



# **BPPL HOLDINGS LIMITED**

## **PROSPECTUS**

### **Invitation to Subscribe for the Initial Public Offering**

Through an Offer for Sale of Thirty Million Six Hundred And Eighty Five Thousand (30,685,000)  
Existing Ordinary Voting Shares at **LKR 12.00** per Share

To be listed on the Diri Savi Board of the Colombo Stock Exchange

**Issue Opens on 07<sup>th</sup> March 2017**

Financial Advisors and Managers to the Issue:



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  
: +94 11 258 4843  
Fax : +94 11 258 0181

The Prospectus and Research Report have been prepared by the Financial Advisors and Managers to the Issue

**THIS PROSPECTUS IS DATED 21<sup>ST</sup> FEBRUARY 2017**

## RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS

This Prospectus has been prepared from the information provided by B P P L Holdings Limited (BPPL), and from sources available to the public. The Directors of the Company, collectively and individually, having made all reasonable enquiries confirm to the Financial Advisors and Managers to the Issue, that to the best of their knowledge and belief, that this Prospectus contains all information with respect to the Company, which is material in the context of the Issue; that the information contained herein is true and correct in all material respects and is not misleading; that there are no other material facts, the omission of which, would make any statement contained herein misleading; that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions.

BPPL accepts responsibility for the information contained in this Prospectus. While BPPL has taken reasonable care to ensure full and fair disclosure of information, it does not assume any responsibility for any investment decisions made by investors based on information contained herein. In making an investment decision, prospective investors must rely on their own examination and assessments of the Company including the risks involved

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If you are in any doubt regarding the contents of this Prospectus or if you require any advice in this regard you should consult a Lawyer, Financial Advisors and Managers to the Issue or any other Professional Advisor.

The Colombo Stock Exchange (“CSE”) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the shares which is decided solely by the Issuer.

All resident applicants should indicate their respective NIC number or Company Registration Number in the Application Form. The passport number may be indicated only if the Applicants do not have a NIC number.

As per the Directive of the SEC made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the CDS dated November 30, 2010, all Shares shall be directly uploaded to the CDS. All Applicants should indicate their CDS account number in the Application Form.

Applicants who do not have a CDS account are advised to open a valid CDS account prior to making the Application, in order to facilitate the uploading of transferred Shares to the CDS.

APPLICATIONS WHICH DO NOT CARRY A CDS ACCOUNT NUMBER, OR WHICH INDICATE AN INCORRECT/ INACCURATE CDS ACCOUNT NUMBER SHALL BE REJECTED AND NO TRANSFERS WILL BE MADE.

THE SHARES SHALL BE CREDITED TO THE APPLICANT’S CDS ACCOUNT AS INDICATED IN THE APPLICATION FORM.

PLEASE NOTE THAT SHARE CERTIFICATES SHALL NOT BE ISSUED.

You may open a CDS account through any Member/Trading Member of the CSE as set out in Annexure 8 or through any Custodian Bank as set out in Annexure 9 of this Prospectus.

## **REGISTRATION OF THE PROSPECTUS**

A copy of this Prospectus 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 Prospectus delivered to the Registrar General of Companies.

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

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

### **2) The written consent of the Registrars to the Issue**

The Registrars to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Registrars to the Issue in the Prospectus.

### **3) 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 Prospectus 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 Prospectus.

### **4) The written consent of the Lawyers to the Issue**

The Lawyers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Lawyers to the Issue in the Prospectus.

### **5) The written consent of the Bankers to the Company and the Issue**

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

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

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

### **7) 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 the Issue of the Prospectus and that those provisions have been complied with.

## **Representation**

No person is authorized to give any information or make any representation not contained in this Prospectus 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 Prospectus in Jurisdictions outside Sri Lanka**

This Prospectus 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.

## **FORWARD LOOKING STATEMENTS**

Any statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

### **Investment Considerations**

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors which should be considered by prospective investors, see Section 1.6.2 and Section 3.16 of this Prospectus.

### **Presentation of Currency Information and other Numerical Data**

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lankan Rupees. Reference in the Prospectus to “LKR”, “Rupees” and “Rs.” are reference to the local currency of Sri Lanka. Reference to “USD” is with reference to the United States Dollars, the official currency of the United States of America. Reference to “GBP” is for the Great Britain Pounds, the official currency of the United Kingdom.

Certain numerical figures in the Prospectus have been subject to rounding off adjustments; accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Presentation of Macroeconomic and Industry Data**

Economic and industry data used throughout this Prospectus are derived from the Central Bank of Sri Lanka (CBSL) and various other industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company nor the Financial Advisors and Managers to the Issue make any representation as to the accuracy of that information.

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## ISSUE AT A GLANCE

<b>Issuer</b>	B P P L Holdings Limited
<b>Number of Shares Offered</b>	Thirty Million Six Hundred and Eighty Five Thousand (30,685,000) Existing Ordinary Voting Shares via an Offer for Sale
<b>Issue Price</b>	LKR 12.00 per Share
<b>Amount to be Raised</b>	LKR 368,220,000/-
<b>Minimum Subscription</b>	Minimum subscription per Application is 100 Shares (LKR 1,200.00). Applications exceeding the minimum subscription should be in multiples of 100 Shares  Minimum subscription of 100 Shares will be transferred to each successful Applicant
<b>Opening of the Subscription List (Issue Opening Date)</b>	07 <sup>th</sup> March 2017
<b>Closure of the Subscription List (Issue Closing Date)</b>	24 <sup>th</sup> March 2017 or such earlier date on which the Issue of 30,685,000 Shares is oversubscribed
<b>Earliest Closing Date</b>	07 <sup>th</sup> March 2017
<b>Basis of Transfer of Shares</b>	The basis of transfer of Shares is detailed in Section 1.9 of this Prospectus

## CORPORATE INFORMATION

<b>Issuer</b>	B P P L Holdings Limited (formerly known as Beira Parawood Products (Private) Limited)
<b>Date of Incorporation</b>	26 <sup>th</sup> August 1991
<b>Legal Form</b>	Incorporated in Sri Lanka on 26 <sup>th</sup> August 1991 as a public company under the Companies Act No. 17 of 1982 [N (PBS) 291]), re-registered under the Companies Act No. 07 of 2007 on 21 <sup>st</sup> January 2009 (PB 859), converted to a private limited liability on 20 <sup>th</sup> July 2012 (PB 859 PV) and subsequently converted to a public company on 29 <sup>th</sup> July 2016 (PB 859 PV). Authority of Incorporation: Registrar of Companies (ROC), Colombo
<b>Company Registration Number</b>	PB 859 PV
<b>Registered Office and Current Place of Business</b>	B P P L Holdings Limited Level 03, " Parkway" Building, 48, Park Street, Colombo 02. Tel : +94 11 2307168 Fax: +94 11 2307169
<b>Board of Directors</b>	Mr. Sarath Dayantha Amarasinghe - Chairman Dr. Kanishka Anushal Amarasinghe - Managing Director Mr. Vaithilingam Selvaraj - Executive Director / Chief Financial Officer Mr. B. D. Prasad Devapriya Perera - Executive Director Mr. Ranil Prasad Pathirana - Non-Executive Director Mr. Manjula Hiranya De Silva - Independent Non- Executive Director Mrs. Sharmini Tamara Ratwatte - Independent Non- Executive Director Mr. Savantha De Saram - Independent Non-Executive Director
<b>Company Secretary</b>	Secretarius (Pvt) Ltd. 3 <sup>rd</sup> Floor, 40, Galle Face Court, Colombo 03. Tel : +94 11 2333431 Fax: +94 11 2381907
<b>Auditors to the Company</b>	Messrs. Ernst & Young (Chartered Accountants) 201, De Saram Place, Colombo 10. Tel : +94 11 2204444 Fax: +94 11 2697369
<b>Company Website</b>	<a href="http://www.beiragroup.com">www.beiragroup.com</a>
<b>Company E-Mail</b>	<a href="mailto:info@beiragroup.com">info@beiragroup.com</a>
<b>Bankers to the Company</b>	Bank of Ceylon 04, Bank of Ceylon Mawatha, Colombo 01. Tel :+94 11 2204444 Fax:+94 11 2321160  National Development Bank PLC 42, DHPL Building, Nawam Mawatha, Colombo 02. Tel : +94 11 2448448 Fax: +94 11 2341044  Hongkong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01. Tel : + 94 11 2325435 Fax: + 94 11 2690177

## RELEVANT PARTIES TO THE ISSUE

<b>Financial Advisors and Managers to the Issue</b>	CT CLSA Capital (Pvt) Ltd. # 4-15A, Majestic City, 10, Station Road, Colombo 04. Tel : +94 11 2503523 / 2584843 Fax: +94 11 2580181
<b>Legal Advisors &amp; Lawyers to the Issue</b>	Nithya Partners Attorneys-at-Law 97A, Galle Road, Colombo 03. Tel :+94 11 4712625 / 2335579 / 2335908 / 4712628 Fax:+94 11 2328817
<b>Auditors and Reporting Accountants to the Issue</b>	Messrs. Ernst & Young (Chartered Accountants) 201, De Saram Place, Colombo 10. Tel : +94 11 2463500 Fax: +94 11 2697369
<b>Registrars to the Issue</b>	S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03. Tel : +94 11 2573894 / 2576871 Fax: +94 11 2573609
<b>Bankers to the Issue</b>	National Development Bank PLC 40, Nawam Mawatha, Colombo 02. Tel :+94 11 2448448 Fax:+94 11 2305044
<b>Secretaries to the Issue</b>	Secretarius (Pvt) Ltd. 3 <sup>rd</sup> Floor, 40, Galle Face Court, Colombo 03. Tel : +94 11 2333431 Fax: +94 11 2381907

## GLOSSARY OF TERMS AND ABBREVIATION

AWPLR	:	Average Weighted Prime Lending Rate
BPPL	:	B P P L Holdings Limited
BSF	:	Beira Synthetic Fibre (Pvt) Limited
CAGR	:	Compounded Annual Growth Rate
CBSL	:	Central Bank of Sri Lanka
CDS	:	Central Depository System (Private) Limited
CSE	:	Colombo Stock Exchange
Earliest Closing Date	:	The opening day of the subscription list or the first day on which the Issue is fully subscribed
EBIT	:	Earnings Before Interest and Tax
EPS	:	Earnings Per Share
FY	:	Financial Year
FSC	:	Forest Stewardship Council
GBP	:	Great Britain Pound
GDP	:	Gross Domestic Product
Issue Closing Date	:	The date of closure of the subscription list as mentioned in Section 1.8 of the Prospectus
Issue Opening Date	:	The date of opening of the subscription list as mentioned in Section 1.8 of the Prospectus
IMF	:	International Monetary Fund
IPO	:	Initial Public Offering
LEED	:	Leadership in Energy and Environmental Design
LKR	:	Sri Lankan Rupees
Market Day	:	Any day on which CSE is open for trading
Mn	:	Million
NAVPS	:	Net Asset Value Per Share
NBT	:	Nation Building Tax
NDB	:	National Development Bank
NIC	:	National Identity Card
Offer for Sale	:	An invitation to the public by the Company to subscribe for 30,685,000 existing Ordinary Voting Shares
OEM	:	Original Equipment Manufacturer
OHSAS	:	Occupational Health and Safety Management Systems
PBV	:	Price to Book Value Ratio

PER	:	Price to Earnings Ratio
PET	:	Polyethylene Terephthalate
PLC	:	Public Limited Liability Company
POA	:	Power of Attorney
Public Holding	:	As set out in the Listing Rules of the CSE / SEC Directive dated 17 <sup>th</sup> November 2016
PPN	:	Polypropylene
PVT	:	Private
Retail Individual Investor	:	Individual investors who subscribe for Shares up to a value of LKR 100,000 or 8,300 Ordinary Shares
ROC	:	Registrar of Companies
ROE	:	Return on Equity
RTGS	:	Real Time Gross Settlement
SEC	:	Securities and Exchange Commission of Sri Lanka
Shares	:	Ordinary Voting Shares
SIA	:	Securities Investment Account
SLIPS	:	Sri Lanka Inter-bank Payment System
The Company	:	B P P L Holdings Limited
The Issue	:	The Offer for Sale under the provisions of this Prospectus dated 21 <sup>st</sup> February 2017
TTM	:	Trailing Twelve Months
UK	:	United Kingdom
USA	:	United States of America
USD	:	United States Dollar
VAT	:	Value Added Tax

## 1.0 THE ISSUE

### 1.1 INVITATION TO SUBSCRIBE

Applications are invited from the public to subscribe for 30,685,000 (thirty million six hundred and eighty five thousand) existing Ordinary Voting Shares at an Issue price of Sri Lankan Rupees Twelve (LKR 12.00) per share payable in full on application on the terms and conditions set out in this Prospectus. The Issue will constitute an Offer for Sale, as detailed below:

<b>Number of Shares</b>	30,685,000
<b>Percentage on Offer</b>	10.0%
<b>Issue Size</b>	LKR 368,220,000
<b>Price per Share</b>	LKR 12.00

The minimum subscription shall be 100 Ordinary Voting Shares at LKR 12.00 per Share and Applications in excess of the minimum subscription should be in multiples of 100 Shares.

### 1.2 SELLING SHAREHOLDERS

The Shareholder mentioned below is Offering for Sale, 30,685,000 (thirty million six hundred and eighty five thousand) existing Ordinary Voting Shares constituting 10.0% of the Ordinary Voting Shares in order to facilitate the listing of the Ordinary Voting Shares on the CSE.

