



HAYLEYS PLC

DEBENTURE ISSUE 2025

PROSPECTUS

JOINT MANAGERS TO THE ISSUE

**HAYLEYS GROUP
SERVICES (PVT) LTD**



HAYLEYS PLC



DEBENTURE ISSUE 2025

PROSPECTUS

FOR AN INITIAL ISSUE OF 50,000,000 (FIFTY MILLION) DEBENTURES CONSISTITUTED OF TYPE A LISTED RATED UNSECURED SENIOR REDEEMABLE THREE YEAR (2025/2028), TYPE B LISTED RATED UNSECURED SENIOR REDEEMABLE FIVE YEAR (2025/2030) AND TYPE C LISTED RATED UNSECURED SENIOR REDEEMABLE FIVE YEAR (2025/2030) EACH OF THE PAR VALUE OF SRI LANKAN RUPEES 100/- (LKR ONE HUNDRED) EACH,

TO RAISE SRI LANKAN RUPEES FIVE BILLION (LKR 5,000,000,000/-)

WITH AN OPTION TO ISSUE UP TO A FURTHER 20,000,000 (TWENTY MILLION) OF THE SAID DEBENTURES

TO RAISE SRI LANKAN RUPEES TWO BILLION (LKR 2,000,000,000/-)

AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE

MAXIMUM ISSUE WILL NOT EXCEED SEVENTY MILLION (70,000,000) OF THE SAID DEBENTURES

OF A VALUE OF SRI LANKAN RUPEES SEVEN BILLION (LKR 7,000,000,000/-)

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

ISSUE RATING 'AAA (LKA)' BY FITCH RATINGS LANKA LIMITED

Issue Opens on: 05th May 2025

Joint Managers to the Issue



Joint Placement Agents to the Issue



This Prospectus is dated 25th April 2025

The CSE has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Debentures issued herein. Please note that the company is bound by the enforcement rules set out in the CSE Listing Rules (as applicable).

The delivery of this Prospectus shall not under any circumstance 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 there is a material change, such material change will be disclosed to the market.

If you are in doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult the Managers to the issue, your Stockbroker, Lawyer or any other Professional Advisor.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared from information provided by Hayleys PLC (hereinafter referred to as the “Company”, “HAYL” or the “Issuer”).

Hayleys PLC and its Directors confirm that to the best of their knowledge and belief this Prospectus contains all information regarding the Company and Debentures offered herein which is material; such information is true and accurate in all material aspects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Company are honestly held or made and are not misleading in any material respect; this Prospectus contains all material facts and presents them in a clear fashion in all material respects and all proper inquiries have been made to ascertain and to verify the foregoing. The Company accepts responsibility for the information contained in this Prospectus.

No person has been sanctioned to make any representations not contained in this Prospectus in connection with this Offer for Subscription of the Company’s Debentures. If such representations are made, they must not be relied upon as having been authorized. Neither the delivery of this Prospectus nor any sale made in the Offering shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this Prospectus or in the affairs of the Company since the date of this Prospectus.

Investors should be informed that the value of investments can vary and that past performance is not necessarily indicative of future performance. In making such investment decisions, prospective investors must rely on their knowledge, examination and assessments on Hayleys PLC and the terms of the Debentures issued (knowledge, perception together with their own examination and assessment on Hayleys PLC and the terms and conditions of the Debentures issued) including risks associated.

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.

Registration of the Prospectus

A copy of this Prospectus has been delivered for registration to the Registrar General of Companies in Sri Lanka in accordance with the Companies Act No. 07 of 2007 (the "Companies Act"). The following documents were attached to the copy of the Prospectus delivered to the Registrar General of Companies in Sri Lanka:

- a) The written consent of the Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Company.
- b) The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Company.
- c) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- e) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- f) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- g) The written consent of the Joint Managers to the Issue for the inclusion of their name in the Prospectus as Joint Managers and to the Issue.
- h) The written consent of the Joint Placement Agents to the Issue for the inclusion of their name in the Prospectus as Joint Placement Agents to the Issue.
- i) The declaration made and subscribed to, by each of the Directors of the Company herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said Auditors and Reporting Accountants to the Issue, Lawyers to the Issue, Trustee to the Issue, Bankers to the Issue, Joint Managers to the Issue, Joint Placement Agents to the Issue, Registrars to the Issue and Rating Agency to the Issue have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka, withdrawn such consent.

Registration of the Prospectus in Jurisdictions Outside of 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 jurisdiction 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 the investment.

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 “Risks Related to the Debentures” in Section 5.19 of this Prospectus.

Representation

The Debentures are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, sales person, individual or any other outside party has been authorized to give any information or to make any representation in connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Company.

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 or any 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, interest rate volatilities, 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.

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 Lanka Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” are to the lawful currency of Sri Lanka.

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

IMPORTANT

All Applicants should indicate in the Application for Debentures, their Central Depository Systems (Private) Limited (CDS) account number.

In the event name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the Directive of the Securities & Exchange Commission of Sri Lanka made under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 issued by the CDS dated 30th November 2010, all Debentures are required to be directly deposited in to the CDS. To facilitate compliance with this directive, all Applicants are required to indicate their CDS account number.

In line with this directive, **THE DEBENTURES ALLOTTED TO AN APPLICANT WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH APPLICANT**, the details of which is indicated in his/her Application Form.

PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED.

Debentures will not be allotted to Applicants who have not indicated their CDS account details in the Application Form. Applications which do not specify a CDS account number will be rejected.

Applicants who wish to open a CDS account, may do so through a Trading Participants of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus.

If the CDS account number indicated in the Application Form is found to be inaccurate/incorrect or there is no CDS number indicated, the Application will be rejected and no allotments will be made.

ISSUE AT A GLANCE

Issuer	Hayleys PLC					
Instrument	Listed Rated Unsecured Senior Redeemable Debentures					
Listing	The Debentures will be listed on the Colombo Stock Exchange					
Number of Debentures to be Issued	An initial Issue of Fifty Million (50,000,000) Listed Rated Unsecured Senior Redeemable Debentures, with an option to issue up to a further Twenty Million (20,000,000) of said Debentures at the discretion of the Company in the event of an over subscription to the initial Issue. Maximum issue will not exceed Seventy Million (70,000,000) of said debentures					
Amount to be Raised	Sri Lankan Rupees Five Billion (LKR 5,000,000,000/-) with an option to issue up to a further Sri Lankan Rupees Two Billion (LKR 2,000,000,000/-) at the discretion of the Company in the event of an over subscription of the initial Issue. Maximum issue will not exceed Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/-)					
Entity Rating	"AAA (Ika) Stable" by Fitch Ratings Lanka Limited					
Issue Rating	"AAA (Ika)" by Fitch Ratings Lanka Limited					
Issue Price/Par Value	LKR 100/- (Sri Lankan Rupees One Hundred) per each Debenture					
Details of the Debentures	Listed, Rated, Unsecured, Senior, Redeemable Debentures as described below;					
	Debenture Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
	Type A	Fixed Rate	3 years	10.50% p.a.	10.77%	Semi-Annually
	Type B	Fixed Rate	5 years	11.15% p.a.	11.46%	Semi-Annually
	Type C	Floating Rate	5 years	One year Treasury Bill Rate+ 2.00% p.a. [With a floor of 8.50% p.a. and a cap of 12.50% p.a.]	N/A	Semi-Annually
Number of Debentures to be Subscribed	Applicants are allowed to invest subject to the minimum subscription of One Hundred (100) Debentures (LKR 10,000/-) and in Multiples of One Hundred (100) Debentures (LKR 10,000/-) thereafter					
Issue Opening Date	05 th May 2025, however, Applications may be submitted forthwith.					

Issue Closing Date	<p>Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 05th May 2025 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 26th May 2025.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> - The maximum of Seventy Million (70,000,000) Debentures being fully subscribed; or - The Board of Directors of the Company decides to close the Issue upon the initial Issue of Fifty Million (50,000,000) Debentures becoming fully subscribed. <p>In the event the Board of Directors of the Company decides to exercise the option to issue further up to Twenty Million (20,000,000) Debentures (having subscribed the initial Issue of Fifty Million (50,000,000) Debentures) but subsequently decides to close the subscription list upon part of the further issue of Twenty Million (20,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm.</p> <p>In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial Fifty Million (50,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm. (refer Section 5.2 of this Prospectus).</p>
Date of Allotment	<p>The date on which the Debentures will be allotted by the Company to Applicants subscribing thereto.</p>
Basis of Allotment	<p>As authorized by the Board of Directors of the Company via the board resolution dated 23rd December 2024, in the event of an oversubscription, the basis of allotment will be decided by Hayleys Group Services (Private) Limited (led by Strategic Business Development Unit of the Company) within Seven (07) Market Days from the closure of the Issue.</p> <p>The Board however shall reserve the right to allocate up to 75% of the number of Debentures to be issued under this Prospectus on a preferential basis, to identified institutional investor/s of strategic and operational importance with whom the Company might have mutually beneficial relationships in the future.</p> <p>Number of Debentures to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).</p> <p>The Company has not identified any related parties for any allotment of the Debentures on a preferential basis as at the date of the Prospectus. In the event any related party is allotted any Debentures on a preferential basis or any party to whom Debentures are allotted on a preferential basis becomes a related party prior to the Date of Redemption, the Directors of the Company will undertake to make an immediate disclosure to the CSE to this effect and will comply in compliance with section 9 of the CSE Listing Rules (as applicable).</p>

Interest Period	Means the six (06) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).
Interest Payment Date	Means the dates on which the payments of interest in respect of the Debentures shall fall due which shall be six (06) months from the Date of Allotment and every six (06) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest Payments will be made no later than three (03) Market Days from the due date of interest (Excluding such due date of interest).
Method of Payment of Principal and Interest	Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS, CEFT and RTGS (arranged only at the expense of the investor). RTGS transfers however could be effected only for amounts over and above the maximum value (Sri Lankan Rupees Five Million) that can be accommodated via SLIPS or CEFT transfers or by cheque marked "Account Payee Only". If the Applicant has not provided details of his bank account in the Application, the entity shall make such payments to the Applicant by way of a cheque.
Maturity date	Type A Debentures: On completion of Three (03) years from the Date of Allotment; and Type B and Type C Debentures: On completion of Five (05) years from the Date of Allotment; or on such earlier date on which the Debentures are redeemed or become payable in terms of the Trust Deed.

