

CIRCULAR TO THE SHAREHOLDERS

Dear Shareholder/s,

VIRTUAL EXTRAORDINARY GENERAL MEETING OF MADULSIMA PLANTATIONS PLC FOR THE YEAR ENDED 2022.

A. GENERAL

1. An Extraordinary General Meeting of Madulsima Plantations PLC will be held as a virtual meeting at the Auditorium Melstacorp PLC # 110, Norris Canal Road, Colombo 10, Sri Lanka on Thursday, 27th July 2023 at 12.00 noon for the purpose mentioned in the enclosed Notice of Meeting.
2. Only the Chairman/Managing Director, the Board of Directors, certain Key Management Personnel, the Company Secretary, and the External Auditors **on the Virtual Platform** and all shareholders will participate in the meeting through audio- and audio-visual means.

B. SHAREHOLDERS PARTICIPATION

1. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
2. The shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio- or audio-visual means **only**.
3. The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxyholder, if any, by perfecting **Annexure I** to the circular to shareholders and forward same to **bplmplcompanysecretary@gmail.com** or by facsimile on +94 11 2540333, to reach the Secretary **not less than two (02) days before the date of the meeting** so that the **meeting login information** could be forwarded to the e.mail addresses as provided.
4. To facilitate the appointment of proxies specified in B.1 and B.2 above, the Form of Proxy is attached with the Notice of Meeting. The duly filled Forms of Proxy should be sent to reach the Company Secretary via e.mail to **bplmplcompanysecretary@gmail.com** or facsimile on +94 11 2540333 or by post to the registered address of the Company, Madulsima Plantations PLC, # 833, Sirimavo Bandaranayake Mawatha, Colombo 14, Sri Lanka, **not less than forty eight (48) hours before the time fixed for the meeting**.

C. SHAREHOLDERS QUERIES

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretary, via e.mail to **bplmplcompanysecretary@gmail.com** or facsimile on +94 11 2540333 or by post to the registered address of the Company, Madulsima Plantations PLC, # 833, Sirimavo Bandaranayake Mawatha, Colombo 14, Sri Lanka **not less than two (02) days before the date of the meeting**. This is in order to enable the Company Secretary to compile the queries and forward same for the attention of the Board of Directors so that they could be addressed at the meeting.

For any further queries on this matter, please contact Ms Renuka Weerasinghe at the Company Secretarial Division of Madulsima Plantations PLC.

Telephone : 94 11 2522871 ext. 793

E.mail : bplmplcompanysecretary@gmail.com

The Board wishes to thank the shareholders of the Company for their unwavering cooperation.

Yours faithfully,

MADULSIMA PLANTATIONS PLC

sgd

P A Jayatunga

Company Secretary

22nd June 2023

Notice of Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **MADULSIMA PLANTATIONS PLC** will be held as a “virtual meeting” at the Auditorium Melstacorp PLC # 110, Norris Canal Road, Colombo 10 on Thursday, 27th July 2023 at 12.00 noon for the following purpose :

To discuss the annexed report of the Board of Directors in respect of the serious loss of capital and the financial position of the Company in terms of the section 220 of the Companies Act No. 7 of 2007.

sgd
By order of the Board
Pradeep A Jayatunga
Company Secretary

22nd June 2023
Colombo

NOTES

- 1) The Extraordinary General Meeting of Madulsima Plantations PLC will be a virtual meeting held by participants joining in person or proxy and through audio or audio visual means in the manner specified below:

i) Attendance of the Chairman and the Board of Directors

The Chairman/Managing Director, Board of Directors certain Key Management Personnel, the Company Secretary, and the External Auditors will be available **on the Virtual Platform** on Thursday, 27th July 2023 at 12.00 noon.

ii) Shareholder Participation

- a. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
- b. The Shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio visual means only.
- c. The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting **Annexure I** to the circular to shareholders and forward same to Company Secretary via **bplmplcompanysecretary@gmail.com** or by facsimile on +94 11 254033, to reach the Secretary **not less than two (02) days before the date of the meeting** so that the meeting login information could be forwarded to the e.mail address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.
- d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Form of Proxy should be sent to reach the Company Secretary via e.mail **bplmplcompanysecretary@gmail.com** or facsimile on +94 11 254033 or by post to the Registered Office of the Company, Madulsima Plantations PLC, # 833, Sirimavo Bandaranaike Mawatha, Colombo 14, Sri Lanka, **not less than forty – eight (48) hours before the time fixed for the meeting.**

iii) Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretary, via e.mail to **bplmplcompanysecretary@gmail.com** or facsimile on + 94 11 254033 or by post to the Registered Office of the Company, Madulsima Plantations PLC, # 833, Sirimavo Bandaranaike Mawatha, Colombo 14, Sri Lanka **not less than two (02) days before the date of the meeting**. This is in order to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that same could be addressed at the meeting.

REPORT PREPARED BY THE BOARD OF DIRECTORS IN TERMS OF SECTION 220 OF THE COMPANIES ACT NO. 07 OF 2007

This report is presented to the shareholders of Madulsima Plantations PLC (referred to as “the company” or “MPL”) in terms of Section 220(2) of the Companies Act, in connection with an Extraordinary General Meeting of the company’s shareholders convened under Section 220(1) of the Act, for the purpose set out in the Notice convening the meeting.

As required by Section 220 (2), the Board wishes to inform the shareholders that the net assets of the company are less than half of the stated capital, and the following:

The nature and extent of the losses incurred.