<b>Selling Shareholder</b>	Hirdaramani Investment Holdings (Pvt) Ltd.
<b>Number of Shares Currently Held</b>	71,914,208
<b>Number of Shares Offered</b>	30,685,000
<b>Nature of the Shares</b>	Ordinary Voting Shares
<b>Date of Acquisition</b>	30 <sup>th</sup> May 2012

### 1.3 OBJECTIVE OF THE OFFER

Objective of the Offer is to seek a listing on the Colombo Stock Exchange. The Company will not raise any funds from the Offer. All proceeds from the Offer will be credited to the account of selling shareholder.

Benefits to the Company of listing its shares on the Colombo Stock Exchange include, creating liquidity for its shares, improving its brand name and image with its client base while also broad-basing the ownership of the Company.

The improved corporate identity is also expected to support BPPL in its future strategies, which includes the expansion of its current operations into new regional markets.

### 1.4 SPECIFIC RISKS ASSOCIATED WITH THE OBJECTIVES OF THE ISSUE

BPPL wishes to list on the Diri Savi Board, which requires a minimum public float of 10.0% and 200 shareholders. However, in the event BPPL is unable to meet the requirement of the SEC Directive dated 17<sup>th</sup> November 2016 (SEC/LEG/16/11/13) as mentioned above, upon closure of the Issue, the Ordinary Shares of the Company will not be listed on the CSE. In such an event, BPPL faces the risk of having to return the subscription amounts to the Applicants.

## 1.5 PARTICULARS OF THE SHARES

### Nature of the Existing Shares Offered

30,685,000 (thirty million six hundred and eighty five thousand) existing Ordinary Voting Shares will rank equal and *pari passu* with the other existing Ordinary Voting Shares of the Company with full voting rights and right to participate in any dividend declared to Ordinary Shareholders by the Company of the offered shares and the right to an equal share in the distribution of the surplus assets of the Company on liquidation.

## 1.6 CONSIDERATION

The Board of Directors has, after careful consideration, resolved that the Issue price of Sri Lankan Rupees Twelve (LKR 12.00) per Share for the existing Ordinary Voting Shares is fair and reasonable to the Company and to all existing Shareholders of the Company.

### 1.6.1 BASIS OF DETERMINATION OF CONSIDERATION FOR WHICH SHARES ARE TO BE ISSUED

The Offer price was determined by BPPL in consultation with CT CLSA Capital (Pvt) Ltd. (The Financial Advisors and Managers to the Issue). The Net Asset Value per Share (NAVPS) of BPPL as at 31<sup>st</sup> March 2016 was LKR 5.54 (A Sub Division of Shares in the ratio of 55:1 was carried out in January 2016 and a capitalization of reserves in the ratio of 1:191 was carried out in August 2016; NAVPS is calculated using the post share-split and capitalization of reserves number of shares for comparative purposes throughout the document). This translates into a Price to Book Value (PBV) of 2.15x, based on the Issue Price. The NAVPS of BPPL as at 31<sup>st</sup> December 2016 was LKR 6.33. This translates into a PBV of 1.90x based on the Issue Price.

### 1.6.2 THE INVESTORS ARE ADVISED TO READ THE FOLLOWING SUMMARY WITH THE RISK FACTORS INCLUDED IN SECTION 3.16 AND THE DETAILS OF B P P L HOLDINGS LIMITED AND ITS FINANCIAL STATEMENTS INCLUDED IN THIS PROSPECTUS

#### 01. QUALITATIVE FACTORS

##### A. Established Long-Standing Relationships with Blue Chip Customers Globally with a Proven Track Record

BPPL is a leading brush manufacturer in Sri Lanka and is well positioned in the international market place serving blue chip customers such as Tesco, Oates, Carrefour and The Home Depot. The Group has maintained strong relationships with some of its clientele for over 15 years. The Group has maintained a strong rapport without losing any of its key customers in the last 4 years due to its on-time delivery, high quality and commitment to sustainability.

##### B. Strong Growth Potential in Branded Brush and Synthetic Yarn Segments

BPPL has launched its own brands 'Tip Top' in Sri Lanka and 'Jab' in Indonesia, owing to the large untapped market for high quality and durable household cleaning tools such as brooms, brushes and mops. The Group also hopes to enter Malaysia in FY19. With the Southeast Asian region experiencing rapid growth in disposable income and the resulting transition to Upper Middle-Income status, the Group believes there is significant growth potential in these markets for branded brushes. BPPL expects its superior packaging and localization of brands should drive growth in this segment.

Meanwhile, BPPL also intends on expanding its operations into manufacturing of synthetic yarn. Currently, majority of synthetic yarn required for the Sri Lankan fabric manufacturing industry is imported, leaving the industry untapped. BPPL expects to commence its synthetic yarn operations in FY19. BPPL has also successfully completed its initial trial runs. The Group has 6 years of Polyethylene Terephthalate (PET) based monofilament extrusion expertise and 2 years of PET recycled bottle washing, both of which are required for synthetic yarn manufacturing. Further, the extrusion process for yarn is similar to monofilaments, an added benefit to the Company. (Refer Section 3.14 (B) for additional information)

## C. Commitment to Ethics and Sustainability

The Company is high on ethics and sustainable operations, which is reflected through its wide range of certifications such as OHSAS 18001 (expired 10<sup>th</sup> February 2017; renewal audit completed and recommended for certification), Forest Stewardship Council (FSC) (certified on 25<sup>th</sup> May 2012 valid until 24<sup>th</sup> May 2017), Leadership in Energy and Environmental Design (LEED) certified factory buildings (certified in September 2010) and ISO14001:2015 (certified on 11<sup>th</sup> August 2016, valid until 10<sup>th</sup> August 2019). Demand for environmentally friendly products is on the rise globally, which gives a competitive edge to BPPL.

## D. Proven Management Team to Lead Business Operations

BPPL's top management has experience and know-how of the industry with majority of the management team having been with the Company for over 20 years. This has helped the Group maintain long standing relationships with several customers across the globe.

## E. Strong Financial Performance with Continued Margin Expansion and a Healthy Balance Sheet

The Group has displayed strong financial performance with revenue growth at a 4-year CAGR of 10% and recurring net profit growth at a CAGR of 22% (FY12-16). Further, BPPL has continued to expand its margins through successful streamlining of its business operations (EBIT margin of 17% in FY16 vs. 11% in FY12). A low debt/equity ratio of 0.24x and a high interest cover of 11.7x in FY16 also reflect the Group's healthy balance sheet, with further borrowing capacity.

## 02. QUANTITATIVE FACTORS

As at 31<sup>st</sup> March 2016, BPPL had 305,245,215 Shares in issue. Thereafter, the Company capitalized its reserves through the issue of 1,598,142 Shares in August 2016, with the existing shareholders being issued 01 Share for every 191 held. Following the issue, the Company has 306,843,357 Shares as of 19<sup>th</sup> August 2016. (Refer Section 3.6 - Stated Capital)

### A. BPPL's Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (PER)

#### Reported EPS, ROE and PER

Reported for the Period Ended	Basic EPS* (LKR)	Diluted EPS* (LKR)	Return on Equity (%)	PER** (x)
31 <sup>st</sup> March 2014	0.66	0.66	19.3	N/A
31 <sup>st</sup> March 2015	0.48	0.48	12.4	N/A
31 <sup>st</sup> March 2016	1.00	1.00	20.8	N/A
<b>Average</b>	<b>0.72</b>	<b>0.72</b>	<b>17.5</b>	<b>N/A</b>

\* A Sub Division of Shares in the ratio of 55:1 was carried out in January 2016 and a capitalization of reserves in the ratio of 1:191 was carried out in August 2016; EPS is calculated using the post share-split and capitalization of reserves number of shares for comparative purposes

\*\* PER for BPPL is not applicable for the historic periods as no market price was available

## Recurring EPS, ROE and PER

Recurring for the Period Ended***	Basic EPS* (LKR)	Diluted EPS* (LKR)	Return on Equity (%)	PER** (x)
31 <sup>st</sup> March 2014	0.65	0.65	19.0	N/A
31 <sup>st</sup> March 2015	0.55	0.55	14.1	N/A
31 <sup>st</sup> March 2016	0.96	0.96	20.0	N/A
<b>Average</b>	<b>0.72</b>	<b>0.72</b>	<b>17.7</b>	<b>N/A</b>

\* A Sub Division of Shares in the ratio of 55:1 was carried out in January 2016 and a capitalization of reserves in the ratio of 1:191 was carried out in August 2016; EPS is calculated using the post share-split and capitalization of reserves number of shares for comparative purposes

\*\* PER for BPPL is not applicable for the historic periods as no market price was available

\*\*\* Recurring ratios are provided to reflect performance eliminating all non-recurring items

### B. BPPL's PER in relation to the Offer Price of LKR 12.00 per Share

- Based on Basic and Diluted EPS of LKR 1.00 for the year ended 31<sup>st</sup> March 2016, the PER ratio is 12.0x at the Issue Price of LKR 12.00
- Based on the three year average (FY14-16) EPS of LKR 0.72, the PER is 16.8x
- Industry PER details are given below:

Particulars	Name of the Peer Entity	Sector	Market Capitalization* (LKR Mn)	Earnings FY16 (LKR Mn)	PER (x)
Lowest	Richard Pieris Exports PLC	Manufacturing	2,494.0	364.1	6.9
Highest	Hayleys Fibre PLC	Manufacturing	644.0	16.4	39.3
	<b>Selected Peer Group Weighted Average</b>		<b>36,153.9</b>	<b>2,812.7</b>	<b>12.9</b>

Source: Colombo Stock Exchange, Company Financials

\* Market Prices as at 30<sup>th</sup> December 2016, Earnings FY16

Note:

BPPL currently does not have any comparable listed peers. As such, we have chosen Hayleys Fibre (HEXP), Richard Pieris Exports (REXP), Teejay Lanka (TJL) and Hayleys Fabric (MGT) due to their nature of business (primarily exports). Meanwhile, TJL and MGT were chosen also due to their presence in the synthetic yarn business, which BPPL intends to expand its operations to. Our selected peer group therefore consists of these four listed peers.

### C. BPPL's NAVPS and PBV

As at	NAVPS* (LKR)	PBV** (x)
31 <sup>st</sup> March 2014	3.73	N/A
31 <sup>st</sup> March 2015	4.07	N/A
31 <sup>st</sup> March 2016	5.54	N/A
<b>Average</b>	<b>4.45</b>	<b>N/A</b>

\* A Sub Division of Shares in the ratio of 55:1 was carried out in January 2016 and a capitalization of reserves in the ratio of 1:191 was carried out in August 2016; NAVPS is calculated using the post share-split and capitalization of reserves number of shares for comparative purposes. NAVPS Post IPO will not change as no cash is raised or new shares are allotted in the transfer of Shares

\*\* PBV for BPPL is not applicable for the historic periods as no market price was available

Industry PBV details are given below:

Particulars	Name of the Peer Entity	NAVPS* (LKR)	PBV* (x)
Lowest	Hayleys Fabric PLC	12.41	1.21
Highest	Richard Pieris Exports PLC	56.93	3.92
	<b>Selected Peer Group Weighted Average</b>	<b>14.94</b>	<b>2.61</b>

Source: Colombo Stock Exchange, Company Financials

\* Market Prices as at 30<sup>th</sup> December 2016, Shareholders' Funds as at 31<sup>st</sup> March 2016

Note:

BPPL currently does not have any comparable listed peers. As such, we have chosen Hayleys Fibre (HEXP), Richard Pieris Exports (REXP), Teejay Lanka (TJL) and Hayleys Fabric (MGT) due to their nature of business (primarily exports). Meanwhile, TJL and MGT were chosen also due to their presence in the synthetic yarn business, which BPPL intends to expand its operations to. Our selected peer group therefore consists of these four listed peers.

**D. Comparison of Accounting Ratios of the Industry (Based on Audited Financials for the Year ended 31<sup>st</sup> March 2016)**

Name of the Peer Entity	Sector	EPS (LKR)	NAVPS (LKR)	PER* (x)	PBV* (x)	Return on Equity (%)
Richard Pieris Exports PLC	Manufacturing	32.61	56.93	6.85	3.92	68.0
Hayleys Fibre PLC	Manufacturing	2.05	59.74	39.30	1.35	3.5
Hayleys Fabric PLC	Footwear & Textiles	1.26	12.41	11.91	1.21	11.2
Teejay Lanka PLC	Manufacturing	3.11	14.51	13.77	2.95	25.3
B P P L Holdings Limited**		1.00	5.54	N/A	N/A	20.8

Source: Colombo Stock Exchange, Company Financials

\* Market Data as at 30<sup>th</sup> December 2016

\*\* PER and PBV for BPPL are not applicable for the historic periods as no market price was available

Note:

BPPL currently does not have any comparable listed peers. As such, we have chosen Hayleys Fibre (HEXP), Richard Pieris Exports (REXP), Teejay Lanka (TJL) and Hayleys Fabric (MGT) due to their nature of business (primarily exports). Meanwhile, TJL and MGT were chosen also due to their presence in the synthetic yarn business, which BPPL intends to expand its operations to. Our selected peer group therefore consists of these four listed peers.