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1.0 CORPORATE INFORMATION

The Company/ Issuer	Hayleys PLC	
Legal Form of the Company	Hayleys PLC is a Listed Company domiciled in Sri Lanka incorporated under The Companies Ordinance, No 51 of 1938. The Company were-registered under the new Companies Act No. 07 of 2007.	
Date of Incorporation	31 st of May 1952	
Company Registration No.	PQ 22	
Issuer Rating	“AAA (lka) Stable” by Fitch Ratings Lanka Limited	
Place of Incorporation	Colombo, Sri Lanka	
Registered/Business Office	Hayleys PLC No. 400, Deans Road, Colombo 10. Tel: +94 11 2 627 000	
Company Secretaries	Hayleys Group Services (Private) Limited No. 400, Deans Road, Colombo 10. Tel: +94 11 262 7650	
Auditors to the Company	Ernst & Young, Chartered Accountants Rotunda Towers, No. 109, Galle Road, Colombo 3. Tel: +94 11 2 463 500	
Credit Rating Agency	Fitch Ratings Lanka Limited 15-02, East Tower, World Trade Centre Colombo 01. Tel: +94 11 2 541 900	
Board of Directors	Mr. A.M. Pandithage	Chairman & Chief Executive
	Mr. K.D.D. Perera	Co-Chairman - Non Executive Director
	Mr. S. C. Ganegoda	Executive Director
	Mr. H.S.R. Kariyawasan	Executive Director
	Mr. L.R.V. Waidyaratne	Executive Director
	Ms. J. Dharmasena	Executive Director
	Mr. R. J. Karunarajah	Executive Director
	Dr. H. Cabral PC	Non-Executive Director
	Mr. M.Y.A. Perera	Senior Independent Non-Executive Director
	Mr. K.D.G. Gunaratne	Non-Executive Director
	Mr. T.A.B. Speldewinde	Independent Non-Executive Director
	Mr. P.Y.S. Perera	Independent Non-Executive Director
	Mr. A.J. Alles	Independent Non-Executive Director

2.0 RELEVANT PARTIES TO THE ISSUE

Joint Managers to the Issue	Commercial Bank of Ceylon PLC Ground Floor, Hemas Building No 36, Sir Razik Fareed Mawatha, P.O. Box 856, Colombo 01. Tel: +94 11 248 6848
	Hayleys Group Services (Private) Limited No. 400, Deans Road, Colombo 10. Tel: +94 11 262 7661
Joint Placement Agents to the Issue	Commercial Bank of Ceylon PLC Ground Floor, Hemas Building No 36, Sir Razik Fareed Mawatha, P.O. Box 856, Colombo 01. Tel: +94 11 248 6848
	HNB Investment Bank (Pvt) Ltd No. 53, Dharmapala Mawatha, Colombo 03 Tel: +94 11 2 206 206
Lawyers to the Issue	Heritage Partners 4, Heritage House Malalasekara Pedesa, Colombo 7. Tel: +94 11 7 550 096
Registrar to the Issue	SSP Corporate Services (Pvt) Ltd 101, Inner Flower Road, Colombo 03, Tel: +94 11 2 573 894
Bankers to the Issue	Commercial Bank of Ceylon PLC “Commercial House” No.21, Sir Razik Fareed Mawatha, P.O. Box 856, Colombo 01, Sri Lanka. Tel: +94(0)11 2 486 494/6
Trustee to the Issue	People’s Bank Head Office 75, Chittampalam A Gardiner Mawatha, Colombo 2 Tel: +94 11 248 1481
Auditors and Reporting Accountants to the Issue	Ernst & Young, Chartered Accountants Rotunda Towers, No. 109, Galle Road, Colombo 3. Tel: +94 11 2 463 500
Rating Agency to the Issue	Fitch Ratings Lanka Limited 15-02, East Tower, World Trade Centre, Colombo 01. Tel: +94 11 2 541 900

3.0 ABBREVIATIONS

AER	Annual Effective Rate
ATS	Automated Trading System
AWPLR	Average Weighted Prime Lending Rate
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CEFTS	Common Electronic Fund Transfer Switch
CSE	Colombo Stock Exchange
FCBU	Foreign Currency Banking Units
FY	Financial Year
HAYL	Hayleys PLC
IIA	Inward Investment Account
LCB	Licensed Commercial Bank
NIC	National Identity Card
POA	Power of Attorney
RTGS	Real Time Gross Settlement
Rs./LKR	Sri Lankan Rupees
SEC	Securities and Exchange Commission of Sri Lanka
SLIPS	Sri Lanka Interbank Payment System
USD	US Dollar
VAT	Value Added Tax
WHT	Withholding Tax
YoY	Year on Year

4.0 GLOSSARY TERMS RELATED TO THE ISSUE

Applicant/s	Any investor who submits an Application Form under this Prospectus
Application Form/Application	The Application Form that constitutes part of this Prospectus through which the investors may apply for the Debentures in issue
AWPLR	Average Weighted Prime Lending Rate
Board/Board of Directors/Directors	The Board of Directors of Hayleys PLC
Closure Date	The Date of Closure of the Subscription List as set out in Section 5.2 of this Prospectus
Date of Allotment	The date on which the Debentures will be allotted by the Company to Applicants subscribing hereto
Date of Redemption	The date on which Redemption of the Debentures will take place as referred to in Section 5.9.
Debentures	Listed Rated Unsecured Senior Redeemable Debentures to be issued pursuant to this Prospectus
Debenture Holder(s)	Any person who is for the time being the holder of the Debentures and includes his/her respective successors in title
Entitlement Date	The Market day immediately preceding the Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Company in order to qualify for payment of any interest or any redemption proceeds.
Interest Determination Date	The Date of Allotment in respect of the first Interest Period and the market date immediately prior to the first date of each Interest Period in respect of each subsequent Interest Period
Interest Payment Date	The dates on which the payments of interest in respect of the Debentures shall fall due which shall be six (06) months from the Date of Allotment and every six (06) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest Payments will be made no later than three (03) Market Days from the due date of interest (Excluding such due date of interest).
Interest Period	The six (06) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).
Issue	The offer of Debentures pursuant to this Prospectus
Issue Price	Rupees One Hundred (LKR 100/-) per each Debenture
Local Time	Sri Lanka Time (UTC+05:30)
Market Day	Any day on which trading takes place at the CSE
Non-Resident(s)	Persons resident outside Sri Lanka including global funds, regional funds, country funds, investment funds and mutual funds established outside Sri Lanka

One Year Treasury Bill Rate	The simple average of the 364 days Treasury Bill auction rates (net of tax) of the four preceding weeks immediately prior to an Interest Determination Date as published by the Central Bank of Sri Lanka
Prospectus	This Prospectus dated 25 th April 2025
Redemption	The repayment of Principal at maturity together with any interest accruing up to that time.
Senior	In relation to the Debentures, senior means the claims of the Debenture Holders shall in the event of winding up of the Company rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but pari passu to the claims of unsecured creditors of the Company and shall rank in priority to and over any subordinated debt of the Company and the ordinary and preference shareholder/s of the Company.
Trustee	Peoples Bank
Trust Deed	Trust Deed dated 23 rd April 2025 between Hayleys PLC and the Trustee.
The Company/ Issuer/HAYL	Hayleys PLC
Unsecured	Repayment of the Principal Sum and payment of interest on the Debentures are not secured by a charge on any assets of the Issuer.
Working Day	A day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka

5.0 PRINCIPAL FEATURES OF THE LISTED RATED UNSECURED SENIOR REDEEMABLE DEBENTURES

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Hayleys PLC (hereinafter referred to as the “Board”) by resolutions dated 23rd December 2024 and 6th March 2025 resolved to raise a sum of up to Rupees Five Billion (LKR 5,000,000,000/-) by an initial Issue of up to Fifty Million (50,000,000) Debentures each with a Par Value of Sri Lankan Rupees One Hundred (LKR 100/-) and to raise a further sum of Rupees Two Billion (LKR 2,000,000,000/-) by an issue of further Twenty Million (20,000,000) Debentures, in the event of an over subscription of the initial Issue.

As such a maximum amount of Rupees Seven Billion (LKR 7,000,000,000/-) would be raised by the issue of a maximum of Seventy Million (70,000,000) Debentures each with the Par Value of Sri Lankan Rupees One Hundred (LKR 100/-).

Hayleys invites Applications for Debentures which will rank equal and pari passu with each other without any preference or priority of any one or more than over the others except for the Rate of Interest, Date of Redemption and Type of interest as more fully described in Section 5.5 of this Prospectus. The claims of the Debenture Holders shall in the event of winding up of the Company rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but pari passu to the claims of unsecured creditors of the Company and shall rank in priority to and over any subordinated debt of the Company and the claims and rights of the preference and ordinary shareholder/s of the Company.

The Debentures do not carry an option to be converted to ordinary shares or any other type of security.

It is the intention of the Company to list the Debentures on the CSE. The CSE has given its in-principle approval for the listing of the Debentures on the CSE. However, CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE.

5.2 SUBSCRIPTION LIST

The subscription list for the Listed, Rated, Unsecured, Senior and Redeemable Debentures pursuant to this Prospectus will open at 9.00 a.m. on 05th May 2025 and shall remain open for Fourteen (14) Market Days until closure at 4.30 p.m. on 26th May 2025.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:

- The maximum of Seventy Million (70,000,000) Debentures being fully subscribed; or
- The Board of Directors of the Company decides to close the Issue upon the initial Issue of Fifty Million (50,000,000) Debentures becoming fully subscribed.

In the event the Board of Directors of the Company decides to exercise the option to issue further up to Twenty Million (20,000,000) Debentures [having subscribed the initial Issue of Fifty Million (50,000,000) Debentures] but subsequently decides to close the subscription list upon part of the further Issue of Twenty Million (20,000,000) Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 p.m.

In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial Issue of Fifty Million (50,000,000) Debentures, such decision is to be notified to the

CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 p.m.

Applications may however be made forthwith in the manner set out in Section 6.0 of this Prospectus and accordingly, duly completed Application Forms will be accepted by Joint Managers and Joint Placement Agents to the Issue, Registrars to the Issue or by any Trading Participants firm of the CSE as set out in the Collection Points of Annexure II of this Prospectus.

Applications sent by post or courier or delivered to any collection point set out in Annexure II of this Prospectus will be accepted in terms of Section 6.3.

5.3 TYPE OF DEBENTURES

The Issue consists of three types of Debentures, i.e. Debentures with fixed and floating coupon rates each with a par value of Rupees One Hundred (LKR 100/-).

Type of Debentures	Type of Interest	Tenure	Interest Rate (Per annum)	Annual Effective Rate (AER)	Interest Payment frequency
Type A	Fixed Rate	3 years	10.50% p.a.	10.77% p.a.	Semi- annually
Type B	Fixed Rate	5 years	11.15% p.a.	11.46% p.a.	Semi- annually
Type C	Floating Rate	5 years	One year Treasury Bill Rate + 2.00% p.a. [with a floor of 8.50% p.a. and a cap of 12.50% p.a.]	N/A	Semi- annually

The maximum amount to be raised through Debentures of Type A, B and C will not exceed LKR 7,000 Million and the amounts to be raised through each Type of Debentures will depend on the Applications received for each Type of Debenture. As authorized by the Board of Directors of the Company via the board resolution dated 23rd December 2024, in the event of an oversubscription, the basis of allotment will be decided by Hayleys Group Services (Private) Limited (led by Strategic Business Development Unit of the Company). The amount allotted for each Type of the Debenture will be subsequently disclosed through a market announcement.