The table below illustrates the operational performance & net asset position of the company over the last seven years.

Rs.000

	2022	2021	2020	2019	2018	2017	2016
Turnover	4,172,568	3,099,649	2,832,067	2,006,977	2,144,945	2,605,104	1,842,069
Profit/(Loss)	(203,485)	(238,188)	(200,895)	(763,709)	(600,199)	44,596	(292,586)
Stated Capital	1,624,760	1,624,760	1,624,760	1,624,760	1,624,760	1,624,760	1,624,760
Net Assets	610,948	1,066,442	1,441,280	947,909	1,804,071	2,449,982	2,474,960
Net Assets as % of Stated Capital	38%	66 %	89 %	58 %	111%	151%	152%

Despite MPL’s efforts to enhance its performance in the past, the company has experienced losses since 2016, leading to the decline of its net assets below 50% of the stated capital.

Causes of Losses:

The increased interest costs resulted from MPL’s bank and internal borrowings to support operational and statutory expenses. Further, the rise in the effective corporate tax rate from 10.5% to 30% led to an additional charge of Rs. 560 mn in 2022 related to the deferred tax liability of the company which was adjusted in the profit and loss statement and other comprehensive income statement.

Measures to Prevent Further Losses:

MPL possesses a substantial reserve of biological assets, with a significant percentage of trees available for harvesting. Plans are underway to expedite obtaining approvals for harvesting the five-year approved harvesting plan, aimed at optimizing utilization of these assets.

Since the restrictions on fertilizer and usage of glyphosate have been lifted, the Company has launched an accelerated investment plan targeting the correction of tea agriculture standards. A complete reversal of the negative impact that had incurred due to these decisions is expected, thereby resulting in improvements in field productivity and quality. MPL is confident that as a result the Company will be able to improve on the profit margins that are being made.

Note: This report has been prepared in compliance with Section 220 of the Companies Act No. 07 of 2007 and is submitted for the shareholders’ consideration at the above mentioned Extraordinary General Meeting.

Sgd

By Order of the Board

P A Jayatunga

Company Secretary

22nd June 2023

Form of Proxy

I/We.....of.....
.....being a member /members of Madulsima
Plantations PLC hereby appoint.....of..... whom failing.

Don Harold Stassen Jayawardena	or failing him
Cedric Royle Jansz	or failing him
Don Hasitha Stassen Jayawardena	or failing him
Mellawatantrige Anton Niroshan Sampath Perera	or failing him
Kumarasamy Dayaparan	or failing him
Arinesarajah Shakthevale	or failing him
Don Soshan Kamantha Amarasekera	or failing him

as my/our proxy to represent me/us and* my/our behalf at the Extraordinary General Meeting of the Company that will be held as a **“Virtual Meeting” at the Auditorium Melstacorp PLC at 12.00 noon on Thursday, 27th July 2023** and at any adjournment thereof.

Signed on thisday ofTwo Thousand and Twenty Three.

.....
Signature/s

Instructions for Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointor.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretary via e-mail to **bplmplcompanysecretary@gmail.com**, or facsimile on +94 11 2540333 or by post to the registered address of the Company, Madulsima Plantations PLC. # 833, Sirimavo Bandaranaike Mawatha, Colombo 14, Sri Lanka **not less than forty eight (48) hours before the time fixed for the meeting.**

Please provide the following details (mandatory):

NIC/PP/Company Registration No. of the Shareholder/s :

Folio No :

E.mail address of the Shareholder/(s) or proxy holder
(other than a Director appointed as proxy) :

Mobile No :

Fixed Line :

**EXTRAORDINARY GENERAL MEETING
REGISTRATION OF SHAREHOLDER DETAILS FOR ONLINE PARTICIPATION**

Date :

To : Company Secretary
Madulsima Plantations PLC
833, Sirimavo Bandaranaike Mawatha
Colombo 14
Sri Lanka.

1. Full Name of the Shareholder/s

Primary 1.
*Joint 2.
*Joint 3.

2. Shareholder/s Address :

3. Shareholder/s NIC NO./Passport No./ Co. Reg. No

Primary 1.
*Joint 2.
*Joint 3.

4.*Shareholder/s Contact No : Fixed Line:..... Mobile :.....
E.mail :.....

5. Name of the Proxy holder :-

6. Proxy holder's NIC No / Passport No :

7.*Proxy holder's Contact No : Fixed Line:..... Mobile :.....
E.mail :.....

I/We hereby certify that the details given above are true and accurate and are furnished for the purpose of enabling my/our online participation at the Annual General Meeting. I/We acknowledge that the Company shall have the right to disable my/our participation in the event the above information furnished is found to be incorrect or inconsistent with shareholding records.

Shareholder's Signature/(s)

.....
Shareholder's Signature /Date

.....
*1st Joint Holder's Signature /Date

.....
*2nd Joint Holder's Signature /Date

***Strike our if not applicable**

Note:

- It is mandatory for the shareholder/s to provide the e.mail address and the contact number in** the space provided above in order to forward the login information to facilitate the online participation at the meeting.
- Duly filed Registration of Shareholder Details Form should be forwarded to **bplmplcompanysecretary@gmail.com** or by facsimile on +94 11 2540333, to reach the Secretary **not less than two (02) days before the date of the meeting.**
- Further instructions on connecting to the meeting will be provided to registered shareholders separately.