**E. Comparison of Accounting Ratios of the Industry (Based on Reported Financials for TTM September 2016)**

Name of the Peer Entity	EPS (LKR)	NAVPS (LKR)	PER* (x)	PBV* (x)	Return on Equity (%)
Richard Pieris Exports PLC	36.45	80.44	6.13	2.78	52.1
Hayleys Fibre PLC	5.84	62.56	13.79	1.29	9.7
Teejay Lanka PLC	3.56	15.05	12.03	2.84	26.0
Hayleys Fabric PLC	0.90	12.52	16.66	1.20	7.5
B P P L Holdings Limited**	1.24	5.93	N/A	N/A	24.4

Source: Colombo Stock Exchange, Company Financials

\*Market Data as at 30<sup>th</sup> December 2016

\*\* PER and PBV for BPPL are not applicable for the historic periods as no market price was available

Note:

BPPL currently does not have any comparable listed peers. As such, we have chosen Hayleys Fibre (HEXP), Richard Pieris Exports (REXP), Teejay Lanka (TJL) and Hayleys Fabric (MGT) due to their nature of business (primarily exports). Meanwhile, TJL and MGT were chosen also due to their presence in the synthetic yarn business, which BPPL intends to expand its operations to. Our selected peer group therefore consists of these four listed peers.

## F. Accounting Ratios of BPPL (Based on Reported Financials for TTM December 2016)

Name of the Peer Entity	EPS* (LKR)	NAVPS* (LKR)	PER** (x)	PBV** (x)	Return on Equity (%)
B P P L Holdings Limited**	1.32	6.33	N/A	N/A	24.3

\* A Sub Division of Shares in the ratio of 55:1 was carried out in January 2016 and a capitalization of reserves in the ratio of 1:191 was carried out in August 2016; EPS is calculated using the post share-split and capitalization of reserves number of shares for comparative purposes. NAVPS Post IPO will not change as no cash is raised or new shares allotted in the transfer of shares

\*\* PER and PBV for BPPL are not applicable for the historic periods considered as no market price was available

### 1.7 LISTING

An application has been made and approved in principle by the CSE for permission to deal in and for a listing of 306,843,357 (three hundred and six million eight hundred and forty three thousand and three hundred and fifty seven) existing Ordinary Voting Shares being the entirety of the Shares constituting the Stated Capital of the Company resulting after the Offer for Sale.

If fully subscribed, the Offered Shares will amount to 10.0% of the Issued Ordinary Shares of the Company subsequent to the Issue.

Upon the successful completion of the Issue, Ordinary Voting Shares of the Company will be listed on the Diri Savi Board of the CSE, subject to compliance with Rule 2.1.3 of the Listing Rules of the CSE.

In the event the Issue is being undersubscribed and thereby the Company being unable to fulfill the minimum public holding requirement as per the SEC Directive dated 17<sup>th</sup> November 2016 (SEC/LEG/16/11/13), the Company will return all monies received from the Applicants for subscription of the Ordinary Voting Shares within Ten (10) Market Days from the Issue Closing Date and in such event the Ordinary Voting Shares of the Company will not be listed on the CSE.

### 1.8 SUBSCRIPTION LIST

The subscription list for the shares offered will open at 9.00 a.m. on 07<sup>th</sup> March 2017 and shall remain open for Fourteen (14) Market Days until closure at 4.30 p.m. on 24<sup>th</sup> March 2017. In the event of an over-subscription of the Offered Shares prior to the closing date, the Company shall inform the CSE in writing immediately of such fact and the subscription list shall be closed on the same day at 4.30 p.m., with written notification to the CSE.

## 1.9 BASIS OF TRANSFER

The basis of transfer of shares will be decided by the Board of Directors of the Company as soon as practicable while ensuring compliance with the Listing Rules and the preferential transfer basis as listed below. These transfers will be made in a fair manner.

Investor Category	Percentage of Issue
Retail Individual Investors	40%
Unit Trust Investors	10%
Group Employees	5%
Non Retail Investors	45%

In determining the basis of transfer within the Retail Individual Investor Category, individual investors who subscribe for a smaller number of shares shall be given priority.

**'Retail Individual Investors'** shall mean an investor who subscribes for a maximum of 8,300 Shares or a value of not more than Sri Lankan Rupees Hundred Thousand (LKR 100,000/-). Based on the number of Shares applied for, the Company will identify Retail Individual Investors.

In the event of an under-subscription in the Retail Individual Investors category, the Unit Trust Investors category shall be given first priority in transfer of the under-subscribed shares.

**'Unit Trust Investors'** includes growth or balanced Unit Trusts operated by Managing Companies licensed by the Securities and Exchange Commission of Sri Lanka (SEC) to operate such Unit Trusts, where such Unit Trusts comprises of not less than five hundred unit holders resident in Sri Lanka who together hold at least 50% of that fund.

Please note that the Company will examine, whether the Applicants under Unit Trust Investors category comply with criteria defined by the SEC Directive dated 06<sup>th</sup> June 2011 (SEC/LEG/11/06/01) and CSE Listing Rule 3.1.5 (b) (iii).

**'Group Employees'** shall constitute employees of B P P L Holdings Limited. Only the employees from the following companies in B P P L Holdings Limited can apply under the 'Group Employees' category:

- 1) B P P L Holdings Limited
- 2) Beira Enviro Solutions (Private) Limited
- 3) Beira Brush (Private) Limited
- 4) Beira Enterprises (Private) Limited

The basis of transfer for the Group Employees category will be at the discretion of the Board of Directors of the Company.

**'Non Retail Investors'** category will include investors who are applying for more than 8,300 Shares of the Company that does not fall under Unit Trust Investors category.

Immediately after the basis of allocation being decided by the Board of Directors of the Company an announcement will be made to the CSE. The Company will notify successful Applicants on their transfer within Ten (10) Market Days from the date of closure of the Issue.

In the event of an under-subscription in the Retail Individual Investors category, the Unit Trust Investors category shall be given first priority followed by Group Employees category, in transfer of the under-subscribed shares.

In the event of an under-subscription in the Unit Trust Investors category, the Retail Individual Investors category shall be given first priority followed by Group Employees category, in transfer of the under-subscribed shares.

In the event of an under-subscription in the Group Employees category, the Retail Individual Investors category shall be given first priority, followed by the Unit Trust Investors category in transfer of the under-subscribed shares.

In the event of an under-subscription in the Non Retail Investors category, Retail Individual Investors category will be given first priority followed by Unit Trust Investors category in the transfer of the under-subscribed Shares.

#### **1.10 COST OF THE ISSUE**

The Directors of the Company estimate that the total cost of the Share Issue will be approximately LKR 15 Mn, translating to 4.1% of the funds raised. Such costs will be covered by the selling shareholder.

Above cost estimation includes the initial listing fees, fees payable to the Financial Advisors & Managers to the Issue, Registrars to the Issue, Bankers to the Issue, Lawyers to the Issue, postage, printing and marketing costs, and brokerage payable on the Issue of existing Ordinary Voting Shares.

#### **1.11 BROKERAGE**

Brokerage at the rate of zero decimal five per centum (0.50%) will be paid by the selling shareholder in respect of the number of shares transferred on applications bearing the stamp of any member or trading member of the CSE or any bank operating in Sri Lanka or the Bankers to the Issue.

#### **1.12 MINIMUM SUBSCRIPTION AND UNDERWRITING**

No underwriting arrangement has been made by the Company for this Share Issue. Further, in the opinion of the Directors of the Company, there is no minimum subscription required to be raised through this Issue.

However, in the event the Issue is under-subscribed and the Company is unable to meet the public holding requirement stipulated in the SEC Directive dated 17<sup>th</sup> November 2016 (SEC/LEG/16/11/13), the Company shall return the monies received from the Applicants and in such event the Ordinary Voting Shares of the Company will not be listed on the CSE. Entirety of the Shares should be subscribed to meet the minimum public holding requirement.

#### **1.13 INSPECTION OF DOCUMENTS**

Certified copies of the following documents will be available for inspection during normal business hours at the Registered Office of B P P L Holdings Limited, Level 03, "Parkway" Building, 48, Park Street, Colombo 02 from the date hereof, until the subscription list is closed or up to 14 Market Days, whichever is later.

- a) Articles of Association
- b) Reports, letters, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus
- c) The audited accounts of the Company for five (5) financial years immediately preceding the publication of this Prospectus

The Prospectus and the Articles of Association of the Company will also be hosted on the Company's website **www.beiragroup.com** and CSE website **www.cse.lk** during the above mentioned period.

The research report prepared by the Financial Advisors and Managers to the Issue will be hosted on the Company's website **www.beiragroup.com** and CSE website **www.cse.lk** for a period of Two (02) Months commencing from the date of granting approval in principle for listing of shares of the Entity by the Colombo Stock Exchange.

## 2.0 PROCEDURE FOR APPLICATION

### 2.1 ELIGIBILITY TO INVEST

Applications are invited from the following categories of Applicants having a valid CDS account in the Central Depository System (Private) Limited (CDS Account):

- a) Citizens of Sri Lanka who are resident within Sri Lanka and are above 18 years of age or;
- b) Citizens of Sri Lanka resident outside of Sri Lanka and who are above 18 years of age or;
- c) Foreign Citizens who are above 18 years of age or;
- d) Companies, Corporations or Institutions incorporated or established within Sri Lanka or;
- e) Corporate bodies incorporated or established outside Sri Lanka or;
- f) Approved Unit Trusts licensed by the SEC or;
- g) Approved Provident Funds and Approved Contributory Pension Schemes registered / incorporated / established in Sri Lanka. Applications by these bodies must be in the name of the Trustee / Board of Management thereof, in order to facilitate the opening of the CDS Accounts or;
- h) Regional and Country funds approved by the SEC

**IMPORTANT - Joint Applicants should not apply through a separate Application Form either individually or jointly.**

**Applications will NOT be accepted from individuals under the age of 18 years or if made in the names of Sole Proprietorships, Partnerships, Unincorporated Trusts or any Non-Corporate Bodies.**

**Applications submitted under the Unit Trust Investors category should conform to the criteria defined by the SEC Directive dated 06<sup>th</sup> June 2011 (SEC/LEG/11/06/01).**

**Applications from the public will be given priority when transferring shares.**

Eligible Applicants may fall into one of the following categories.

- i. Retail Individual Investors
- ii. Unit Trust Investors
- iii. Non Retail Investors
- iv. Group Employees

## 2.2 PROCEDURE FOR APPLICATIONS

The Prospectus and Application Form will be available free of charge from the collection points listed under Annexure 7 in this Prospectus.

The Application Form should be legibly completed and be received by the Registrars to the Issue during the stipulated time period. Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

Applicants, except for the Applicants applying under the Group Employees category should apply only through one investor category (including joint Applicants) and would be permitted to submit only one Application Form. Two or more applications submitted by the same Applicant, except for the Applicants applying under the Group Employees category, either under the same category or different category will be construed as multiple applications and will be rejected.

Only one application should be made by an Applicant under the Group Employees category. Additionally an Applicant may make a further application (One [1] only) either under the Retail Individual Investors category or Non Retail Investors category which will not be construed as multiple applications and will not be rejected.

Only one application should be made by an Applicant under the Unit Trust Investors category.

Joint Applicants should note that all parties in the joint application should either be residents of Sri Lanka or non-residents. An Applicant of a joint application will not be eligible to submit a separate application either individually or jointly for the shares applied.

Applications by Companies, Corporations and other Corporate Bodies, registered / incorporated / established in Sri Lanka should be made under their common seal or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicants or as per the statutes governing them. In the case of Approved Provident Funds, Trust Funds and Approved Contributory Pension Schemes the applications should be in the name of the Trustees/ Board of Management.

The Application Forms may be signed by any party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. The original POA certificate should not be attached.

Applicants, who wish to apply through their Margin Trading Accounts, should submit the application signed by the Margin Provider, requesting a direct upload of the Shares to the Applicant's Margin Trading Account in the CDS. The Margin Provider should indicate the relevant CDS account number relating to the Margin Trading Account in the space provided in the Application Form. A "True copy" of the Margin Trading Agreement should be attached with the Application Form. The NIC, passport, or company registration number of the Applicant as the case may be, must be stated in the Application Form.

An Applicant who has made an application under a Margin Trading Account should not apply individually or jointly on a separate Application Form, except under the Group Employees category. Such applications will also be construed as multiple applications and will be rejected.

Resident Applicants may use the passport for purposes of identification, only if they do not have a NIC number. A photocopy of the Margin Trading Agreement must be submitted along with the application. Please note that the Margin Provider can apply under its own name and such applications will not be construed as multiple applications.

A foreign citizen must state his/ her passport number in the space provided.

It should be noted that in the event the Applicant's CDS account number is correctly stated in the Application Form all correspondence with such Applicant would be sent to the address given to the CDS by such Applicant. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of Margin Trading Accounts will be rejected.

Further, in the event the name, address, NIC number / passport number of the Applicant mentioned in the Application Form differs from the name, address, NIC number / passport number given to the CDS by such Applicant in respect of the CDS account mentioned in the Application Form will be considered as the name, address, NIC number / passport number of such Applicant. Therefore the Applicants must ensure that their name, address, NIC number / passport number mentioned in the Application Form tallies with the name, address, NIC number / passport number given to the CDS in respect of the CDS account mentioned in the Application Form.

The Applicant should absolve CSE and CDS for errors/omissions of the information recorded in the CDS accounts if such errors/omissions were initiated by such Applicants.

Applications submitted under the Unit Trust Investors category should accompany a written confirmation by the Trustee confirming that such unit trust is in conformity with the criteria defined by the SEC Directive dated 06<sup>th</sup> June 2011 (SEC/LEG/11/06/01) and CSE Listing Rule 3.1.5(b)(iii).

As per the SEC Directive made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited dated November 30, 2010, all Shares transferred shall be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account number are advised to open a valid CDS account prior to submitting the application in order to facilitate the uploading of relevant Shares to their CDS account.

Please note that upon the transfer of shares under this Issue the transferred shares would be credited to the Applicant's CDS account within Eighteen (18) Market Days from the closure of the Issue. **Please note that share certificates shall not be issued.** Applications which do not carry the CDS account number, which is not opened at the time of the closure of the subscription list or which indicate an incorrect/ inaccurate CDS account number shall be rejected, and no transfer will be made. You can open a CDS account through any member/ trading member of the CSE as set out in Annexure 8 or through any custodian bank as set out in Annexure 9 of this Prospectus.