5.4 OBJECTIVES OF THE ISSUE AND SPECIFIC RISKS RELATING TO THE OBJECTIVES

The funds generated from the Debenture Issue will be utilized for the refinancing of short-term debt facilities of the Company with medium term funds immediately upon the allotment of the Debentures and receipt of the funds by the Company. .

These short-term debt facilities include short term loans and overdrafts obtained from banks for working capital purposes. By settling these short-term obligations and refinancing the same via medium term funds, the Company will be able to minimize its reliance on financial institutions for the financing of the working capital requirements while mitigating interest rate risk and liquidity risk due to market volatilities. The gearing ratio of the Company prior to the Issue was 0.73x as of 31st December 2024. This is expected to remain unchanged following the Debenture Issue.

The Company is not required to obtain any approvals for the Issue and the objectives of the issue from any regulator other than the CSE.

Utilization of Funds Raised through the Issue

The Company will utilize LKR 5,000 million raised through the initial Issue of the Debenture to settle short-term debt facilities to the value of LKR 5,000 million. These short-term debt facilities are continuously drawn down on a monthly/quarterly/bi-annual recurring basis to finance the working capital needs of the Company and the interest rates applicable are based on the prevailing market interest rates at the time of renewing the facilities. The said facilities can be settled at the discretion of the Company at any time without any penalty charges. The Company will identify the particular facilities for settlement at the time of settlement considering the quantum of the facilities involved, the terms and conditions offered by the banks, the maturity pattern of the facilities and the requirement to free-up facilities to meet future funding requirements.

The short-term debt facilities (of the Company) as of 31st December 2024 amounts to LKR 9,021 million and of which LKR 5,000 Million will be settled through the funds raised via the initial Issue of the Debentures. Accordingly, outstanding short term debt facilities obtained for working capital purposes post the above-mentioned settlement will be LKR 4,021 million.

The Company intends to utilize the funds raised through the oversubscription option of LKR 2,000 million (if exercised) to settle short term debt facilities to the value of LKR 2,000 million from the remaining pool of over LKR 4,021 million outstanding short term debt facilities mentioned above. The specific obligations to be settled through the proceeds from the oversubscription option will be selected based on the interest rates of these facilities at the time of settlement and the due date. These facilities can be settled at any time at the discretion of the Company without any penalty charges.

The Company will not be settling any related party debt from the proceeds of the Debenture Issue.

In the event that this Debenture Issue is under subscribed, the Company will prioritize refinancing the above-mentioned debt facilities based on the obtained date and applicable interest rates related to particular facilities. Accordingly, the higher interest paying facility/s would be prioritized to be repaid to the extent of the funds raised from this Debenture Issue

All the above-mentioned settlement of debt facilities will be affected by the Company immediately upon the allotment of the Debentures and receipt of the funds by the Company.

The breakdown of the total short-term and long-term loans of the Company as per the Unaudited Interim Financials of 31st December 2024 are given below:

Type of borrowing	(LKR Mn)
Finance Lease Obligations	21
Debentures	-
Long Term Loans	28,303
Short Term Loans	9,021
Total	37,345

The short-term debt facilities mentioned above include facilities obtained from multiple lenders and this comprises of multiple facilities obtained from a single lender as well. However, identifying the specific date of obtaining each short-term debt facility is not practical considering the fact that these facilities are continuously drawn down and settled on a monthly/quarterly/bi-annual on a recurring basis.

The Company has utilized the entire amount of the above borrowings for the intended purpose as of 31st December 2024. All the above borrowings were obtained at market interest rates, where no facilities were obtained at concessionary rates. Further, none of the above-mentioned debt facilities were obtained from any related parties of the Company.

Specific Risk Relating to the Objectives

- The above-mentioned debt facilities have been continuously utilized on a revolving basis and the Company has the ability to settle them at its discretion without having to pay any penalties. As such, there is no uncertainty regarding the utilization of Issue proceeds for the stated objectives.
- The Company is intending to settle the said debt facilities as soon as the allotment of the Debentures is completed to mitigate the effect of market volatilities. Therefore, there is no risk of the Company not being able to utilize the Debenture proceeds within the stipulated time frame.
- The offering is not conditional to any minimum amount to be raised through this Issue and the Company is not dependent on the proceeds raised through the Debenture Issue to carry out its normal business activities. If there is any shortfall in the expected funds from the Debenture issue, the Company has the discretion of rolling over the short-term debt facilities enjoyed by them and settling any borrowings which will become due with internally generated cash flows.

The utilization of the proceeds of the Debenture Issue will be disclosed in the Annual Report and the Interim Financial Statements of the Company in the following format from the Issue opening date and until the objectives of the Debenture Issue are achieved and funds are fully utilized.

Debenture Issue proceeds utilization as at (dd-mm-yyyy)

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed Date of Utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of Total Proceed	Amounts utilized (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party/s etc.)
1	Refinancing of short-term debt facilities of the Company with medium term funds	Initial issue of LKR 5.0 Bn and a maximum issue of LKR 7.0 Bn	Immediately upon allotment of the Debentures	To be disclosed in the Annual Report and the Interim Financial Statements				

In the event the funds raised through the Debenture Issue have been fully utilized in terms of the objectives disclosed in the Prospectus between two financial periods, the Company to disclose the fact that proceeds have been utilized in its entirety as per the above template in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first.

The objectives of the issue do not amount to a major transaction of the Company. Further, in terms of the Articles of Association of the Company shareholder approval is not required for this Debenture issue.

5.5 PAYMENT OF INTEREST

The Debentures will carry fixed and floating rates of interest as described below payable on the respective Interest Payment Dates:

Type of Debentures	Type of Interest	Tenure	Interest Rate (Per annum)	Annual Effective Rate (AER)	Interest Payment frequency
Type A	Fixed Rate	3 years	10.50% p.a.	10.77% p.a.	Semi- annually
Type B	Fixed Rate	5 years	11.15% p.a.	11.46% p.a.	Semi- annually
Type C	Floating Rate	5 years	One year Treasury Bill Rate + 2.00% p.a. [with a floor of 8.50% p.a. and a cap of 12.50% p.a.]	-	Semi- annually

Interest on the Debentures accruing on a daily basis will be paid semi-annually for Type A, B and C Debentures as applicable from the Date of Allotment until the Date of Redemption on the outstanding Principal Sum.

The interest due on the Debentures for a particular Interest Period will be calculated based on the actual number of days in such Interest Period (actual/actual) and will be paid not later than three [03] Working Days from each Interest Payment Date.

In order to accommodate the debenture interest cycles in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include Debenture Holders holding Debentures in the CDS as of the Entitlement Date.

5.6 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Debentures will be paid after deducting any taxes and charges thereon (if any) in Sri Lanka Rupees as per the applicable law prevalent at the time of interest payment to the Debenture Holders.

5.7 LISTING

An Application for Listed Rated Unsecured Senior Redeemable Debentures has been made to the CSE for permission to deal in and obtain a listing, at a par value of LKR 100/- (Sri Lankan Rupees One Hundred) each, all of which are offered to the public by way of this Debenture Issue and it has been approved in principle.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. A Listing on the CSE is not to be taken as an indication of the merits of Hayleys PLC or of the Debentures issued.

5.8 PAYMENT OF PRINCIPAL AND INTEREST

Payment of Principal and interest will be made in Sri Lankan Rupees after deducting any taxes at source and charges thereon (if any) to the Debenture Holders registered as at the Entitlement Date (In case of joint Debenture Holders, the payment will be made to the one whose name stands first in the Register of Debenture Holders).

In the event accurate bank account details are provided to the CDS by the Debenture Holders, the payment of principal sum and interest shall be made to Debenture Holders through an electronic fund transfer mechanism

recognized by the banking system of Sri Lanka such as RTGS (arranged only at the expense of the investor) CEFT or SLIPS. RTGS transfers however shall be accommodated only for amounts over and above the maximum value of Sri Lankan Rupees Five Million that can be accommodated via CEFT or SLIPS transfers.

If the Debenture Holder has not provided to the CDS, accurate and correct details of his/her/its/their bank account/s for the payment of principal sum and interest, such payment to the Debenture Holder will be posted to the address registered with the CDS, through registered post to the Debenture Holder, by crossed cheques marked "Account Payee Only". Interest payable will be made only by cheques within Three (03) Market days from the end of each period.

In order to accommodate the Debenture interest cycles in the CDS, interest payments shall not include the Debenture Holders holding Debentures in the CDS as at the last day of the Payment Cycle but one day prior to the Interest Payment Date.

5.9 REDEMPTION

The Type A Debentures are redeemable at maturity on the expiry of three (03) years, while Type of B and C Debentures are redeemable at maturity on the expiry of five (05) years from the Date of Allotment in accordance with the provisions contained in the Trust Deed.

The Debenture Holders shall not have any right or option to call for redemption of the Debentures before the date of maturity of such Debentures, except in the circumstances where the Debentures have become immediately payable in terms of Clause 10 of the Trust Deed.

On the Date of Maturity/redemption of the Debentures, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Debenture Holders the principal sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the Date of Maturity/Redemption of the Debenture.

If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and for the avoidance of doubt interest shall be paid for the intervening days which are not Market Days. For the avoidance of doubt it should be noted that no interest on interest would be payable for the aforesaid interim period.

5.10 TRUSTEES TO THE ISSUE

The Company has entered into an agreement with Peoples Bank who will act as Trustee to the Issue and Peoples Bank has certified/confirmed its compliance and fulfilment of the requirements specified under Section 2.2.1.(n) 'Appointment of a Trustee' of the Listing Rules of the CSE. Debenture Holders in their Application Forms for subscription will be required to authorize the Trustee, to act as their agent in entering into such deeds, writings and instruments with the Company and to act as the agent and Trustee for the Debenture Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Debentures will be subject to the terms and conditions incorporated in the said Trust Deed.

There is no conflict of interest with the Company, except that the Trustee is one of the banks rendering banking related services to the Company.

In the event the Trustee subscribes to the Debenture Issue, the Company will make an immediate announcement to the market giving out information on the number of Debentures acquired by the Trustee.

5.11 COST OF THE ISSUE

The Directors estimate that the total cost of the issue including the Listing fee, Trustee fee, Brokerage, Printing, Marketing, Managers and Registrars fees and other costs connected with the issue will be approximately LKR 22 million and such costs will be financed by internally generated funds of the Company.

5.12 UNDERWRITING ARRANGEMENTS

The Company has decided that the Issue will not be underwritten. In the event of the Issue being undersubscribed, the Applicants will be allotted in full and the quantum of the funds generated from the Issue will be utilized for purposes detailed in Section 5.4 of this Prospectus. In the event the Issue is undersubscribed, the Company will use its other sources of funds including the internally generated funds, to achieve the specified objectives

5.13 BROKERAGE FEE

Brokerage at the rate of 0.15 per centum of the investment value of the Debentures will be paid in respect of the number of Debentures allotted on applications bearing the stamp of any Trading Participants of the CSE or any agent appointed by the Company.

