust Deed. As per the Trust deed, the Trustee is required to return the shares to Settlor and/or act as directed by the Settlor without liquidating the Trust property. The Settlor, which is MCRP has decided to repurchase all MCRP shares in constituting the Trust property and cancel the dues from the Trust to MCRP. Valuing the MCRP shares held by the Trust based on the net dues outstanding to MCRP (i.e. the Settlor) was considered fair, based on 1) No beneficiaries (i.e. employees of MCRP) have been identified by the Trustee to receive the benefits from the Trust property and 2) No shareholder is negatively affected by repurchasing Trust shares at this price (i.e. all benefits of the repurchase accrue to All shareholders equally). The price per share of Rs. 40.23 was arrived at by dividing the loan outstanding at the Trust by the total number of MCRP shares repurchased.

*\*KPMG, as Advisors to the restructuring process, assisted the Company in determining the respective share prices as part of the restructure process.*

**Reference Price at Rs. 69.00/share to be listed on the CSE via Introduction:** The reference price was arrived at using the valuations conducted by the Managers to the Introduction. The justification for the reference price is provided in detail under the Research Report (Refer Annexure VII)

## 9.0 CORPORATE GOVERNANCE PRACTICES

### 9.1 Details of Independent Directors

Name	Status
Niranjana De Silva Deva Aditya	Independent Non-Executive Director
Dr. Adrian Naomal Balasuriya	Independent Non-Executive Director
Ranjeewan Seevaratnam	Independent Non-Executive Director

### 9.2 Remuneration Committee

The remuneration committee is responsible for making recommendation to the Board on the remuneration of the Executive and Non-Executive Directors. The committee is also responsible for setting up the remuneration policy and providing guidelines to the Board on the overall remuneration framework (including setting performance incentives and targets) to ensure that remuneration levels are sufficient to attract and retain the caliber of professional required for the successful management and operation of the company

#### Names of the directors on the remuneration committee

Name	Status
Adrian Naomal Balasuriya	Independent Non-Executive Director (Chairman of Remuneration Committee)
Niranjana De Silva Deva Aditya	Independent Non-Executive Director
Don Hasitha Stassen Jayawardena	Non-Independent Non- Non-Executive Director

### 9.3 Audit Committee

The audit committee is responsible for reviewing the functions and processes of internal controls in the company and enduring the effectiveness of such controls. The committee also reviews the financial statements of the company to monitor the integrity of same. Furthermore, all audit activities are monitored by the committee to ensure compliance and adherence to statutory and regulatory requirements and industry best practices

#### Names of the directors on the Audit committee

Name	Status
Ranjeewan Seevaratnam	Independent Non-Executive Director (Chairman of Audit Committee)
Niranjana De Silva Deva Aditya	Independent Non-Executive Director
Dr. Adrian Naomal Balasuriya	Independent Non-Executive Director
Don Hasitha S. Jayawardena	Non-Independent Non-Executive Director

### 9.4 Related Party Transactions Review Committee

#### Names of the directors on the Related Party Transactions Review Committee

Name	Status
Ranjeewan Seevaratnam	Independent Non-Executive Director (Chairman of Related Party Transactions Review Committee)
Dr. Adrian Naomal Balasuriya	Independent Non-Executive Director
Don Hasitha S. Jayawardena	Non-Independent Non-Executive Director

## 10.0 OTHER INFORMATION

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As per Rule 3.4.11 (a) (i) of the CSE Listing Rules, the Introductory Document and Articles of Association of Melstacorp Limited are required to be hosted on the CSE website – [www.cse.lk](http://www.cse.lk) and Company website – [www.melsta.com](http://www.melsta.com) for a period of not less than seven (7) market days prior to the submission of the Declaration referred to in Appendix 2D of the CSE Listing Rules. Pursuant to an application made by the Company to the CSE for a Waiver as to the applicability of the said Rule, the CSE, granted the Waiver taking into consideration the fact that the Draft Introductory Document, Research Report and Other Financial Reports have been hosted on the respective websites since 29<sup>th</sup> November 2016 and also to facilitate the listing and trading of the Ordinary Voting Shares of the Company prior to the end of the year 2016.

The Introductory Document and Articles of Association of Melstacorp Limited will be hosted on the CSE website – [www.cse.lk](http://www.cse.lk) and Company website – [www.melsta.com](http://www.melsta.com) not less than fourteen (14) market days from the date of submission of the Declaration referred to in Appendix 2D of the CSE Listing Rules.

Further, the Research Report Prepared by the Financial Advisors and Managers to the Introduction shall be hosted on the Company website – [www.melsta.com](http://www.melsta.com) and the CSE website – [www.cse.lk](http://www.cse.lk) for a period of Two (2) months from 28<sup>th</sup> December 2016.

In addition, the Audited Financial Statements for Financial Years ended 31<sup>st</sup> March 2014, 2015 and 2016 shall be hosted on the Company website – [www.melsta.com](http://www.melsta.com) and the CSE website – [www.cse.lk](http://www.cse.lk)



## 11.0 DECLARATION BY THE DIRECTORS

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**28<sup>th</sup> December 2016**

We the undersigned, who are named in this Introductory Document as Directors of Melstacorp Limited, confirm that we have read the provisions of the Companies Act No. 07 of 2007 and any amendments relating to issue of a Prospectus, and that those provisions have been complied with in this Introductory Document.

This Introductory Document has been seen and approved by us the Directors of the Company and we collectively and individually accept full responsibility for the accuracy of the information included herein and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate.

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Don Harold Stassen Jayawardena	Chairman/ Director	Sgd.
Amitha Lal Gooneratne	Managing Director	Sgd.
Cedric Royle Jansz	Executive Director	Sgd.
Niranjan De Silva Deva Aditya	Independent Non-Executive Director	Sgd.
Capt. Kolitha Jagath Kahanda	Non-Independent Non-Executive Director	Sgd.
Dr. Adrian Naomal Balasuriya	Independent Non-Executive Director	Sgd.
Don Hasitha Stassen Jayawardena	Non-Independent Non-Executive Director	Sgd.
Ranjeevan Seevaratnam	Independent Non-Executive Director	Sgd.