Please follow the web link given below in order to get your Bank and Branch codes.  
[http://www.lankaclear.com/product\\_service/8-guidelines](http://www.lankaclear.com/product_service/8-guidelines)

Applicants have the option of having their shares 'locked' in the CDS as described below.

Shares that are locked would not be available for trading purposes and would not be visible to the participant. If the Applicant has not specified that his/her Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Those shareholders who do not want to trade the securities, the CDS would provide a mechanism where securities can be 'locked' in the CDS account. The CDS would maintain two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant and all dealings and trading would be permitted on the said trading balance, as done presently.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from an unauthorized sale by a broker.

At the option and request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

### **Retail Individual and Non Retail Investors Category**

Applicants falling under the Retail Individual and Non Retail Investor categories should apply for the Shares on the **White Colored** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available from the collection points listed in Annexure 7 and can also be downloaded from [www.beiragroup.com](http://www.beiragroup.com) and [www.cse.lk](http://www.cse.lk). Exact size copies of the Application Form printed on **White Colored** paper as specified herein will also be permissible under the Retail Individual and Non Retail Investors categories. The completed Application Forms should be submitted to the Registrars to the Issue in accordance with Section 2.3 of the Prospectus.

‘Retail Individual Investor’ shall mean an investor who subscribes for a maximum of 8,300 Shares (including 8,300 Shares) or a value of not more than Sri Lankan Rupees Hundred Thousand (LKR 100,000/-).

### **Group Employees Category**

Applicants applying under the Group Employees category must apply for the Shares only using the separate **Blue Colored** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will only be made available through B P P L Holdings Limited Group Companies. Employees applying under this category shall be required to apply under their respective individual names using only the correctly colored Application Form and should not apply as joint Applicants.

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or bank guarantee only) for the full amount payable on the application and the company seal/rubber stamp of the respective employer placed thereon should be submitted to **B P P L Holdings Limited, Level 03, “Parkway” Building, 48, Park Street, Colombo 02** for onward transmission to the Registrars to the Issue in accordance with Section 2.3.

**Employees shall NOT submit applications directly to the Registrars to the Issue. No photocopies of the colored Application Form would be permissible.**

### **Unit Trust Investors Category**

Applicants applying under the Unit Trust Investors category must apply for the Shares using the separate **Yellow Colored** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the Financial Advisors and Managers to the Issue, **CT CLSA Capital (Pvt) Ltd., # 4-15A, Majestic City, 10, Station Road, Colombo 04**. The completed Application Forms should be submitted to the Financial Advisors and Managers to the Issue who will forward the same to the Registrars to the Issue in accordance with Section 2.3. Applicants under Unit Trust Investors category should comply with criteria defined by the SEC Directive dated 06<sup>th</sup> June 2011 (SEC/LEG/11/06/01) and CSE Listing Rule 3.1.5 (b) (iii). ‘Unit Trust Investors’ includes growth or balanced Unit Trusts operated by Managing Companies licensed by the Securities and Exchange Commission of Sri Lanka (SEC) to operate such Unit Trusts, where such Unit Trust comprises of not less than five hundred unit holders resident in Sri Lanka who together hold at least 50% of that fund.

## 2.3 SUBMISSION OF APPLICATIONS

The Application Form under Retail Individual and Non Retail Investor categories properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or bank guarantee or RTGS transfer only) for the full amount payable should be enclosed in a sealed envelope marked “**B P P L Holdings Limited - IPO**” on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address, prior to 4.30 p.m. local time on the Issue Closing Date. RTGS transfer only for values above and inclusive of LKR 100,000,000/-.

**S S P Corporate Services (Private) Limited**  
**101, Inner Flower Road,**  
**Colombo 03.**  
**Tel: +94 11 257 3894 / 257 6871**  
**Fax: +94 11 257 3609**

Applications may also be handed over to the Financial Advisors and Managers to the Issue, the Bankers to the Issue, members and trading members of the CSE as set out in Annexure 8, for onward transmission to the Registrars to the Issue.

In the case of investors applying under the Group Employees category, the Application Forms should be submitted to **B P P L Holdings Limited, Level 03, “Parkway” Building, 48, Park Street, Colombo 02** who will forward the same to the Registrars to the Issue.

In the case of investors applying under the Unit Trust Investors category the Application Forms should be submitted to the Financial Advisors and Managers to the Issue who will forward the same to the Registrars to the Issue.

In the case of applications dispatched by courier or post, such applications should reach the Registrars to the Issue no later than 4.30 p.m. on the market day immediately following the closure date. Any applications received after the above deadline shall be rejected even though the courier or post mark is dated prior to the closure date.

In the case of applications dispatched by hand, such applications should reach the Registrars to the Issue no later than 4.30 p.m. on the date of closure of the Offering. Any applications received after the above deadline shall be rejected.

The subscription list for the Offered Shares will open at 9.00 a.m. on 07<sup>th</sup> March 2017 and shall remain open for Fourteen (14) Market Days until closure at 4.30 p.m. on 24<sup>th</sup> March 2017.

In the event of an over-subscription of the Offered Shares prior to the date scheduled as the closing date of the period for subscription, the Company shall inform the CSE in writing immediately of such a fact and the subscription list will be closed at 4.30 p.m. on the same day on which it is fully subscribed with notification to the CSE.

## 2.4 MINIMUM NUMBER OF SHARES

The application should be made for a minimum of Hundred (100) Shares or in multiples of Hundred (100) Shares thereof.

Applications made for less than Hundred (100) Shares or for a number which is not in multiples of Hundred (100) Shares will be rejected. The cheque or bank draft or bank guarantee or RTGS (RTGS transfer only for values above and inclusive of LKR 100,000,000/-) should be issued/carried out to the exact value of the number of Shares applied for multiplied by the Share Issue Price. Cheques, bank drafts or bank guarantees or RTGS not conforming to the above requirement will be rejected at the outset.

## 2.5 MODE OF PAYMENT

Payment should be made separately in respect of each application by way of a cheque or bank draft or bank guarantee drawn upon a Licensed Commercial Bank operating in Sri Lanka or RTGS transfer directed through any Licensed Commercial Bank operating in Sri Lanka (RTGS transfer only for values above and inclusive of LKR 100,000,000/-). Remittances on applications will be deposited in a separate bank account in the name of **“B P P L Holdings Limited - IPO”**.

The amount payable should be calculated by multiplying the number of Shares applied for under a particular category by the Issue Price of LKR 12.00. If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee, the application will be rejected.

Cash will not be accepted, anyone wishing to pay cash should obtain a bank draft from any Licensed Commercial Bank in Sri Lanka. Bank guarantees should be valid up to One (01) Month from the date of Issue. Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

Payment for applications for values below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) could be supported by only one cheque or bank draft or bank guarantee. An Application Form accompanied by two or more cheques, bank drafts or bank guarantees will be rejected at the outset. Any applications with two or more cheques, bank drafts or bank guarantees will be rejected in the event the value of such application is below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-).

Payments for applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either a bank guarantee issued by a Licensed Commercial Bank in Sri Lanka, multiple bank drafts / cheques drawn upon any Licensed Commercial Bank operating in Sri Lanka or a single RTGS transfer directed through any Licensed Commercial Bank operating in Sri Lanka, each of which should be for values on the date of opening of the Issue. **SLIPS will not be accepted.**

## 2.6 CHEQUES OR BANK DRAFTS - RESIDENT SRI LANKAN INVESTORS

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed “Account Payee Only” and made payable to **“B P P L Holdings Limited - IPO”**. Cheques or bank drafts accompanying Application Forms made for less than Hundred (100) Shares or for a number which is not in multiples of Hundred (100) Shares (as mentioned in Section 2.4) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of joint Applicants, to the first named Applicant. In the event that cheques are not realized within Two (02) Market Days from the day of presenting the same to the bank for clearing, the cheques will be returned and no allocation of shares will be made to the investors.

Cheques must be honoured on the first presentation to the bank for the application to be valid. Applications supported by cheques which are not honoured on the first presentation will be rejected.

### 2.6.1 BANK GUARANTEES - RESIDENT SRI LANKAN INVESTORS

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 2.5 will be accepted. Bank guarantees will be presented to the respective banks only after the Shares have been transferred. Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of **“B P P L Holdings Limited - IPO”** in a manner acceptable to the Company and payable on demand. Bank guarantees should be valid for a minimum of One (1) Month from the date of opening of the Issue (i.e. 07<sup>th</sup> March 2017).

## 2.6.2 RTGS TRANSFERS – RESIDENT SRI LANKAN INVESTORS

In case of RTGS transfers (only for applications valued above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-), such transfers should be made to the credit of “**B P P L Holdings Limited – IPO**” bearing the **account number 101000570037 at NDB Bank** with value on the Issue Opening Date (i.e. 07<sup>th</sup> March 2017).

The Applicants should obtain a confirmation from the Applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Shares applied for to the credit of “**B P P L Holdings Limited – IPO**” bearing the account number **101000570037** at NDB Bank with value on Issue Opening Date (i.e. the fund to be made available to the above account on the Issue Opening Date and should be attached to the Application Form).

For RTGS transfers, no interest will be paid from the date of Issue Opening up to the Date of Transfer. Further, no interest will be paid for funds prior to the Issue Opening Date, if those fund transfers are effected prior to the Issue Opening Date.

## 2.6.3 FOREIGN CURRENCY REMITTANCE

This section is applicable to citizens of Sri Lanka who are above 18 years of age and resident overseas, corporate bodies incorporated or established outside Sri Lanka, global, regional or country funds approved by the SEC and foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

The above mentioned Applicants should make their payments using one of the following methods as the case may be.

A foreign investor may invest through a Securities Investment Account (SIA) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through a SIA is presented below:

A confirmation letter from the Applicant’s bank confirming the funds for the purchase of the shares is out of the Applicant’s SIA account & applications that do not have such a bank confirmation annexed will be rejected.

A foreign investor may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market. The intermediary may open a SIA (applications that do not have a bank confirmation annexed will be rejected), on the investor’s behalf. In conjunction with the SIA, an account with the CDS must be opened.

In respect of global, regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC.

Payment for shares should be made through a bank draft or unconditional bank guarantee or RTGS against the funds in the SIA (applications that do not have a bank confirmation annexed will be rejected) and made payable to “**B P P L Holdings Limited – IPO**”. RTGS transfer only for values above and inclusive of LKR 100,000,000/-. Refunds for non-residents Applicants would be made through the same SIA account used for payment of shares.

## 2.7 BANKING OF PAYMENTS

All cheques, bank drafts or bank guarantees received in respect of applications will not be banked or called on until the Market Day after the Issue Closing Date.

## 2.8 REJECTION OF APPLICATIONS

- Application Forms, which are incomplete in any way and/or are not in accordance with the terms and conditions specified in this Prospectus, will be rejected.
- If the CDS account number is not indicated in the Application Form or is not opened at the time of the closure of the subscription list or the CDS number indicated in the Application Form is found to be inaccurate/ incorrect, the application will be rejected and no transfers will be made.
- Applications with two or more cheques, bank drafts or bank guarantees will be rejected in the event the value of such application is below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-).
- Applications made for less than One Hundred (100) Shares or for a number which is not in multiples of One Hundred (100) Shares will be rejected.
- Application Forms accompanied by cash and SLIPS will not be accepted.
- Applications delivered by hand after 4.30 p.m. on the Issue Closing Date will be rejected.
- Applications received by post after 4.30 p.m. on the succeeding working day immediately following the date of closure of the subscription list, will also be rejected even if they carry a post mark dated prior to the closing date of the subscription list.
- Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts will be rejected.
- Applicants, except for the applicants applying under the Group Employees category should apply only through one investor category (including joint Applicants) and would be permitted to submit only one Application Form. Two or more applications submitted by the same Applicant, except for the applicants applying under the Group Employees category, either under the same category or different category will be construed as multiple applications and will be rejected.
- In the event cheques are dishonoured/ returned on first presentation, the application will be rejected.
- The Company/Financial Managers and Advisors to the Issue/Registrars to the Issue reserve the right to reject multiple applications and suspected multiple applications which are not allowed or to accept only one Application Form at their discretion.

**The Board of Directors shall reserve the right to refuse any applications or to accept any applications in full or part.**

## 2.9 REFUNDS

Where an Application Form is rejected, the cheque, bank draft or bank guarantee received in respect of the application will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, application monies will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft is not honoured at the first presentation, the application will also be rejected and the cheque or bank draft will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, application monies will be returned to the first named Applicant.

Where an application is accepted only in part, the balance of the monies received on application will be refunded. Refunds on shares that have not been transferred or for applications that have been fully rejected, will be refunded on or before the expiry of Ten (10) Market Days from the closure date (excluding the closure date) as required by the CSE Listing Rules.

Applicants would be entitled to receive interest at the last quoted Average Weighted Prime Lending Rate (AWPLR) published by the Central Bank of Sri Lanka plus Five Percent (5%) on any refunds not made within this period.

The refund payments only upto a maximum limit of Sri Lankan Rupees Five Million (LKR 5,000,000/-) will be made to the bank account specified by the Applicant through the Sri Lanka Inter-bank Payment System (SLIPS) (as per LANKACLEAR Operating instruction circular No 11/2010 dated 25<sup>th</sup> October 2010) on or before the expiry of Ten (10) Market Days from the closure date (excluding the closure date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of his bank account in the Application Form.