5.14 RIGHTS AND OBLIGATIONS OF DEBENTURE HOLDERS

Debenture holders are entitled to following rights

- Receive principal on the Date of Maturity/Redemption and interest on the Debentures as per Sections 5.5 and 5.8 of this Prospectus and the provisions contained in the Trust Deed.
- In the event of liquidation, Listed, Rated, Unsecured, Senior, Redeemable Debentures will rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but pari passu to the claims of unsecured creditors of the Company and shall rank in priority to and over any subordinated debt of the Company and the ordinary and preference shareholder/s of the Company.
- To call, receive notice, attend and vote at the meetings of the Debenture Holders in accordance with the provisions contained in the Trust Deed pertaining to this Debenture issue.
- The other rights of the Holders of these Debentures are set out in the Trust Deed.
- To receive a copy of the Annual Report within five (05) months of the year end.

Debenture holders are not entitled to following rights

- Attending and voting at meetings of holders of shares and other types of debentures
- Sharing in the profits of the Company
- Participating in any surplus in the event of liquidation
- Calling for redemption

Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Debenture Holder shall absolve the Company from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS. Provided further that the Debenture Holders shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Debenture Holders.

5.15 BENEFITS OF INVESTING IN DEBENTURES OFFERED BY THE COMPANY

- Provides an opportunity to diversify the investment portfolio of the investor.
- Provides the investor with a regular cash inflow of interest payments.
- Provides the investor with an opportunity to invest in Debentures issued by a leading Company in Sri Lanka.
- Being listed on the CSE, the Debentures will have a secondary market, thus providing the investor with an opportunity to exit at the market price prevailing at the time of divestiture.
- The Debentures may be used as collateral to obtain credit facilities from banks and financial institutions.

5.16 CREDIT RATING

Fitch Ratings has assigned a rating of “AAA (lka)” to these Debentures.

‘AAA’ ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

Source: <https://www.fitchratings.com/products/rating-definitions#about-rating-definitions>

The Board of Directors of Hayleys undertake to keep the Trustee of the Debenture Issue and CSE immediately informed on any change to the credit rating of the Debentures when either the Company or any of the Directors are aware of any changes to the credit rating of the Debentures being issued under this Prospectus.

A copy of the rating certificate is given in Annexure I of this Prospectus.

5.17 TRANSFER OF DEBENTURES

- These Debentures shall be freely transferable as long as the Debentures are listed on the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- Subject to provisions contained in the Trust Deed, the Company may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- In the case of the death of a Debenture Holder
 - The survivor where the deceased was a joint holder; and
 - The executors or administrators of the deceased (or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased) where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognized by the issuer as having any title to his/her Debentures.
- Any person becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that such Debenture holder sustains the character in respect of which such Debenture Holder proposes to act or such Debenture holder’s title as the Board of Directors of the Company thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.
- No change of ownership in contravention of the above conditions will be recognized by the Company.

5.18 INSPECTION OF DOCUMENTS

Articles of Association, the Trust Deed, Auditors' Reports and Audited Financial Statements for the five (05) financial years ended 31st March 2024 (i.e. the five (05) financial years immediately preceding the date of this Prospectus), Interim Financial Statement as at 31st December 2024 and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered into by the Company (if any) would be made available for inspection by the public during normal working hours, five (05) Market Days prior to the date of opening of the subscription list at the registered office of the Company at No. 400, Deans Road, Colombo 10 until the Date of Redemption of the Debentures.

The Prospectus, Trust Deed and Articles of Association of the Company are available on the website of CSE, www.cse.lk and the website of the Company, www.hayleys.com from five (05) Market Days prior to the date of opening of the subscription list until the Date of Redemption of the Debentures as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Audited financial statements of Hayleys PLC made up to 31st March 2024, Interim Financial Statement as at 31st December 2024, Accountants Report and the five (05) year summary of financial statements will be available on the website of CSE, www.cse.lk and the website of the Company, www.hayleys.com (Please refer Section 8.0 of this Prospectus for the same)

Furthermore, copies of the Prospectus and Application Forms are available free of charge from the Collection Points as set out in Annexure II of this Prospectus from five (05) Market Days prior to the date of opening of the subscription list.

5.19 RISKS INVOLVED IN INVESTING IN THE DEBENTURES

- **Reinvestment Risk:** Interest on the Debentures are payable semi-annually for the Type A , Type B and Type C Debentures. An investor may decide to reinvest this interest payment and earn interest from that point onwards until maturity. Depending on the prevailing interest rates at the point of reinvestment, the interest rates at which Debenture Holders will reinvest such interest received being higher or lower than the return offered by the Debentures is known as Reinvestment risk.
- **Interest Rate Risk:** The price of a typical Debenture will have a negative correlation with the market interest rates. Interest rate risk captures this relationship between market interest rates and the value of Debentures. If market interest rates rise, the value of the Debentures may fall: as market interest rates fall the value of Debentures may rise (all other factors being equal). If the investor wishes to sell the Debenture prior to its maturity, he might be facing a capital loss (gain) if the market interest rates have increased (decreased) subsequently. Interest rate risk is irrelevant for the investor who wishes to hold the Debenture till maturity.

The interest rate applicable for Type C Debentures (One Year Treasury Bill Rate + 2.00%), which features a floating interest rate, is subject to fluctuations based on changes in the One Year Treasury Bill Rate. Consequently:

- If the One Year Treasury Bill Rate + 2.00% drops below the fixed interest rate applicable to Type B Debentures, investors holding Type C Debentures will earn a lower return compared to Type B Debenture investors.
- Conversely, if One Year Treasury Bill Rate + 2.00% rises above the fixed rate applicable to Type B Debentures, Type C Debenture investors will earn a higher return than those with Type B Debentures.

However, impact of the above is limited due to the existence of a cap and floor on the floating rate applicable to the Type C Debentures.

- **Credit Risk:** Risk of the issuer not being able to pay interest and principal payments as promised on a timely basis is default risk/credit risk. It is advisable for prospective investors of the Debenture to consider the credit rating awarded to the Company and to its Debentures by Fitch Ratings Lanka Limited, present financial strength as reflected in the Balance Sheet of the Company, assets and earnings growth and experience and skills of the Directors and senior management when forming an opinion on default risk. Fitch Ratings Lanka Limited has assigned a credit rating of AAA for the Listed, Rated, Unsecured, Senior, Redeemable Debenture issue of Hayleys PLC (Refer Annex II for Rating Report) and this credit rating will be reviewed periodically.
- **Liquidity Risk:** Liquidity risk refers to the ease with which the Debenture can be sold in the secondary market, after the initial placement. Since the Hayleys PLC Debentures are listed, should an investor require an exit option, they will be able to sell the Debentures through the CSE in order to convert them to cash and exit from the investment. Therefore, the liquidity risk is mitigated to a greater degree in the Hayleys PLC Debenture. Investors have to be mindful of the fact that even though the Debentures are listed, trading of listed debt is not at an advanced stage as the equity markets in Sri Lanka.
- **Inflation Risk:** An increase in inflation rates will cause a decrease in the real value of coupon cash flows of the Debenture. The Debenture which offers the fixed coupon is subject to inflation risk since the interest rates are not adjusted upwards depending on the inflation rate.

6.0 APPLICATION PROCEDURE

6.1 ELIGIBLE APPLICANTS

Applications are invited from the following categories of investors:

- Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age; or
- Corporate bodies incorporated or established within Sri Lanka; or
- Approved Unit Trusts licensed by the SEC; or
- Approved Provident Funds and contributory pension schemes registered/incorporated/ established in Sri Lanka (In this case, Applications should be in the name of the Trustee/Board of Management in order to facilitate the opening of the CDS account).
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- Global, regional and country funds approved by the SEC; or
- Non-residents: foreign institutional investors, corporate bodies incorporated or established outside Sri Lanka, individuals and Sri Lankans resident outside Sri Lanka.

Please note that Applications made by individuals less than 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.

“Persons resident outside Sri Lanka” will have the same meaning as in the notice published under the Foreign Exchange Act No. 12 of 2017 in Gazette No. 2045/56 dated 17th November 2017.

When permitting Non-Residents to invest in the Debentures, the Company will comply with the relevant Foreign Exchange Regulations including the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Debentures of companies incorporated in Sri Lanka to persons resident outside Sri Lanka as published in the Government Gazette (Extraordinary) No. 2045/56 dated 17th November 2017.

6.2 HOW TO APPLY

Applications should be made on the Application Forms, issued with the Prospectus. Application Forms and Prospectus are issued free of charge from the places/institutions covered in Annexure II of the Prospectus. Application Forms could also be downloaded from the Company’s web site, www.hayleys.com and the CSE web site www.cse.lk (Exact size photocopies of Application Forms would also be accepted).

Care must be taken to follow the instructions given on the reverse side of the Application Form.

Applications that do not strictly conform to such instructions and/or the terms and conditions set out in this Prospectus or which are incomplete or illegible may be rejected.

Applications should be made for a minimum of One Hundred (100) Debentures each. Applications exceeding the minimum subscription should be in multiples of One hundred (100) Debentures (LKR 10,000/-). Applications which are not in line with these guidelines will be rejected.

Applicants should apply only for one Type of Debentures (i.e. either Type A, Type B or Type C) under one Application Form. In the event an Applicant wishes to apply for more than one Type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debentures, it will not be possible for an Applicant to switch between the Types of Debentures. More than one Application submitted by an Applicant under the same Type of Debentures will not be accepted. If more than one Application Form is submitted for one Type of Debentures from a single Applicant, those would be construed as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.

Applications by companies, corporate bodies, societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their respective Common Seals or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant 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 Trustee/board of management.

6.2.1 Identification Information

All Applicants should disclose their identification/registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

The NIC, passport or company registration number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the passport for purposes of identification only if they do not have a NIC number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

Citizenship/Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lankan Citizens	√			
Sri Lankan Citizens with no NIC number – Note I		√		
Foreign Citizens – Note II		√		
Corporate Entities – Note III			√	√

Note I: In the case of Sri Lankan citizens, the passport number will be accepted only when the NIC number is not available. The CDS account must be for the same passport number.

Note II: Foreign citizens must state the passport number in the space provided.

Note III: The company registration number must be provided. The common seal or rubber stamp should be affixed and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

Non-resident investors may be affected by the laws of the jurisdiction of their residence. If the non-resident investors wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

All Applicants should indicate in the Application for Debentures, their CDS account number.

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

6.2.2 Margin Trading

Applicants who wish to apply through their margin trading account, should submit the Application in the name of the "margin provider/Applicant's name" signed by the margin provider. The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in 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.

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. Multiple Applications will not be entertained. The Issuer reserves the right to reject all multiple Applications or suspected multiple Applications.