If the Applicant has provided accurate and complete details of his bank account in the application, the Bankers to the Issue will make refund payments up to and inclusive of Sri Lankan Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment advice will be sent.

In the event of refunds over Sri Lankan Rupees Five Million (LKR 5,000,000/-), if the Applicant has provided accurate and complete details of his bank account in the application, refunds will be made via RTGS.

In the event the Applicant has not provided accurate and correct details of his bank account in the Application Form, the bank will make such refund payment to the Applicant by way of a cheque crossed "Account Payee only" and sent by post at the risk of the Applicant.

In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the Company together with the Registrars to the Issue will send the refund cheques to such Applicants at the earliest possible date and the Applicant should not hold the Company or the Registrars to the Issue accountable for such delays.

If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a joint application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.

A request for cancellation of crossing the refund cheque, in instances where the Applicant does not maintain a current account, should be addressed to the Registrars to the Issue in writing, stating the cheque number and the fact that the Applicant does not maintain a current account. The refund cheque and a Notary Public certified copy of the Applicant's NIC should accompany the letter. In the event of a cheque being delivered by hand by a third party to the Registrars to the Issue for cancellation of crossing, a letter of authorisation signed by the Applicant stating the NIC number of such third party should also be presented with the cheque. Cheques on which the

crossings have been cancelled by the Registrars to the Issue should preferably be collected in person or by a third party authorised by the Applicant. Where an Applicant has requested the delivery of a cheque on which the crossing has been cancelled via post, the cheque will be sent at the risk of the Applicant.

## **2.10 TRADING OF SHARES**

A written confirmation, upon the completion of crediting the respective CDS accounts will be sent to the shareholder within Two (2) Market Days of crediting the CDS accounts by ordinary post to the address provided by each shareholder in their respective applications.

The Company will submit to the CSE a Declaration on the market day immediately following the day on which investors' CDS accounts are credited with securities. Trading of Shares of the Company on the secondary market will commence on or before the third market day from the receipt of the Declaration of the Company by the CSE.

## 3.0 THE COMPANY

### 3.1 OVERVIEW OF THE COMPANY

BPPL is a leading manufacturer and exporter of cleaning tools such as brooms, brushes and mops since 1991. The Group's backward integrated manufacturing facilities offer flexible cleaning tools for the household, professional, commercial and industrial market segments. BPPL primarily caters its products to USA, Canada, Indonesia, Europe, Australia, New Zealand and India and its customer portfolio includes reputed brands such as The Home Depot USA, Rubbermaid USA, Grainger USA, Tesco UK, Oates (Australia). BPPL although initially active in the Generic Brush segment, has now expanded its operations in the Branded Brush segment, which focuses on marketing products under their own brands in the Southeast Asian region. BPPL also expects to enter the synthetic yarn manufacturing business and is currently in the process of investing approximately LKR 675 Mn over FY17-18E. ISO 9001:2008, ISO 14001:2004, OHSAS 18001, and Forest Stewardship Certifications (FSC) further reflect the high quality and ethical production process of BPPL. The Group had a workforce of approximately 671 employees as at 31<sup>st</sup> December 2016.

BPPL's operations are carried out at four factory locations in Sri Lanka. The Group has a competitive edge in supplying a wide range of brushware and related products based on customer requirements. BPPL's versatility of production of wooden and plastic brush heads, recycled or virgin synthetic filaments and natural fiber processing is likely to provide a strategic advantage in the business while it also has potential for growth through new product development capabilities.

#### Factory Details

Factory	Location	Area
BPPL	Ingiriya	10.0 acres (Freehold)
Saw Mill	Padukka	140.0 perches (Freehold)
Extruder	Horana	1.7 acres (Freehold)
Washing Plant	Horana	3.0 acres (99 Year Lease)

### 3.2 VISION STATEMENT

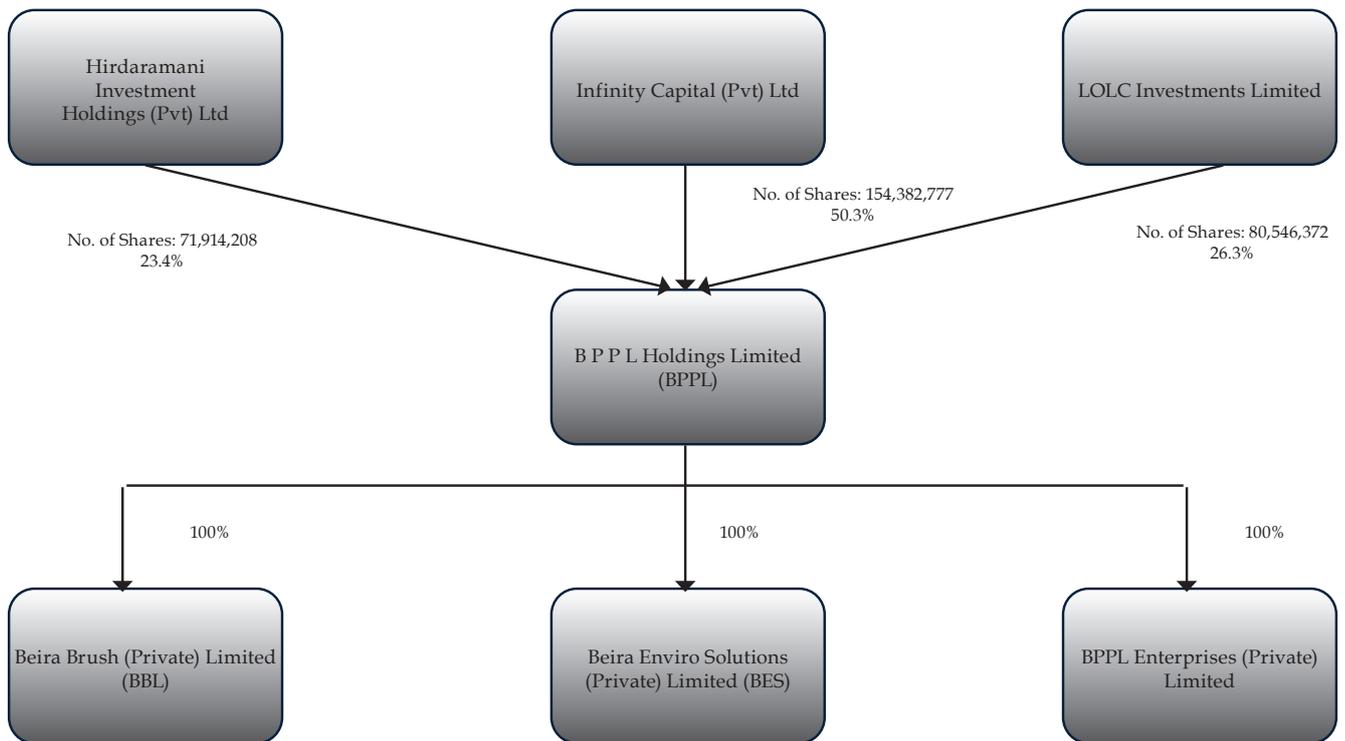
“Build Quality to Improve Life”

### 3.3 MISSION STATEMENT

“To be a leading, environmentally friendly, cleaning tool and filament producer in the world”

### 3.4 GROUP STRUCTURE

Infinity Capital (Pvt) Ltd. owns an effective stake of 50.3% in BPPL while LOLC Investments Limited and Hirdaramani Investment Holdings (Pvt) Ltd. owns 26.3% and 23.4% of stake in BPPL, respectively. Beira Synthetic Fibre (Private) Limited (BSF), a fully owned subsidiary of BPPL, was liquidated in FY14 after transferring its operations to Beira Enviro Solutions (Private) Limited (BES) in order to consolidate the monofilament extrusion business under a single entity. On 25<sup>th</sup> July 2016, 100% ownership of BES was transferred to BPPL, which was formerly held by BBL.



Source: BPPL

Infinity Capital (Pvt) Ltd. is an investment holding company directly owned by Dr. Kanishka Anushal Amarasinghe (50.06% ownership), who is currently the Managing Director of BPPL. Its only investment at present is in B P P L Holdings Limited. It was incorporated on 28<sup>th</sup> April 2011.

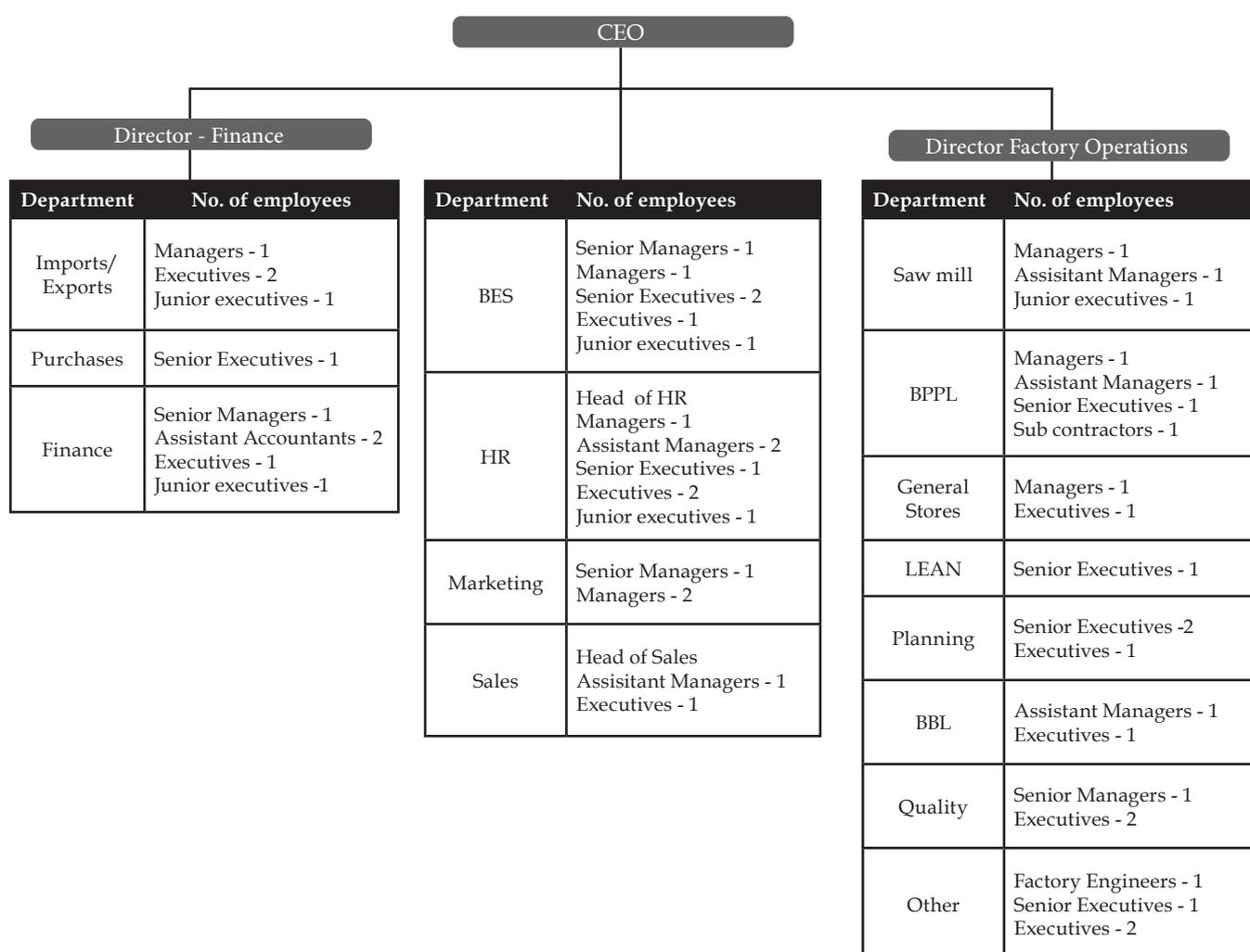
Other shareholders of Infinity Capital (Private) Limited includes:

Mrs. Viola Amarasinghe  
Ms. Keshaya Melana Amarasinghe  
Mr. Sarath Dayantha Amarasinghe  
Ms. Danya Eshana Amarasinghe

## Directors of Other Shareholding Companies of BPPL:

Hirdaramani Investment Holdings (Private) Limited	LOLC Investments Limited
Janak Bhagwandas Hirdaramani	K A K P Guawardena
Anil Kumar Lalchand Hirdaramani	J B W Kelegama
Manesh Lalchand Hirdarmani	P D G Jayasena
Vinod Kishore Hirdarmani	
Nikhil Kishore Hirdarmani	
Aroon Janak Hirdaramani	
Rakhil Anil Kumar Hirdaramani	
Ranil Prasad Pathirana	
Siddarth Janak Hirdaramani	
Akshay Anil Hirdaramani	

### 3.5 ORGANIZATIONAL STRUCTURE



### 3.6 STATED CAPITAL

The Stated Capital of the Company comprised of 305,245,215 Ordinary Voting Shares post sub-division of shares in the ratio of 1 share into 55 shares in FY16 representing a value of LKR 81.2 Mn as at 31<sup>st</sup> March 2016. The sub-division of shares was completed on 12<sup>th</sup> January 2016. The sub-division is permitted under the Articles of Association of the Company and shareholder approval has been obtained.

In order to meet the minimum stated capital requirement of LKR 100 Mn for listing on the Diri Savi Board as mandated by the Rules of the Colombo Stock Exchange the Company carried out a capitalization of reserves on 19<sup>th</sup> August 2016 through the issue of 1,598,142 number of Ordinary Voting Shares (at LKR 12.00 per Share) which will rank equal and *pari passu* with the other existing Ordinary Voting Shares of the Company with full voting rights and right to participate in any dividend declared to Ordinary Shareholders by the Company and the right to an equal share in the distribution of the surplus assets of the Company on liquidation. The capitalization of reserves did not result in the issue of shares to any new shareholders, with the existing shareholders being issued 1 share for every 191 shares held in the Company. Following the issue, the Company's stated capital amounted to LKR 100.4 Mn as at 19<sup>th</sup> August 2016 comprising 306,843,357 Ordinary Voting Shares.