6.2.3 Applications made under Power of Attorney

In the case of Applications made under Power of Attorney (POA), a copy of the said POA, certified by a Notary Public to be a true copy of the original, should be lodged with the Registrar to the Issue along with the Application Form. **The original POA should not be attached.**

6.2.4 Joint Applications

Joint Applications may be made. However, an Applicant of a joint Application will not be eligible to send a separate Application individually or jointly. The interest and capital payments/repayments (if any) will be drawn in favour of the principal Applicant as given in the Application Form.

In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

The Company shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

6.2.5 Submission of Applications

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 application should be enclosed in a sealed envelope marked “**Hayleys PLC – Debenture Issue 2025**” on the top left-hand corner and be addressed and **dispatched** by post or courier or delivered by hand to the Registrar to the Issue at the following address **prior to 4.30 p.m. Local Time on the Closure Date.**

SSP Corporate Services (Pvt) Ltd – 101, Inner Flower Road, Colombo 03.

Applications may also be handed over to the Joint Managers/ Placement Agents to the Issue and Trading Participants of the CSE as set out in Annex II prior to 4.30 p.m. Local Time on the Closure Date.

In the case of Applications dispatched by courier or post, such Applications should reach the Registrar to the Issue no later than 4.30 p.m. Local Time on the Market Day immediately following the Closure Date. Any Applications received after the above deadline shall be rejected even though the courier or postmark is dated prior to the Closure Date.

6.3 PAYMENT OF APPLICATION MONIES

6.3.1 Mode of Remittance

Payment should be made separately in respect of each Application by cheque or bank draft or bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka, RTGS transfer through any licensed commercial bank operating in Sri Lanka or an Internal fund transfer within Commercial Bank of Ceylon PLC, as the case may be, subject to the below (a) through (c).

- a) Remittances on Applications will be deposited in a separate bank account in the name of “Hayleys PLC -Debenture Issue 2025”.
- b) **Payment for Applications for Debentures of a value of below LKR 100,000,000/-** could be supported by a cheque or bank draft or bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS/Internal fund transfer within Commercial Bank of Ceylon PLC. In such instances, the Application Form should be accompanied by only one cheque or bank draft or bank guarantee and should be issued for the full amount indicated in the Application Form. An Application for Debentures of a value of below LKR 100,000,000/- accompanied by two or more cheques/bank drafts/bank guarantees or RTGS/Internal fund transfers within Commercial Bank of Ceylon PLC will be rejected at the outset.
- c) Applicants making Applications for Debentures of a value of above LKR 100,000,000/- will be permitted to submit;
 - Bank guarantee issued by a licensed commercial bank.
 - RTGS /Internal fund transfer within Commercial Bank of Ceylon PLC with value on the date of the issue Opening Date.
 - Multiple cheques/bank drafts drawn upon any LCB, each of which should be for a value less than LKR 100,000,000/-.

The amount payable should be calculated by multiplying the number of Debentures applied for by the par value (LKR 100/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS/Internal fund transfer within Commercial Bank of Ceylon PLC, the Application will be rejected.

CASH WILL NOT BE ACCEPTED. ANYONE WISHING TO PAY CASH SHOULD OBTAIN A BANK DRAFT FROM A LICENSED COMMERCIAL BANK IN SRI LANKA.

6.3.2 RTGS /Internal fund transfers within Commercial Bank of Ceylon PLC

In case of RTGS /Internal fund transfers within Commercial Bank of Ceylon PLC, such transfer should be made to the credit of **“Hayleys PLC – Debenture Issue 2025”** bearing account number 1000898130 at Commercial Bank of Ceylon PLC with value on the Issue Opening Date (i.e. the funds to be made to the above account on the Issue Opening Date).

The Applicant 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 Debentures applied for the credit of **“Hayleys PLC – Debenture Issue 2025”** bearing account number 1000898130 at Commercial Bank of Ceylon PLC with value on the Issue Opening Date (i.e. the funds to be made to the above account on the Issue Opening Date) and should be attached with the Application Form.

For such RTGS /Internal fund transfers within Commercial Bank of Ceylon PLC above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), an interest rate of 3.00% per annum (on actual/actual basis) will be paid from the date of such transfer up to the Date of Allotment, and the entire interest earned will be paid back to the investor.

No interest will be paid if the RTGS /Internal fund transfers within Commercial Bank of Ceylon PLC are not realized before 4.30 p.m. of the Closure Date.

6.3.3 Cheques or Bank Drafts – Resident Sri Lankan Investors

Cheques or bank drafts should be drawn on any LCB in Sri Lanka and crossed **“Account Payee Only”** and made payable to **“Hayleys PLC – Debenture Issue 2025”**.

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 Debentures will be made to the Applicants.

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

6.3.4 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 Applications should be made only out of funds received as inward remittances or available to the credit of **“Inward Investment Account” (IIA)** maintained with any LCB in Sri Lanka in accordance with the regulations and directions given by the Director of the Department of Foreign Exchange of the CBSL in that regard to licensed commercial banks.

An endorsement by way of a letter by the LCB in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS/Internal fund transfer within Commercial Bank of Ceylon PLC has been made out of the funds available in the IIA.

6.3.5 Restrictions Applicable to Foreign Citizens Resident in Sri Lanka

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee accounts only if they possess dual citizenship where one such citizenship is Sri Lankan. Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form.

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts or bank guarantees or RTGS/Internal fund transfers within Commercial Bank of PLC drawn on Sri Lanka Rupee accounts maintained with any LCB in Sri Lanka but may do so via IIA accounts. Applications made by foreign citizens not in accordance to the foregoing shall be rejected.

6.3.6 Bank Guarantee

Applications made by Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 6.3.1, will be accepted. Bank guarantees will be presented to the respective banks only after the new Debentures have been allotted. Bank guarantees should be issued by any LCB in Sri Lanka and in favour of **“Hayleys PLC – Debenture Issue 2025”** in a manner acceptable to the Company and be payable on demand.

Bank guarantees should be valid for a minimum of One (01) month from the date of the Issue.

Investors are encouraged to discuss with their relevant bankers with regard to the issuance of bank guarantees and all related charges that would be incurred by the investors.

6.4 REJECTION OF APPLICATIONS

- Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in Section 6.0 of this Prospectus will be rejected at the absolute discretion of the Company.
- Any Application Form which does not provide the NIC, passport (where NIC is not available) or company registration number as the case may be, will be rejected.
- Applications delivered by hand to the registrars to the issue after 4.30 p.m. Local Time on the Closure Date of the Issue will be rejected. Applications received by courier/post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Closure Date of the Issue, will also be rejected even if they carry a courier acceptance date/postmark date earlier than the Closure Date.
- Applications made for less than One Hundred (100) Debentures or for a number which is not in multiples of One Hundred (100) Debentures will be rejected.
- Applications which do not carry a valid CDS account number, or which indicate an inaccurate or incorrect CDS account number, shall be rejected and no allotment will be made.
- Payment for Applications of Debentures accompanied by cheques or bank drafts or bank guarantees which are not in accordance with Section 6.3.1 (b) and (c) will be rejected at the outset.
- 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.
- More than one Application submitted by an Applicant under the same Type of Debentures will not be accepted. If more than one Application Form is submitted for one Type of Debentures from a single Applicant, those would be construed as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part.

6.5 BANKING OF PAYMENTS

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Market Day after the Closure Date of the subscription list, in terms of the CSE Listing Rules.

6.6 RETURNING OF MONIES OF REJECTED APPLICATIONS

Where an Application Form is rejected, the cheque or 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, the cheque or bank draft or bank guarantee received in respect of the Application will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honoured at the first presentation, the Application will also be rejected and the dishonoured cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the dishonoured cheque or bank draft or bank guarantee will be returned to the first named Applicant. Funds received via an IIA will be returned to the respective IIA as applicable, therefore Applicants who remit money via the IIA accounts shall mention the accurate IIA account numbers in the Application Form to enable refunds being made to such accounts.

6.7 ALLOTMENT OF DEBENTURES /BASIS OF ALLOTMENT

As authorized by the Board of Directors of the Company via the board resolution dated 23rd December 2024, in the event of an oversubscription, the basis of allotment will be decided by Hayleys Group Services (Private) Limited (led by Strategic Business Development Unit of the Company) within Seven (07) Market Days from the date of Closing Date. Upon the allotments being decided, an announcement will be made to the CSE.

The Board however shall reserve the right to allocate up to a maximum of Seventy Five Per centum (75%) of the number of Debentures to be issued under this Prospectus on a preferential basis, to identified institutional investor/s of strategic and operational importance with whom the Company might have mutually beneficial relationships in the future.

Number of Debentures to be allotted to identified institutional investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).

The Company reserves the right to reject any Application or to accept any Application in part only, without assigning any reason therefor. A written confirmation informing successful Applicants on their allotment of Debentures will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

6.8 REFUNDS ON APPLICATIONS

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.4 of this Prospectus; or
- the Application is accepted only in part.

The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).

If the Applicant has provided accurate and complete details of his/her bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS. If the refund payment is over Rupees Five Million (LKR 5,000,000/-), refunds will be made via RTGS /Internal direct transfer. A payment advice will be sent accordingly.

If the Applicant has not provided accurate and correct details of his/her bank account in the Application or if the Applicant has not provided details of the bank account in the Application Form, the Company will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant.

In the case of joint Applications, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

It is the responsibility of Non-Residents/Foreign Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.

Applicants can obtain details on bank and branch codes required for providing instructions on CEFTS/SLIPS/RTGS transfers at the following website;

<https://www.lankapay.net/downloads/bank-branch-directory/>

Refunds on Applications rejected or partly allotted Debentures would be made within eight (08) Market Days excluding the Closure Date. Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus Five decimal Zero per centum (5.00%) for the delayed period on any refunds not made within this period.

6.9 SUCCESSFUL APPLICANTS AND CDS LODGMENT

Debentures allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

The Company will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Debentures.

6.10 DECLARATION TO THE CSE AND SECONDARY MARKET TRADING

The Company will submit to the CSE a declaration on the Market Day immediately following the day on which Applicants' CDS accounts are credited with the new Debentures. Trading of the new Debentures on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the declaration by the CSE as per the CSE Listing Rules.

7.0 COMPANY INFORMATION

7.1 OVERVIEW

Hayleys PLC is a Listed Company domiciled in Sri Lanka incorporated under The Companies Ordinance, No 51 of 1938. The Company was re-registered under the new Companies Act No. 07 of 2007.

The company is not required to obtain Licenses from any regulator for its normal business activities.

The financial year of the Company commences on 01st April and ends on 31st March.

7.2 STATED CAPITAL

The stated capital of the Company represents ordinary voting shares as given in the table below.

Stated Capital	As at 31 st March 2024	As at 31 st December 2024*
Balance (LKR)	1,575,000,000	1,575,000,000
Number of Shares	750,000,000	750,000,000

* unaudited

7.3 MAJOR SHAREHOLDERS

Top twenty (20) Ordinary voting shareholders of the company as at 31st December 2024 are as follows:

No.	Name of the shareholder	No. of shares	(%)
1	Mr. K.D.D. Perera	382,596,970	51.01%
2	Trustees of the D.S. Jayasundera Trust	86,980,170	11.60%
3	Seylan Bank PLC/Phantom Investments (Pvt) Ltd	38,556,077	5.14%
4	McLarens Holdings Ltd	14,103,946	1.88%
5	Hayleys Group Services (Pvt) Ltd No. 02 A/C	11,170,900	1.49%
6	Mrs. R.N. Ponnambalam	6,130,380	0.82%
7	Mrs. R.M. Spittel	5,646,970	0.75%
8	GF Capital Global Limited	5,604,000	0.75%
9	Mr. J.M. Spittel	4,655,610	0.62%
10	Mrs. S.D. Wickremasinghe	4,492,980	0.60%
11	Mrs. P.M. Godamunne	4,434,470	0.59%
12	Mrs. A.K. Wikramanayake	4,384,490	0.58%
13	Mr. S. Rameshan	4,007,620	0.53%
14	Mrs. S.R.D. Wikramanayake	3,239,320	0.43%
15	Renuka Hotels PLC	3,200,000	0.43%
16	Mrs. G.V. De Silva	2,850,830	0.38%
17	Miss S.H. De Silva	2,850,830	0.38%
18	Miss N.K.R.H. De Silva	2,834,010	0.38%
19	Dr. D. Jayantha	2,580,000	0.34%
20	Mrs. A.M.L. Johnpulle & Mr. B.J.M. Johnpulle	2,511,618	0.33%
	Others	157,168,809	20.97%
	Total	750,000,000	100.00%

8.0 FINANCIAL INFORMATION

The following financial information is hosted on the CSE web site www.cse.lk and www.hayleys.com;

- Audited financial statements of the Entity for the year ended 31 March 2024.
- Interim financial statements of the Entity as of 31 December 2024
- Summarized financial statement for the five years commencing from 31 March 2020 to 31 March 2024 stating the accounting policies adopted by the Entity certified by the auditors. Qualifications carried in any of the Auditors' Reports covering the period in question and any material changes in accounting policies during the relevant period.

8.1 DETAILS OF THE BORROWINGS OF HAYLEYS PLC

The outstanding debt instruments and borrowings of the Company as at 31st March 2024 and 31st December 2024 comprise of the following categories.

Type of borrowing	As of 31 st March 2024 (LKR Mn)	As of 31 st December 2024 (LKR Mn)*
Finance Lease Obligations	81	21
Debentures	3,000	-
Long Term Loans	21,300	28,303
Short Term Loans	5,847	9,021
Total	30,228	37,345

*unaudited

There are no debentures in Issue as of 31st December 2024

The total value of borrowings as of 31st December 2024 for Hayleys PLC stands at LKR 37.35 billion as per the latest interim financial statements (Unaudited). Hayleys PLC does not hold any convertible debt in issue.

The holders of Debentures are entitled to receive the Principal sum on the date of Maturity/Redemption and interest on the Debentures as per the provisions set out stated in the prospectus and the Trust Deed. The holders of the said Debentures are not entitled to any special rights or any privileges or rights of the Shareholders of the Company, including the right to receive notice, attend and vote at the General Meeting of the Company, receive any dividend or distributions or share the profits of the Company or to participate in any surplus assets of the Company in the event of liquidation.

8.2 LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

Apart from legal proceedings in the normal course of its business, the Company is not a party to any material contingent liabilities, litigation, mediation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration that, if decided adversely to the Company, would have a significant effect upon the Company's financial position, nor has it been a party to any such proceedings in the recent past.

The contingent liabilities as of 31st December 2024 on guarantees given by Hayleys PLC, to third parties amounted to LKR 1,057 Mn.

Company	Bank	Value of corporate Guarantee (LKR Mn)*
Fentons Limited	Sampath Bank	600
Fentons Limited	Standard Chartered Bank	350
Chas P. Hayleys	Commercial Bank	7
Hayleys Tours	Bank of Ceylon	100
Total		1,057

* unaudited

Further details on the contingent liabilities and commitments of the Company and the group are provided under Note No 32 in Page 424/425 of the 2023/24 annual report.

8.3 FINANCIAL RATIOS OF HAYLEYS PLC

Ratio	2019/20	2020/21	2021/22	2022/23	2023/24	31 st December 2024*
Debt/Equity	1.48	1.32	1.60	1.90	2.57	2.77
Interest Cover	0.42	1.53	2.50	1.29	1.32	1.80
Gearing	0.60	0.57	0.62	0.65	0.72	0.73
Acid Ratio	0.37	0.36	0.48	0.36	0.30	0.49

*unaudited

Formulas used for Ratios

$$\text{Debt to Equity} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

$$\text{Interest Cover} = \frac{\text{Operating Profit}}{(\text{Long term loan interest} + \text{Short term loan interest} + \text{Lease interest})}$$

$$\text{Gearing} = \frac{\text{Total Debt}}{(\text{Total Debt} + \text{Total Equity})}$$

$$\text{Acid Ratio} = \frac{(\text{Current Assets} - \text{Inventory})}{\text{Current Liabilities}}$$

8.4 DEBT SERVICING DETAILS OF THE ISSUER

Description	2019/20	2020/21	2021/22	2022/23	2023/24
Gross interest due on Debentures (LKR)	866,433,008	765,899,046	689,618,987	962,117,517	859,826,720
Debenture interest paid on due date (LKR)	866,433,008	765,899,046	689,618,987	962,117,517	859,826,720
Debenture interest paid after the due date (LKR)	N/A	N/A	N/A	N/A	N/A
Debenture interest not paid as due date (LKR)	N/A	N/A	N/A	N/A	N/A

8.5 ACCOUNTANT'S REPORT AND FIVE-YEAR SUMMARY OF FINANCIAL STATEMENTS



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
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Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

BW/HE

Private & Confidential
The Board of Directors
Hayleys PLC
400, Deans Road
Colombo 10
Sri Lanka

10 March 2025

Accountants' Report Hayleys PLC

Dear Sirs:

Introduction

This report has been prepared for the purpose of inclusion of the prospectus issued in connection with the issuance of fifty million (50,000,000) Listed Rated Unsecured Senior Redeemable debentures at the price of Sri Lankan Rupees hundred (Rs. 100) each to raise capital amounting to Sri Lankan Rupees Five Billion (Rs. 5,000,000,000) with an option to issue up to a further twenty million (20,000,000) of the said debentures at the discretion of the Company in the event of an oversubscription of the initial issue, to raise up to a maximum amount of Sri Lanka Rupees Seven Billion (Rs. 7,000,000,000).

We have examined the financial statements of Hayleys PLC (the "Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended 31 March 2020 to 31 March 2024 and report as follows.

1. Incorporation

Hayleys PLC (the 'Company'), is a Public Limited Liability Company incorporated on 31 May 1952 and domiciled in Sri Lanka. The Company had a primary listing on the Colombo Stock Exchange in 1 January 1953.

2. Financial Statements

2.1 Five-Year Summary of Audited Financial Statements

A summary of statement of profit or loss, statement of financial position and statement of cash flows of the Company and a summary of consolidated statements of profit or loss, consolidated statements of financial position and consolidated statements of cash flows for the years ended 31 March 2020 to 31 March 2024, based on the audited financial statements are set out in annexure 01 to 06 of the Accountant's Report.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajjewan FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS Msc - IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

2.2 Audited Financial Statements for the Year Ended 31 March 2024

Our audit report on the financial statements of the Company and the consolidated financial statements of the Group for the year ended 31 March 2024 together with such financial statements comprising statements of profit or loss, statements of comprehensive income, statements of financial position, statements of changes in equity and statements cash flow along with the accounting policies and notes thereon is available on the website of Colombo Stock Exchange (CSE), www.cse.lk, where the management is responsible for the electronic presentation of the audited financial statements and to ensure the electronic version of the audited financial statements and the auditor's report on the website is identical to the final signed hard copy version.

2.3 Audit Reports

We have audited the financial statements of the Company and the Consolidated Financial Statements of the Group for the years ended 31 March 2020 to 31 March 2024. Unmodified audit opinions have been issued for the financial years 31 March 2020 to 31 March 2024 by our reports dated 1 July 2020, 19 May 2021, 19 May 2022, 19 May 2023 and 17 May 2024 respectively.

2.4 Accounting Policies

The financial statements of the Company and the Consolidated Financial Statements of the Group for the years ended 31 March 2020 to 31 March 2024 comply with Sri Lanka Accounting Standards.

The accounting policies of the Company and Group are stated in detail in the audited financial statements of Hayleys PLC for the year ended 31 March 2024.

2.5 Dividends

Dividend paid and recorded in the respective annual report of the Company for the last five financial years in respect of ordinary voting shares are as follows:

Year	Dividend Paid (Rs.)	Dividend per Share (Rs.)
2019/20	-	-
2020/21	975,000,000	1.30
2021/22	3,000,000,000	4.00
2022/23	4,012,500,000	5.35
2023/24	4,012,500,000	5.35

2.6 Events after the Reporting Period

Fire erupted at Ekala Factory

On 7 May 2024, a fire erupted in a factory located in Ekala used by Alumex PLC which is a subsidiary of Hayleys PLC. Operations remained unaffected, as there is unused production capacity at alternative sites to fulfill the demand. The company has subsequently accounted for the damages from the fire and the insurance claim.



Shape the future
with confidence

Hayleys PLC
Page 3

Minimum payment in respect of the Plantation Sector Workers

The Secretary to the Ministry of Labour and Foreign Employment, by way of Government Gazette No. 2401/24 dated 12 September 2024, issued a notice increasing the minimum daily wage rate for time work in the Tea Growing and Manufacturing Trade and the Rubber Cultivation and Raw Rubber Processing Trade from Rs. 1,000/- to Rs. 1,350/- with effect from 10 September 2024.

3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Hayleys PLC in usage in the application for the purpose of issuance of 70,000,000 debentures at the price of Rupees hundred (Rs. 100) to raise capital amounting to Rupees Seven Billion (Rs. 7,000,000,000). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for this report we have formed. This report should not to be used, circulated, quoted or otherwise referred to for any other purpose.