Name of Shareholder	Shares Pre-Sub-division	Shares Prior to Capitalization of Reserves	Shares on the Capitalization of Reserves	Total Number of Shares as at 31 <sup>st</sup> December 2016	% of Shareholding
Infinity Capital (Pvt) Ltd.	2,792,340	153,578,700	804,077	154,382,777	50.3
Hirdaramani Investment Holdings (Pvt) Ltd.	1,300,721	71,539,655	374,553	71,914,208	23.4
LOLC Investments Limited	1,456,852	80,126,860	419,512	80,546,372	26.2
<b>Total</b>	<b>5,549,913</b>	<b>305,245,215</b>	<b>1,598,142</b>	<b>306,843,357</b>	<b>100.0</b>

In the event of liquidation of the Company, the Ordinary Shareholders shall have the right to an equal share in any surplus assets of the Company available for distribution after paying all the creditors of the Company and all other claims and debts in accordance with the provisions contained in the Companies Act No. 7 of 2007 on liquidation.

There are no outstanding convertible debt securities for the Company as at 31<sup>st</sup> December 2016.

### 3.7 LATEST SHAREHOLDER LIST

#### BPPL shareholder list as at 31<sup>st</sup> March 2016:

Name of Shareholder	No. of Shares	% of Ownership
Infinity Capital (Pvt) Ltd.	153,578,700	50.3
Hirdaramani Investment Holdings (Pvt) Ltd.	71,539,655	23.4
LOLC Investments Limited	80,126,860	26.3
<b>Total</b>	<b>305,245,215</b>	<b>100.0</b>

#### BPPL shareholder list as at 31<sup>st</sup> December 2016:

Name of Shareholder	No. of Shares	% of Ownership
Infinity Capital (Pvt) Ltd.	154,382,777	50.3
Hirdaramani Investment Holdings (Pvt) Ltd.	71,914,208	23.4
LOLC Investments Limited	80,546,372	26.3
<b>Total</b>	<b>306,843,357</b>	<b>100.0</b>

### 3.8 SHARES ISSUES

The Company carried out a capitalization of reserves through the issue of 1,598,142 number of Shares (at LKR 12.00 per Share) on 19<sup>th</sup> August 2016 with the existing shareholders being issued 01 Share for every 191 Shares held in the Company.

There were no Share Issues or Share Transfers in addition to the capitalization of reserves carried out on 19<sup>th</sup> August 2016 during the period of Two (02) Years immediately preceding the date of this Prospectus.

### 3.9 RE-PURCHASES OR REDEMPTIONS

The Company has not performed share re-purchase, redemption or stated capital reduction exercises in the Two (2) Years preceding the date of this Prospectus.

### 3.10 DIVIDEND POLICY

BPPL has paid following dividends over the past three Financial Years:

Financial Year	Total Amount Paid (LKR)	Dividend Per Share* (LKR)
2013/2014	16,649,739	0.05
2014/2015	64,489,989	0.21
2015/2016	110,443,269	0.36

*\*A Sub Division of Shares in the ratio of 55:1 was carried out in January 2016 and a capitalization of reserves in the ratio of 1:191 was carried out in August 2016; DPS is calculated using the post share-split and capitalization of reserves number of shares for comparative purposes*

Subject to the provisions of the Companies Act No. 7 of 2007 and the Articles of Association of the Company, the Board of Directors may recommend and declare distributions to shareholders by way of dividends from and out of the profits of the Company. The dividend rate will be determined based on a number of factors, including but not limited to Company's earnings, capital requirements and overall financial condition.

### 3.11 FREE TRANSFERABILITY OF SHARES

Offered Shares shall not be transferable by the shareholders during the period between the date of transfer of the Offered Shares and up to the date of listing (excluding the date of listing) of the Ordinary Shares on the CSE. Further, the Company shall not transfer any Shares of the Company or transfer existing Ordinary Voting Shares (other than the transfer of Offered Shares) during the interim period between the date of the Initial Listing Application and the date of listing of the Shares of the Company.

### 3.12 DETAILS PERTAINING TO THE LOCKED-IN SHARES

In compliance with the CSE Listing Rules 2.1.1(e) the shares mentioned below will be locked-in and will not be available for trading as given below from the date of listing of the Shares of the Company.

Category of Shareholders (Pre-Listing)	Locked-in Shares	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
Non Public	Locked-in	12 <sup>th</sup> Month	276,158,357	90.0%
Public	Not Locked-in	Not Applicable	30,685,000	10.0%
<b>Total</b>			<b>306,843,357</b>	<b>100.0%</b>

The Entity hereby confirms that the information furnished herewith shall remain unchanged until the Date of Listing.

### 3.13 TAKEOVER OFFERS

There have been no takeover 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.

### 3.14 FUTURE STRATEGIES

#### A. Expansion from an Original Equipment Manufacturer (OEM) to Marketing Own Brands in the Sri Lankan and Southeast Asian Markets

BPPL launched its own brands 'Tip Top' and 'Jab' in the Southeast Asian markets as the Group expects to benefit from the increase in disposable income in the region. Research suggests that as the region transitions to Upper Middle-Income status, the demand for high quality and durable branded products is expected to increase. Management believes that by localizing their brands and through the use of superior packaging which meets international standards, BPPL is well positioned to attract regional customers in the household market.

#### B. Venture into Extrusion of Synthetic Yarn for the Sri Lankan Fabric Manufacturing Industry

The Group is currently in the process of investing approximately LKR 675 Mn for the expansion of its operations to extruding synthetic yarn. The investment would be funded partly using internally generated funds (~ LKR 175 Mn) while the remaining would be funded using debt (~ LKR 500 Mn). Currently, the industry is largely untapped in Sri Lanka, as majority of the synthetic yarn required for the domestic fabric manufacturing industry is imported. Demand for locally produced high quality synthetic yarn is expected to be high as it would provide the fabric manufacturers with a competitive edge on lower lead time and inventory holding costs.

BPPL has 6 years of experience in PET based monofilament extrusion expertise and 2 years of PET recycled bottle washing, both of which are required for synthetic yarn manufacturing. Further, the extrusion process for yarn is very similar to monofilaments. The plant is expected to commence operations in FY19E.

## C. Enhanced Operational Efficiencies and Capacity Expansion to Drive Existing Business

BPPL continues to invest in streamlining of its processes and upgrading machinery in order to improve productivity levels while maintaining costs. The streamlining of processes was largely completed in FY16 which have led to significant margin expansion. Meanwhile, BPPL also continues to expand its capacity for its existing business in order to grow in line with its global customers.

### 3.15 ASSUMPTIONS ASSOCIATED WITH FUTURE STRATEGIES

1. Nominal GDP per Capita growth at a CAGR of 6.3% over 2015-2021E in Sri Lanka and at a CAGR of 7.4% over the same period in Indonesia, in line with IMF forecasts
2. LKR depreciation against the USD at an annual average of 4.0% during FY17-FY19 and 3.0% thereafter. The LKR depreciated 3.8% on average over the last three years
3. With continued focus on increasing export revenue, the GoSL will maintain its favourable stance on export oriented businesses

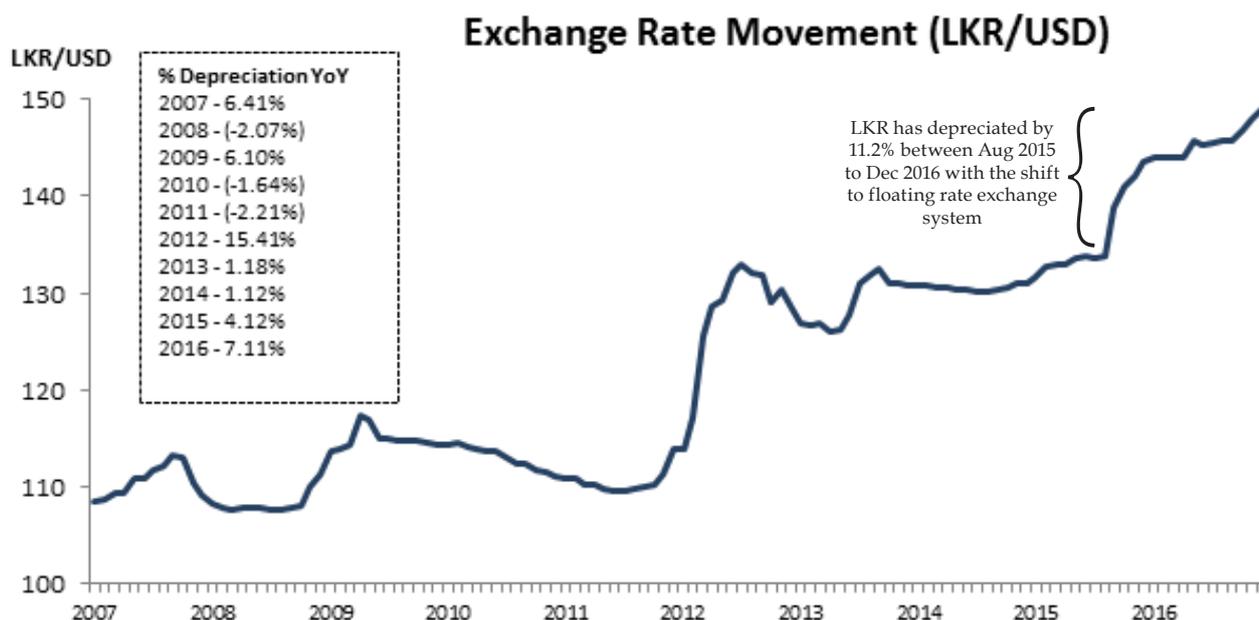
### 3.16 RISKS ASSOCIATED WITH FUTURE STRATEGIES

#### 3.16.1 MACRO-ECONOMIC RISKS

##### A. Exchange Rate Risk

Currently more than 95% of BPPL revenue is generated from exports and BPPL has benefited from the continuous depreciation of currency over the period 2012 – 2016. A depreciating LKR would have a net benefit on the Company as only 27.2% of its cost of sales was incurred in USD on average over FY12-16, while revenue earned in USD amounted to 93.5% of total revenue on average over the same period. With the CBSL allowing the LKR to be more market oriented in September 2015, the currency depreciated by 11.2% from August 2015 – December 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. However, an appreciation of currency could adversely affect BPPL revenue resulting in a forex loss.

Meanwhile in FY16, ~ 49% of BPPL's borrowings were denominated in USD, which would result in a forex loss in the event of LKR depreciation.



Source: Central Bank of Sri Lanka

## B. Interest Rate Risk

BPPL faces interest rate risk as it partially funds its working capital requirements and capacity expansions using USD and LKR denominated debt. As such, in the event of an increase in interest rates the Group will face higher finance costs and thus lower earnings. In FY16, BPPL recorded debt to equity of 0.24x while its interest cover was 11.7x.

	FY12	FY13	FY14	FY15	FY16
Total Debt (LKR Mn)	225	409	432	686	411
Debt to Equity (x)	0.19	0.42	0.38	0.55	0.24
Interest Cover (x)	15.1	12.6	10.8	7.1	11.7

## C. The Impact of Brexit

BPPL has customers in the UK who could be affected by the anticipated economic slowdown following Brexit. Moreover, the Group earns revenue in Great Britain Pounds (GBP) from some of its UK customers. As such, Group revenues could be adversely affected by Brexit and the depreciation of the GBP (post-Brexit announcement). However, UK accounted for only 4.3% of total revenue in FY16 with an average of 3.7% for FY12-FY16 and we forecast the contribution from UK to decline to 3.2% in FY21E. Moreover, its exposure to GBP was only 1.6% of total revenue in FY16 (the other UK customers are invoiced in USD).

### 3.16.2 RISKS RELATED TO THE BUSINESS OPERATIONS

#### A. High Dependency on the US Market

Over 70% of BPPL's revenue is generated from the USA. Consequently, a downturn in the US economy or changes to US regulation on imports could have an adverse impact on Group revenue. However, the Group's dependence on the US market is expected to reduce as BPPL focuses on the Branded brush segment catering to the Southeast Asian market and coming-on-stream of its yarn operations from FY19. As such, we forecast revenue contribution from the USA to decline to 62.3% in FY21E, while the contribution from Sri Lanka, Indonesia and Malaysia is expected to increase significantly. Furthermore, the relative price inelastic nature of the cleaning tools industry ensures minimal impact on BPPL in the event of a global economic slowdown.

#### B. Disruption to Production Processes due to Reliance on Group Companies

BPPL sources majority of the raw materials used to manufacture the end-product (brushware and related products) from within the Group (e.g. wooden backs, synthetic fibre etc.). Therefore, a delay in supply due to unanticipated in-house issues could in turn disrupt the entire production process. This could adversely impact the relationship with customers and also hinder turnover and profitability. However, this could be managed to an extent with the Company's inventory policy which requires BPPL to maintain large inventory in warehouses. Further, the Group has also adopted predictive maintenance processes, which minimizes the risk of unforeseen breakdown in machinery.

#### C. Global Competition to Continue

BPPL faces high competition from countries such as China, Taiwan and Eastern Europe. BPPL's peers are at an advantage due to the lower lead time in the case of Eastern Europe and depreciating local currencies. However, the Group continues to compete with its peers based on high quality products and by maintaining long-standing relationships with its customers. Meanwhile, given that Sri Lankan brush manufacturers have wide access to rubber wood; players such as BPPL have a competitive edge over its Chinese peers who have low access to rubber timber. Further, it is assumed that a 15% price differential is necessary for customers to switch between suppliers, thus reducing the possibility of customers shifting between suppliers.

#### **D. Exposure to Crude Oil Price Movements**

BPPL uses crude oil based raw material such as polypropylene (PPN) and PET in its production process, which exposes the Company to uncertainty of crude oil price movements. Although currently global crude oil prices are relatively low, an increase in crude oil prices could lead to higher PPN and PET prices as well as increased freight charges for BPPL. However, the Company is in a position to pass on the higher cost through price increases in the event that the cost hike is above that of currency depreciation.

#### **E. Shortage of Rubber Wood Supplies due to Changing Weather Patterns**

The Group uses a significant amount of rubber wood for the production of wooden backs. Given the changing weather patterns in the country, a shortage of wood supply could be anticipated. However, the impact of a shortage is minimized for BPPL given that it is investing in capacity expansion of its own saw mill in Padukka during FY17, an investment of LKR 7 Mn (estimated by Management) which is expected to be funded from internally generated funds. The Group also has the option of importing rubber wood from Vietnam, at a marginal cost increase in the event of a shortage of supply in Sri Lanka.

#### **F. Increase in Energy Prices and the Risk of Interruption to Power Supply**

Owing to its highly capital intensive nature, BPPL requires continuous supply of electricity to its production process. As such, any interruptions to the power supply will in turn disrupt the production process and cause delays in meeting customer orders. However, BPPL expects to invest in two bio-mass power plants over FY17-18 which is expected to deliver savings of LKR 20 Mn per annum in electricity cost. The investment of LKR 40 Mn each is expected to be funded from internally generated funds.

The Company is confident that it will be able to fund these strategies using internally generated funds.

### **3.16.3 RISK RELATED TO THE FUTURE PLANS**

#### **A. Lower-than-Anticipated Demand for Branded Brushes in Asia**

BPPL expects countries such as Indonesia, Sri Lanka and Malaysia to see high economic growth. The resulting higher disposable income stemming from economic growth is expected to lead to increasing demand for high quality durable household cleaning tools such as brushware, brooms and mops. However, a slowdown in the region could adversely impact BPPL's strategy of penetrating further into the Southeast Asian region with the Group's own brands. Given that branded household cleaning tools are a relatively new concept in the region BPPL faces the risk of lower-than-expected demand for the product. However, increasing awareness for hygiene combined with the need for high quality durable goods should drive reasonable growth in demand.

#### **B. Inability to Attract Customers for Locally Manufactured Synthetic Yarn**

Majority of the synthetic yarn requirement in Sri Lanka is currently being imported. Although demand for synthetic yarn is significant, BPPL could face the risk of lower-than-anticipated demand due to fabric manufacturers being cautious of the quality of the product. However, BPPL has already identified potential customers in determining the quality of the product. Meanwhile, the Group has also worked closely with foreign consultants and machine manufacturers who have successfully conducted production trials.

### **3.16.4 REGULATORY AND COMPLIANCE RISK**

BPPL currently has several environmental certifications such as ISO 14001:2015, Forest Stewardship Certification (FSC) and Leadership in Energy and Environmental Design (LEED) certified factory buildings. As such, failing to comply with these certifications could result in losing the certification as well as the possible loss of customers. (Refer Section 1.6.2 C for all Certifications)

### 3.16.5 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 stems from the lack of marketability of shares that cannot be bought or sold quickly enough to prevent or minimize losses. Liquidity risk may result in the Company being unable to meet its current and future cash flow requirements.

### 3.17 LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

- 1) There were no 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.
- 2) There were no penalties imposed by regulatory and state authorities on the Company as at 31<sup>st</sup> December 2016.
- 3) There are no contingent liabilities that would affect current and future profits of the Entity as at 31<sup>st</sup> December 2016, except as shown below.

#### CONTINGENT LIABILITIES

The Company has given the following Corporate Guarantees and there are no other material contingent liabilities:

Sri Lanka Customs for the duty free import of raw material under Temporary Importation of Export Processing (TIEP) scheme for LKR 61.8 Mn

### 3.18 TAXATION

#### Corporate Taxation

BPPL is liable to pay corporate tax at 12% in FY17E and 14% thereafter, in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 (as amended).

#### Value Added Tax (VAT)

The Company is liable to pay VAT on liable turnover (excluding exports) at a rate of 15%. This is in accordance with the provisions of the Value Added Tax Act No. 14 of 2002 (as amended).

#### 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 of 2009.

### 3.19 PARTICULARS OF DEBT AND LOAN CAPITAL

<b>Term Loans</b>	<b>31.12.2016 (LKR)</b>	<b>31.03.2016 (LKR)</b>	<b>31.03.2015 (LKR)</b>
Bank of Ceylon	-	44,306,219	74,473,605
Hatton National Bank	92,596,415	120,614,652	114,333,899
<b>Total</b>	<b>92,596,415</b>	<b>164,920,871</b>	<b>188,807,504</b>

<b>Short Term Loans</b>	<b>31.12.2016 (LKR)</b>	<b>31.03.2016 (LKR)</b>	<b>31.03.2015 (LKR)</b>
National Development Bank	157,164,289	200,685,568	380,729,390
Hongkong and Shanghai Banking Corporation	-	-	82,908,642
Overdraft	15,981,415	44,955,592	33,818,438
<b>Total</b>	<b>173,145,704</b>	<b>245,641,160</b>	<b>497,456,470</b>

	<b>31.12.2016 (LKR)</b>	<b>31.03.2016 (LKR)</b>	<b>31.03.2015 (LKR)</b>
Loan Amount Payable within one year	215,882,511	321,974,731	534,172,522
Loan Amount Payable after one year	49,859,608	88,587,300	152,091,452
<b>Total</b>	<b>265,742,119</b>	<b>410,562,031</b>	<b>686,263,974</b>

There are no liabilities under acceptance or acceptance credits for the Company as at 31<sup>st</sup> December 2016.

#### Leases

Annual lease rent for land and premises

<b>Lessor</b>	<b>Term of Lease</b>	<b>Annual Payment (USD)</b>
Board of Investment	9 <sup>th</sup> May 2013 to 8 <sup>th</sup> May 2063	USD 3,850 per Acre x 3 Acres = USD 11,550 From 1 <sup>st</sup> January 2017 = USD 12,705

Yearly rent payable on 10<sup>th</sup> day of the first month each year and last payment was paid on 10<sup>th</sup> January 2016.

Other than the above there are no other lease/lease commitments for the Company as at 31<sup>st</sup> December 2016.

## Mortgages and Charges as at 31<sup>st</sup> December 2016

Mortgage to	Asset	Mortgage Value (LKR)
National Development Bank	Property – Ingiriya	395,710,000
National Development Bank	Stock and Debtors	125,000,000
Hongkong and Shanghai Banking Corporation	Property – Ingiriya	73,280,000
Hongkong and Shanghai Banking Corporation	Stock and Debtors	73,280,000
Hongkong and Shanghai Banking Corporation	Stock and Debtors	36,640,000
Hatton National Bank	Machinery	146,560,000
<b>Total</b>		<b>850,470,000</b>

Other than the above there are no other mortgages for the Company as at 31<sup>st</sup> December 2016.

### 3.20 FINANCIAL INVESTMENTS

There were/are no available for sale, held to maturity, held for trading and loans and receivables for the Company as at 31<sup>st</sup> December 2016.

### 3.21 DEGREE OF DEPENDENCE ON KEY CUSTOMERS AND SUPPLIERS

The largest customer of BPPL accounted for 12.5% of revenue in FY16, while the top 5 customers accounted for 53.1% of revenue. This reflects the low dependency on a single customer for BPPL.

Meanwhile, BPPL sources its raw materials from a range of suppliers, reducing the Company's exposure to a single supplier.

As such, BPPL does not view dependence on its customers and suppliers as a key risk to the Company's operations.

### 3.22 DETAILS OF BENEFITS PAID TO PROMOTERS

BPPL has not paid or given within the Two (2) Years preceding the date of the Prospectus and there are no benefits intended to be paid or given to any promoter.

### 3.23 DETAILS OF COMMISSION PAID

BPPL 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 apart from the commission payable on the IPO.

### 3.24 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 BPPL or any person who is or was at the time of the transaction, a promoter or a director or proposed director of BPPL had any interest, direct or indirect.

### 3.25 MATERIAL CONTRACTS

As at the date of the Prospectus there were no material contracts or management agreements entered into or any agreements entered into with other parties by BPPL within the preceding Two (2) Years other than those contracts entered into as part of the ordinary course of business.

## 4.0 CORPORATE GOVERNANCE

### 4.1 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.

Members of the BPPL Audit Committee are as follows:

Mr. Manjula Hiranya De Silva	Non-Executive Independent Director (Chairman)
Mrs. Sharmini Tamara Ratwatte	Non-Executive Independent Director
Mr. Ranil Pathirana	Non-Executive Director

### 4.2 REMUNERATION COMMITTEE

The remuneration committee is responsible for making recommendations 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 professionals required for the successful management and operation of the Company. A resolution was passed to appoint the new remuneration committee which consists of Non-Executive Directors.

Members of the BPPL Remuneration Committee are as follows:

Mrs. Sharmini Tamara Ratwatte	Non-Executive Independent Director (Chairman)
Mr. Shavantha De Saram	Non-Executive Independent Director
Mr. Ranil Pathirana	Non-Executive Director

### 4.3 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The objective of the Related Party Transactions Review Committee is to ensure that the interest of the shareholders as a whole are considered when entering into Related Party Transactions. The Related Party Transactions Review Committee meets at least once a quarter to review all applicable and proposed related party transactions through discussions with the Senior Management. The Related Party Transactions Review Committee also reviews previously approved related party transactions entered into by BPPL in situations where a material change to the transaction has been proposed.

Members of the BPPL Related Party Transactions Review Committee are as follows:

Mr. Manjula Hiranya De Silva	Non-Executive Independent Director (Chairman)
Mrs. Sharmini Tamara Ratwatte	Non-Executive Independent Director
Mr. Ranil Pathirana	Non-Executive Director

#### 4.4 DIRECTORS

##### 4.4.1 Profiles of the Board of Directors

Name and Address	Nature of Directorship	Business Experience	Other Directorships
<p>Mr. Sarath Dayantha Amarasinghe</p> <p>No. 79/18, Alexendra Place, Colombo 07</p>	<p>Chairman</p>	<p>Mr. Sarath Dayantha Amarasinghe is a Chartered Engineer by profession. A Member of the Institute of Mechanical Engineers, – M I Mech E (UK) and a Member of the Institute of Marine Engineers, M I Mar E (UK). He is also a Member of the Institute of Chartered Engineers, UK and a Member of the Institute of Engineers, Sri Lanka – MIE (S.L) He counts over 35 years of service at Colombo Commercial Company Engineers Ltd. of which he served as its General Manager / Managing Director for a period of 10 years. He also served as Chairman/Managing Director at Alumex Group of Companies for a period of over 8 years.</p>	<p>Beira Brush (Private) Limited Beira Enviro Solutions (Private) Limited Beira Enterprises (Private) Limited Infinity Capital (Pvt) Ltd.</p>
<p>Dr. Kanishka Anushal Amarasinghe</p> <p>No. 12, Independent Avenue, Colombo 07</p>	<p>Managing Director</p>	<p>Dr. Anushal Amarasinghe received his Bachelor of Science and Ph.D. degree in Electronics Engineering from Loughborough University of Technology, UK. Dr. Anushal Amarasinghe served as a Research Engineer at Thorn EMI Central Research Laboratories, UK and later on joined SG Securities as an Investment Research Analyst. He held the position of CFO and COO at Millenium IT and was a director at Alumex Anodizing and Machine Tools (Pvt) Ltd. Dr. Amarasinghe was also a founding partner of Electronic-Channelling. The Asia Money Magazine ranked Dr. Anushal Amarasinghe as one of Sri Lanka’s top three analysts in 1994 and in Pakistan a team led by him was judged the fourth best by the Institutional Investor magazine in 1996.</p>	<p>Beira Brush (Private) Limited Beira Enviro Solutions (Private) Limited Beira Enterprises (Private) Limited Infinity Capital (Pvt) Ltd.</p>