Yours faithfully

Accountant's Report for the Debenture Issue - Hayleys PLC

Annexure 01

Five Year Summary

Statement of Profit or Loss - Group

For the year ended March 31,

	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
Revenue	436,833,270	407,430,881	338,009,580	241,275,661	210,307,003
Cost of sales	(322,614,872)	(363,772,324)	(258,715,354)	(178,244,709)	(158,324,525)
Direct interest cost	(4,792,620)	(4,424,524)	(1,920,345)	(1,872,405)	(1,829,082)
Gross profit	109,425,778	119,234,033	77,373,881	61,158,547	50,153,396
Other income	3,394,296	4,279,601	1,997,601	1,467,771	1,672,923
Distribution expenses	(15,376,598)	(13,764,885)	(12,514,847)	(10,949,210)	(10,687,048)
Administrative expenses	(54,378,179)	(47,498,694)	(32,842,133)	(25,561,250)	(24,247,578)
Other expenses	(342,437)	(1,177,308)	(420,743)	(162,060)	(418,013)
Results from operating activities	42,722,860	61,072,747	33,593,759	25,953,798	16,472,880
Finance income	9,907,736	20,720,866	16,831,989	3,175,954	2,038,444
Finance cost	(27,150,052)	(39,538,267)	(14,882,770)	(10,051,725)	(13,047,348)
Net finance cost	(17,242,316)	(18,817,401)	1,949,219	(6,875,771)	(11,008,904)
Change in fair value of investment properties	92,813	347,457	328,543	195,638	86,882
Share of profit of equity accounted investees (net of tax)	159,205	540,978	226,794	252,611	264,061
Value added tax on financial services	(396,855)	(394,713)	(381,570)	(292,487)	(310,867)
Profit before tax for the period	25,335,707	42,749,068	35,716,745	19,233,789	5,504,052
Tax expense	(10,488,984)	(15,076,768)	(7,617,844)	(5,187,582)	(2,609,260)
Profit for the period	14,846,723	27,672,300	28,098,901	14,046,207	2,894,792
Profit for the period attributable to:					
Owners of the parent	6,888,770	16,351,845	18,256,527	7,637,231	372,432
Non-controlling interest	7,957,953	11,320,455	9,842,374	6,408,976	2,522,360
Profit for the period	14,846,723	27,672,300	28,098,901	14,046,207	2,894,792

Above financial information and its extractions from the audited financial statements, signed for and on behalf of the management by:


 Mohan Pandithage
 Chairman & Chief Executive


 Milinda Hewagama
 Group Chief Financial Officer



Accountant's Report for the Debenture Issue - Hayleys PLC


Annexure 02

Five Year Summary


Statement of Financial Position - Group

As at March 31,	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Non - current assets					
Property, plant & equipment	133,789,861	126,472,089	111,189,851	89,685,742	88,485,496
Right-of- use assets	11,733,876	12,190,393	11,389,087	9,934,309	9,613,729
Investment Properties	2,041,561	1,948,326	2,601,101	2,824,180	2,719,260
Biological assets	1,506,271	1,313,068	599,064	530,543	505,240
Intangible assets	16,165,508	16,210,948	15,544,031	13,272,669	13,293,849
Investments in equity accounted investees	2,718,502	3,364,373	2,164,377	2,097,766	2,113,980
Other non-current financial assets	395,960	941,292	91,199	248,805	252,027
Non - current trade and other receivables	12,052,092	8,359,072	12,331,710	11,912,418	11,333,929
Other non-current assets	952,191	951,608	983,043	1,007,322	1,119,034
Deferred tax assets	3,362,617	3,411,813	2,803,644	2,311,501	1,241,800
Total non-current assets	184,718,439	175,162,982	159,697,107	133,825,255	130,678,344
Current assets					
Inventories	85,202,934	87,502,323	82,397,947	53,100,096	42,225,729
Amounts due from equity accounted investees	169,803	159,463	142,891	318,905	150,137
Trade and other receivables	117,124,113	98,651,672	107,082,528	67,226,195	59,115,893
Other current assets	6,269,054	5,508,223	4,179,463	2,893,143	2,318,473
Income tax recoverable	1,144,362	944,281	837,838	764,443	1,497,885
Other current financial assets	2,176,135	855,239	1,400,423	463,524	412,536
Short-term deposits	21,356,037	19,780,454	19,927,939	7,876,500	3,495,891
Cash in hand and at bank	28,175,378	24,177,336	27,409,656	12,912,378	8,411,179
Assets classified as held for sale	-	-	-	3,021	3,021
Total current assets	261,617,816	237,578,991	243,378,685	145,558,205	117,630,744
Total assets	446,336,255	412,741,973	403,075,792	279,383,460	248,309,088
EQUITY AND LIABILITIES					
Stated capital	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000
Capital reserves	870,062	760,344	711,396	688,411	676,104
Other components of equity	29,821,606	31,464,513	30,077,359	24,734,483	23,644,932
Revenue reserves	47,896,325	45,130,447	35,026,096	20,620,432	13,808,523
Total equity attributable to equity holders of the company	80,162,993	78,930,304	67,389,851	47,618,326	39,704,559
Non- controlling interest	45,367,092	43,776,353	37,896,875	27,580,255	23,151,943
Total Equity	125,530,085	122,706,657	105,286,726	75,198,581	62,856,502
Non - current liabilities					
Interest bearing borrowings	56,654,168	59,158,207	63,540,193	51,503,754	52,239,814
Grants	913,021	924,138	838,161	836,618	787,993
Deferred tax liabilities	11,458,489	12,602,194	7,433,449	5,357,821	5,120,949
Security deposits	1,560,728	1,468,392	1,462,347	1,366,565	1,394,611
Other Non-current Liabilities	1,750,010	2,083,838	1,637,526	1,666,017	1,730,000
Other non-current financial liabilities	3,252,235	5,844,248	2,317,848	2,091,132	1,979,089
Employee benefit obligations	15,262,465	12,845,248	11,208,145	9,777,004	9,240,100
Total non-current liabilities	90,851,116	94,926,265	88,437,669	72,598,911	72,492,556
Current liabilities					
Trade and other payables	76,689,226	66,405,057	79,256,611	52,983,547	32,019,839
Other current liabilities	11,419,890	7,815,736	7,725,691	3,897,687	3,447,003
Other current financial liabilities	18,927,276	13,355,662	9,828,666	8,374,066	5,035,956
Amounts due to equity accounted investees	465	456	322	8036	3,152
Deferred Revenue	3,625,769	954,310	618,787	492,080	383,218
Income tax payable	4,063,743	6,040,416	3,527,178	2,871,625	754,952
Current portion of long term interest bearing borrowings	27,160,079	31,573,389	27,568,587	24,677,856	26,774,764
Short-term interest bearing borrowings	88,068,606	68,964,025	80,825,555	38,280,739	44,540,814
Liabilities associated with assets classified as held for sale	-	-	-	332	332
Total current liabilities	229,955,054	195,109,051	209,351,397	131,585,968	112,960,030
Total liabilities	320,806,170	290,035,316	297,789,066	204,184,879	185,452,586
Total equity and liabilities	446,336,255	412,741,973	403,075,792	279,383,460	248,309,088

Above financial information and its extractions from the audited financial statements, signed for and on behalf of the management by:


Mohan Pandithage
Chairman & Chief Executive




Milinda Hewagama
Group Chief Financial Officer

Accountant's Report for the Debenture Issue - Hayleys PLC
Annexure 03

Five Year Summary

Statement of Cash Flow- Group

For the year ended March 31,

	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash flows from operating activities					
Cash generated from operations	44,133,786	70,708,044	17,183,289	36,719,920	22,834,854
Employee benefit paid	(1,698,780)	(1,481,118)	(1,011,913)	(851,217)	(810,401)
Income tax paid	(12,008,482)	(9,963,868)	(6,635,021)	(2,940,271)	(3,176,145)
Surcharge tax paid	-	(2,469,380)	-	-	-
Net cash inflow from operating activities	30,426,524	56,793,678	9,536,355	32,928,432	18,848,308
Cash flows from investing activities					
Purchase and construction of Property, plant & equipment	(19,919,469)	(17,128,378)	(14,040,140)	(5,768,264)	(8,290,039)
Investments in Other non- current assets	(265,708)	(275,472)	(178,458)	(79,263)	(677,903)
Investments in Other current financial assets	(6,345,368)	(9,665,751)	(10,594,939)	(2,569,859)	(4,483,323)
Investments in other non -current financial assets	-	(841,495)	(1,200)	-	-
Decrease due to harvest/(Development of Biological assets)	8,707	16,168	1,059	(15,192)	183
Grants received - capital	36,551	19,110	38,950	82,779	38,095
Improvements to investment property	(422)	(94,768)	-	(2,282)	(13,600)
Proceeds from disposal of Property, plant & equipment	1,085,564	663,580	166,971	280,672	493,895
Proceeds from insurance claims	500,991	1,662,991	-	-	-
Proceeds from disposal of Intangible assets	2,523	2,181	49,722	93,984	4,281,574
Proceeds from disposal of Current financial assets	5,263,812	10,382,342	9,731,452	2,567,831	-
Proceed from sale of investment properties	-	-	400,000	93,000	-
Proceeds from disposal of Assets held for sale	-	-	-	-	51,900
Proceeds from disposal of subsidiaries	-	-	30,592	-	-
Purchase of intangible assets	(380,026)	(608,281)	(487,147)	(270,932)	(236,905)
Long term investments in group companies and others	76,302	(1,171,650)	(4,608,960)	94,678	-
Investment in equity accounted investees	(182,175)	-	-	-	-
Proceeds from sale of non-current financial assets	651,527	-	245,611	170,056	-
Interest received	4,722,907	4,531,247	1,301,488	579,391	543,634
Net movement in Deferred revenue	2,671,459	335,523	126,707	108,864	109,246
Dividends received from Equity accounted investees	610,402	113,321	137,500	137,500	116,632
Dividends received from non-group companies	1,888	3,851	6,413	4,417	4,094
Net cash used in investing activities	(11,460,535)	(12,055,481)	(17,674,379)	(4,492,620)	(8,062,517)
Net cash inflow before financing	18,965,989	44,738,197	(8,138,024)	28,435,812	10,785,791
Cash flows from financing activities					
Payment on lease	(1,574,914)	(2,514,676)	(2,446,418)	(2,121,159)	(1,987,712)
Interest paid (including interest capitalized)	(20,762,565)	(27,219,377)	(9,955,142)	(7,664,020)	(10,997,452)
Dividend paid to Non-controlling interest	(4,218,460)	(6,361,116)	(3,656,018)	(3,103,476)	(359,353)
Debenture redemption net of issue expenses	(4,747,644)	-	-	-	-
Proceeds from Interest-bearing borrowings	24,208,036	21,159,381	37,806,769	37,333,408	52,136,197
Repayment of Interest-bearing borrowings net of issue costs	(24,441,873)	(27,604,264)	(28,099,956)	(41,086,784)	(46,168,149)
Net movement in Financial liabilities	2,979,601	7,053,396	1,681,316	3,450,153	1,013,921
Net movement in Security deposits	92,336	6,045	95,782	(28,046)	6,177
Acquisition of Non-controlling interest	(46,862)	(179,756)	(152,815)	150,995	(1,533,999)
Dividends paid to equity holders of parent	(3,984,600)	(596,105)	(3,132,708)	(225,000)	(375,000)
Net cash outflow from financing activities	(32,496,945)	(36,256,472)	(7,859,190)	(13,293,929)	(8,265,370)
Net increase / (decrease) in cash and cash equivalents	(13,530,956)	8,481,725	(15,997,214)	15,141,883	2,520,421
Cash and cash equivalents at beginning of the year	(25,006,235)	(33,487,960)	(17,490,746)	(32,632,629)	(35,153,050)
Cash and cash equivalents at end of the year	(38,537,191)	(25,006,235)	(33,487,960)	(17,490,746)	(32,632,629)