<p>Mr. Vaithilingam Selvaraj</p> <p>No. 1A , 40th Lane, Colombo 06</p>	<p>Executive Director</p>	<p>Mr. Vaithilingam Selvaraj counts over 34 years of working experience in the manufacturing sector of which 33 years was in a senior managerial position in the field of Finance, Supply chain, Export sales, IT and General Management. He functioned as the Chief Accountant at Phoenix Group of companies for 9 years, and presently is working for the BPPL as Director Finance and has been Director of Moosajees (Private) Limited for the last 23 years.</p> <p>He holds a MBA from Australian Institute of Business, is an Associate Member of the Chartered Institute of Management Accountants, UK (ACMA) and a CGMA and Associate Member of the Institute of Data Processing Management (AIDPM). He is also a Graduate Member of the Sri Lanka institute of Directors (GSLID).</p> <p>He is also non-executive director of Moot Investments (Private) Limited.</p>	<p>Beira Brush (Private) Limited Beira Enviro Solutions (Private) Limited Beira Enterprises (Private) Limited Moosajees (Private) Limited Moot Investment s (Private) Limited</p>
<p>Mr. B D Prasad Devapriya Perera</p> <p>No. 38/2, Samagi Mawatha, Talahena, Malabe</p>	<p>Executive Director</p>	<p>Mr. Prasad Perera is presently the head of Factory Operations of BPPL. He started his career at BPPL as a Management Trainee in 1991. Mr. Prasad Perera counts for 25 years of experience in BPPL.</p> <p>He is a Science graduate with a 2<sup>nd</sup> Class from the University of Colombo. He is also a certified Director – SLID.</p> <p>He has also worked at Brandix Lanka Limited, as a sectional head.</p>	<p>Beira Brush (Private) Limited Beira Enviro Solutions (Private) Limited Beira Enterprises (Private) Limited</p>
<p>Mr. Ranil Prasad Pathirana</p> <p>No. 40/28, Lake Gardens, Lake Drive, Rajagiriya</p>	<p>Non-Executive Director</p>	<p>Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel/ manufacturing and energy sectors. He is a Fellow member of the Chartered Institute of Management Accountants, UK (FCMA) and holds a Bachelor of Commerce degree from the University of Sri Jayawardenapura.</p> <p>Mr. Pathirana is the Group Finance Director of Hirdaramani Group of Companies, Non-Executive Director of Sampath Bank PLC, Alumex PLC, Ceylon Hotels Corporation PLC, Taprobane Holdings PLC and Odel PLC.</p>	<p>Beira Brush (Private) Limited Beira Enviro Solutions (Private) Limited Beira Enterprises (Private) Limited Hirdaramani Investment Holdings (Pvt) Ltd Sampath Bank PLC Alumex PLC Ceylon Hotels Corporation PLC Taprobane Holdings PLC Odel PLC</p>

<p>Mr. Manjula Hiranya De Silva</p> <p>No. 17/36 C , Vijayaba Mawatha, Nawala Road, Nugegoda</p>	<p>Independent Non-Executive Director</p>	<p>Mr. Manjula De Silva holds a BA Hons (1<sup>st</sup> Class) degree in Economics from the University of Colombo and a MBA from London Business School, UK. He is also a FCMA (UK) and a CGMA. Mr. De Silva held the positions of CEO and Managing Director at HNB Assurance PLC. He is currently the Chairman, General Manager and Director General at National Insurance Trust Fund (NITF). He has formerly held positions at NDB Wealth Management and Public Enterprises Reform Commission (PERC). He also serves as the Chairman of CIMA (Chartered Institute of Management Accountants) Sri Lanka Board.</p>	<p>National Insurance Trust Fund Tea Smallholder Factories PLC</p>
<p>Mrs. Sharmini Tamara Ratwatte</p> <p>No. 11/3, Malalasekara Place, Colombo 07</p>	<p>Independent Non-Executive Director</p>	<p>Mrs. Sharmini Ratwatte is a Fellow member of the Chartered Institute of Management Accountants, UK and holds a Master of Business Administration from the University of Colombo. Sharmini is a Non-Executive Director at MAS Investments (Pvt) Ltd, and was a non- executive Director at John Keells PLC, She is also a Trustee of the Federation of Environmental Organisations, and Sunera Foundation. Ms Sharmini Ratwatte was recognized as the Zonta “Woman of Achievement - Management” in 2004.</p>	<p>MAS Investemnts (Private) Limited Ceylon Cold Stores Trustee at Sunera Foundation</p>
<p>Mr. Savantha De Saram</p> <p>No. 26/2, Rosmead Place, Colombo 07</p>	<p>Independent Non-Executive Director</p>	<p>Mr. Savantha De Saram holds a LLB (Hons) Degree from Holborn Law College, London and is an Attorney-at-Law, Supreme Court of Sri Lanka. He is a Governing Partner at M/s D. L. &amp; F. De Saram, Attorneys-at-Law and has been with the firm for over 15 years. Corporate and Commercial, Project Finance, Securitization, IT are some of his areas of practice.</p>	<p>Hunters and Co. PLC</p>

#### 4.4.2 DIRECTORS' SHAREHOLDINGS IN THE COMPANY

The directors shareholding in the Company as at 31<sup>st</sup> December 2016 is as follows:

Name of the Director	No. of Shares Held	Percentage (%)
Mr. Sarath Dayantha Amarasinghe *	NIL	N/A
Dr. Kanishka Anushal Amarasinghe **	NIL	N/A
Mr. Vaithilingam Selvaraj	NIL	N/A
Mr. B D Prasad Devapriya Perera	NIL	N/A
Mr. Ranil Prasad Pathirana	NIL	N/A
Mr. Manjula Hiranya De Silva	NIL	N/A
Mrs. Sharmini Tamara Ratwatte	NIL	N/A
Mr. Savantha De Saram	NIL	N/A

\* Mr. Sarath Dayantha Amarasinghe jointly owns 24.9% of Infinity Capital (Pvt) Limited

\*\*Dr. Kanishka Anushal Amarasinghe owns 50.1% of Infinity Capital (Pvt) Ltd., which is the largest shareholder of B P P L Holdings Limited

*There have been no share transactions by the directors of B P P L Holdings Limited for the Twelve (12) Months immediately preceding the date of this Prospectus.*

#### 4.4.3 DIRECTORS' EMOLUMENTS

Emoluments paid to directors including bonus and/or profit sharing payments for the year ended 31<sup>st</sup> March 2016 is LKR 21,676,479.36 and the estimated emoluments including bonus and/or profit sharing payments payable to the directors for the financial year ended 31<sup>st</sup> March 2017 would be LKR 23,302,215.00.

#### 4.4.4 DIRECTORS' INVOLVEMENT IN LITIGATION AND OFFENCES

No director or a person nominated to become a 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.

#### 4.4.5 DIRECTORS' INTERESTS

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

The Directors hold no interest of any contract or arrangement in force at the date of the application (16th August 2016) in which a director of the Entity is materially interested in relation to the business of the Entity.

## 5.0 HUMAN RESOURCE

### 5.1 EMPLOYEES

As at 31<sup>st</sup> December 2016, there are 671 employees in the Company.

As at 31<sup>st</sup> December 2016, there are no labour unions in the Company and no significant agreements have been entered into between any labour unions and the Company.

### 5.2 MANAGING DIRECTOR

Dr. Kanishka Anushal Amarasinghe

Address: 12, Independent Avenue, Colombo 07.

Refer section 4.4.1 for the profile of the Managing Director

The Managing Director has not 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, any negative statement or any other similar offence which the CSE considers a disqualification.

### 5.3 CHIEF EXECUTIVE OFFICER

Refer Section 5.2

### 5.4 SENIOR MANAGEMENT

#### **Chief Financial Officer - Mr. Vaithilingam Selvaraj**

Refer Section 4.4.1 for the profile

#### **Head of Factory Operations - Mr. Prasad Perera**

Refer Section 4.4.1 for the profile

#### **Head of Marketing - Mr. Shakinda Kasun Indurajith Jayasingha**

Mr. Shakinda Kasun Indurajith Jayasingha is a Bachelor of Science (Honors) degree holder, majoring in Business Management at Manchester Metropolitan University, UK, and possesses a Post Graduate Diploma in Marketing from the Chartered Institute of Marketing (CIM) UK. He is also a member of the Chartered Institute of Marketing (MCIM) UK.

His business experience in marketing is over 12 years in three major categories; Food & Beverages at Ceylon Tobacco Company & John Keels Holdings, Confectionary at Delmege Distributors and Automobile at Mercedes Benz, Australia and his expertise is in General Merchandising.

His forte is in Product Training, Product & Business Development, Research, Corporate Communication, Sales & Distribution and International Markets.

### **Head of Human Resources and Administration -Mr. Maxwell Jansz**

Mr. Maxwell Jansz is a University Graduate with Honors in Social Sciences and a Diploma Holder in Personnel Management from National Institute of Business Management. He is also an Advanced Diploma Holder of the Association of Business Executives UK and a fully qualified Banker. He holds a Post Graduate in Development Studies at the University of Colombo.

He commenced his career with Commercial Bank and subsequently at Seylan Bank as the Manager Training and Skills Development. He also worked at Lankaputhra Development Bank as the Senior Manager Human Resources and Administration during its establishment in 2006.

He is a member of the Institute of Management (MIM) and Member of Association of Business Executives (MABE), and an Associate member of the SLITAD and an Affiliated member of IPM (AMIPM).

### **Senior Finance Manager - Ms. Vernee Kularasan**

She carries with her over 23 years of experience in the field of Finance, out of which 3 years was at PricewaterhouseCoopers where she was an Audit Senior. She has been with BPPL since 1996 and has vast experience in all round manufacturing accounts, and preparation of final accounts for the Group.

She holds a Bachelor of Commerce Degree from the University of Colombo, and is an Associate member of the Institute of Chartered Accountants of Sri Lanka (ACA), and is a Member of the Certified Practicing Accountants of Australia (CPA).

### **Senior Manager (Quality Management and Systems Development) - Dr. T K S Ossan**

Dheshamanya Dr. Ossan is a certified Lead Auditor for ISO 9001, 14001, OHSAS 18001 and SA 8000 with vast experience in carrying out audits in large number of organizations.

Starting his career as a teacher in chemistry, in Sri Lanka and Maldives, joined the SLSI as a Standards/Testing officer, and reached the pinnacle of Assistant Director within 7 years. He has also been trained in Thailand and India in Industrial Standardization and Conformity Assessment. In 2004, he joined the Bureau Veritas as Manager - Certification & Training and in 2012, started his own consultancy firm for in ISO 9001,27001, 14001, OHSAS 18001, SA 8000 & ISO 22000, 17025, 170220, 15189, HACCP Certification consulting.

He holds a B.Sc (Chemistry Special), M.Sc (Industrial Chemistry) from University of Peradeniya, Post Graduate Diploma in Management (Public Administration) from Open University of Sri Lanka, Diploma in Quality Management from Sri Lanka Standards Institution, MBA from the Trinity College and University. Apart from this, he holds numerous certificates for Quality and Standardization from Asian Productivity Organization (APO), NISIET - India, Consultant Cleaner production - UNIDO and consultant on Accreditation of Medical / Clinical Laboratories under Sri Lanka Accreditation Board (SLAB).

In 2014, he joined Beira Group as a Senior Manager - Quality Management and Systems Development and is currently managing all certifications for the Group. The certifications obtained are ISO 9001:2015, ISO 14001:2015, ISPM 15.

### **Senior Factory Manger - Mr. Manoj Udawatta**

Mr. Manoj Udawatta is NDT (IET) qualified with expertise in the technical knowhow of polymer production. He is also an Advance Diploma Holder in Manufacturing Management, from the National Institute of Business Management, Sri Lanka.

Presently, he is reading for a degree in Applied Science at the University of Wayamba and for a MBA at University of Wolverhampton. Prior to joining BPPL he was employed at Nortex (Pvt) Ltd for one year as a Production Executive.

## **5.5 SENIOR MANAGEMENT'S EMOLUMENTS**

The aggregate emoluments in the form of salaries and bonuses made to the Chief Executive Officer and the senior management team during the last completed financial year ended 31<sup>st</sup> March 2016 amounted to LKR 30,548,098.96.

An estimate of the aggregate emoluments in the form of salaries and including bonuses payable to the Chief Executive Officer and the senior management team for the current financial year ending 31<sup>st</sup> March 2017 to an approximate extent is LKR 32,164,500.00.

## 6.0 DECLARATIONS

### 6.1 DECLARATION BY THE DIRECTORS

21<sup>st</sup> February 2017

We, the undersigned being the Directors of B P P L Holdings Limited, hereby declare and confirm that we have read the provisions of the Companies Act No. 7 of 2007 relating to the issue of the Prospectus and that those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that the provisions of the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007 and any amendments made thereto from time to time, have been complied with and after making all reasonable inquiries 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. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful inquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

We further declare that the profit forecasts have been included in this Prospectus after due and careful inquiry of the information available with the Company and assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

Name of the Director	Designation	Signature
Mr. Sarath Dayantha Amarasinghe	Chairman	Sgd.
Dr. Kanishka Anushal Amarasinghe	Managing Director	Sgd.
Mr. Vaithilingam Selvaraj	Executive Director	Sgd.
Mr. B D Prasad Devapriya Perera	Executive Director	Sgd.
Mr. Ranil Prasad Pathirana	Non-Executive Director	Sgd.
Mr. Manjula Hiranya De Silva	Independent Non-Executive Director	Sgd.
Mrs. Sharmini Tamara Ratwatte	Independent Non-Executive Director	Sgd.
Mr. Savantha De Saram	Independent Non-Executive Director	Sgd.

## 6.2 DECLARATION BY THE COMPANY

21<sup>st</sup> February 2017

We, B P P L Holdings Limited, having our Registered Office at Level 03, "Parkway" Building, 48, Park Street, Colombo 02 hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and fair disclosure of all material facts about the Issue and the Company.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for all of the Ordinary Voting Shares issued by the Company and those Ordinary Voting Shares, which are the subject of this issue. Such permission will be granted when the Ordinary Voting Shares are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the Shares Issued.

The Common Seal of B P P L Holdings Limited is affixed hereto at Colombo on this 21<sup>st</sup> day of February 2017 in the presence of two directors.

Sgd.  
Director

Sgd.  
Director

### 6.3 DECLARATION BY THE FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE

We, CT CLSA Capital (Pvt) Ltd of # 4-15A, Majestic City, 10, Station Road, Colombo 04, hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and fair disclosure of all material facts about the Issue and the Company and we have satisfied ourselves that the profit forecasts had been stated by the directors after due and careful inquiry.

The Common Seal of CT CLSA Capital (Pvt) Ltd is affixed here to at Colombo on this 21<sup>st</sup> day of February 2017 in the presence of two directors.

Sgd.  
Director

Sgd.  
Director