Accountant's Report for the Debenture Issue - Hayleys PLC
Annexure 03
Five Year Summary
Statement of Cash Flow- Group

For the year ended March 31,

	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
A. Cash generated from operations					
Profit before tax	25,335,707	42,749,068	35,716,745	19,233,789	5,504,052
Adjustments for:					
Net finance costs	17,242,316	18,817,401	(1,949,219)	6,875,771	11,008,904
Share of profits from Equity accounted investees	(159,205)	(540,978)	(226,794)	(252,611)	(264,061)
Depreciation on Property, plant & equipment	8,531,775	8,052,642	6,407,181	5,330,155	5,159,375
Impairment of Property, plant & equipment	22,832	1,448	97,620	5,000	79,870
Amortisation of Right-of-use assets	1,858,575	1,639,893	1,752,023	1,715,456	1,442,333
Derecognition of Property, plant & equipment	-	-	-	-	110,462
Change in fair value of Investment properties	(92,813)	(347,457)	(328,543)	(195,638)	(86,882)
Change in fair value of agricultural produce on bearer biologic	(3,376)	(17,173)	(2,511)	(21,897)	14,944
Change in fair value of Biological assets	(206,128)	(138,628)	(67,692)	(10,111)	(39,650)
(Gain)/loss on the disposal of Property, plant & equipment	(275,287)	(57,808)	(37,258)	(55,645)	(56,545)
Gain on disposal of Non-current financial assets	-	-	-	(35,075)	-
Gain on fire damages and claims	(500,991)	(673,025)	-	-	-
Write off of property, plant and equipment	612	8,082	-	-	-
Loss on the disposal of Intangible assets	123	173	-	-	-
Gain on disposal of subsidiary/subsidiary shares	-	-	(6,592)	-	-
Gain on the disposal of Investment properties	-	-	(7,378)	-	-
Amortisation of Intangible assets	393,279	317,937	259,642	205,984	193,974
Impairment of Goodwill	-	-	137,864	-	-
Net loss on translation of foreign currency	(3,151,685)	8,559,783	12,456,930	2,165,334	711,428
Impairment of Trade & other receivables	379,381	154,503	925,057	902,758	940,203
Provision for unrealised profit and write-down of inventories	388,726	1,923,455	1,915,933	442,703	361,581
Impairment/ amortisation of other non-current assets	34,078	100,386	95,904	33,798	(173,310)
Gain on bargain purchase	(13,629)	(209,690)	(12,305)	-	-
Provision for post employee benefit obligations	3,153,900	2,215,028	1,514,224	1,511,196	1,484,181
Grants amortised	(47,668)	(39,608)	(37,407)	(34,154)	(27,952)
	52,890,522	82,515,432	58,603,424	37,816,813	26,362,907
(Increase)/decrease in Trade and other receivables and other	(24,139,021)	11,564,451	(40,063,552)	(10,384,252)	(4,248,022)
(Increase)/decrease in Inventories	1,914,040	(7,045,587)	(29,456,558)	(11,218,090)	(2,859,741)
Increase/(decrease) in Trade and other payables	13,468,245	(16,326,252)	28,099,975	20,505,449	3,579,710
	44,133,786	70,708,044	17,183,289	36,719,920	22,834,854
B. Analysis of cash and cash equivalents					
Cash in hand and at bank *	28,175,378	24,177,336	27,409,656	12,913,493	8,412,294
Short-term deposits	21,356,037	19,780,454	19,927,939	7,876,500	3,495,891
	49,531,415	43,957,790	47,337,595	20,789,993	11,908,185
Short-term interest bearing borrowings	(88,068,606)	(68,964,025)	(80,825,555)	(38,280,739)	(44,540,814)
Cash and cash equivalents	(38,537,191)	(25,006,235)	(33,487,960)	(17,490,746)	(32,632,629)
Effect of exchange rate change Cash and cash equivalents as restated					



Accountant's Report for the Debenture Issue - Hayleys PLC

Annexure 04

Five Year Summary

Statement of Profit or Loss - Company

For the year ended March 31,

	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
Revenue	619,987	608,270	497,642	422,634	400,102
Cost of sales	(559,029)	(467,357)	(379,217)	(368,700)	(173,195)
Gross profit	60,958	140,913	118,425	53,934	226,907
Group dividend	5,398,957	5,897,496	5,145,509	3,618,236	1,021,949
Other income	640	-	13,111	153,209	15,705
Administrative expenses	770,121	721,291	257,512	132,199	13,952
Other expenses	(365)	(306)	(6,089)	-	-
Results from operating activities	6,230,311	6,759,394	5,528,468	3,957,578	1,278,513
Finance income	119,362	609,056	188,410	32,755	31,841
Finance cost	(4,738,806)	(5,276,184)	(2,219,372)	(2,587,774)	(3,092,129)
Net finance cost	(4,619,444)	(4,667,128)	(2,030,962)	(2,555,019)	(3,060,288)
Change in fair value of investment properties	3,700	5,900	9,250	3,700	5,550
Profit before tax for the period	1,614,567	2,098,166	3,506,756	1,406,259	(1,776,225)
Tax expense	(280,662)	(197,146)	139,979	(207,625)	(8,959)
Profit for the period	1,333,905	1,901,020	3,646,735	1,198,634	(1,785,184)

Above financial information and its extractions from the audited financial statements, signed for and on behalf of the management by:



Mohan Pandithage
Chairman & Chief Executive



Milinda Hewagama
Group Chief Financial Officer



Accountant's Report for the Debenture Issue - Hayleys PLC

Annexure 05

Five Year Summary

Statement of Financial Position - Company

As at March 31,

	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
ASSETS					
Non - current assets					
Property, plant & equipment	572,936	202,883	100,095	137,225	178,930
Right-of- use assets	63,832	127,664	191,497	255,329	-
Investment Properties	98,450	94,750	88,850	79,600	75,900
Intangible assets	56,108	65,245	74,310	58,698	35,229
Investments in subsidiaries	39,743,166	39,630,538	38,903,712	39,070,361	39,144,873
Investments in equity accounted investees	1,504,863	1,504,863	1,504,863	1,504,863	1,504,863
Other non-current financial assets	42,000	49,563	57,125	64,687	77,597
Non - current trade and other receivables	808,000	-	-	-	-
Deferred tax assets	66,335	68,643	14,771	24,525	71,215
Amounts due from subsidiaries	-	-	610,000	610,000	-
Total non-current assets	42,955,690	41,744,149	41,545,223	41,805,288	41,088,607
Current assets					
Inventories	36,423	36,535	7,493	1,739	1,775
Amounts due from subsidiaries	5,379,688	4,264,131	3,897,840	2,509,908	3,187,550
Amounts due from equity accounted investees	7,585	986	1,190	90,985	40,239
Trade and other receivables	55,038	36,558	32,907	39,391	44,177
Other current assets	70,297	56,203	31,555	19,716	8,613
Income tax recoverable	-	-	68,645	-	62,917
Other current financial assets	19,960	14,891	7,706	8,002	5,110
Short-term deposits	505,529	1,489,160	254,515	241,719	-
Cash in hand and at bank	328,528	1,144,208	697,773	85,613	313,293
Total current assets	6,403,048	7,042,672	4,999,624	2,997,073	3,663,674
Total assets	49,358,738	48,786,821	46,544,847	44,802,361	44,752,281
EQUITY AND LIABILITIES					
Equity					
Stated capital	1,575,000	1,575,000	1,575,000	1,575,000	1,575,000
Capital reserves	13,226	13,226	13,226	13,226	13,226
Revenue reserves	10,179,300	12,871,201	15,027,783	14,518,971	14,309,726
Total equity	11,767,526	14,459,427	16,616,009	16,107,197	15,897,952
Non - current liabilities					
Interest bearing borrowings	14,375,000	13,185,518	18,265,278	19,205,466	17,969,123
Employee benefit obligations	1,896,112	1,560,016	1,298,429	1,055,971	952,633
Total non-current liabilities	16,271,112	14,745,534	19,563,707	20,261,437	18,921,756
Current liabilities					
Trade and other payables	4,877,641	4,843,225	1,268,500	1,147,119	474,980
Other current liabilities	89,090	67,602	29,704	17,185	6,248
Amounts due to subsidiaries	308,352	305,479	672,807	224,881	69,312
Amounts due to equity accounted investees	385	385	322	3,152	3,152
Income tax payable	112,102	118,116	-	84,485	-
Current portion of long term interest bearing borrowings	10,005,604	9,080,337	5,361,853	4,945,176	3,847,776
Short-term interest bearing borrowings	5,846,926	5,166,716	3,031,945	2,011,729	5,531,105
Total current liabilities	21,320,100	19,581,860	10,365,131	8,433,727	9,932,573
Total liabilities	37,591,212	34,327,394	29,928,838	28,695,164	28,854,329
Total equity and liabilities	49,358,738	48,786,821	46,544,847	44,802,361	44,752,281

Above financial information and its extractions from the audited financial statements, signed for and on behalf of the management by:


 Mohan Pandithage
 Chairman & Chief Executive




 Milinda Hewagama
 Group Chief Financial Officer

Accountant's Report for the Debenture Issue - Hayleys PLC
Annexure 06
Five Year Summary
Statement of Cash Flow- Company

For the year ended March 31,

	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
Cash flows from operating activities					
Cash generated from operations	5,648,296	6,562,379	5,147,092	4,093,091	951,466
Employee benefit paid	(29,351)	(34,640)	(34,924)	(47,443)	(87,704)
Income tax paid	(283,741)	(62,132)	(667)	(15,104)	(98,327)
Net cash inflow from operating activities	5,335,204	6,465,607	5,111,501	4,030,544	765,435
Cash flows from investing activities					
Purchase and construction of Property, plant & equipment	(420,888)	(151,959)	(19,908)	(44,957)	(57,572)
Investments in Other current financial assets	-	(1,450,168)	(7,278,000)	(227)	(64)
Proceeds from disposal of Property, plant & equipment	806	245	30	356	62
Proceeds from disposal of Current financial assets	-	1,450,000	7,308,563	-	-
Purchase of intangible assets	(3,086)	(4,095)	(15,885)	-	-
Long term investments in group companies and others	(920,628)	(116,775)	(70,161)	(23,667)	(669,443)
Proceeds from disposal of subsidiary shares	-	-	249,921	215,989	-
Proceeds from sale of non-current financial assets	-	-	-	39,420	-
Interest received	103,805	554,193	99,828	19,086	21,955
Dividends received from non-group companies	227	1,323	249	319	456
Net cash used in investing activities	(1,239,764)	282,764	274,637	206,319	(704,606)
Net cash inflow before financing	4,095,440	6,748,371	5,386,138	4,236,863	60,829
Cash flows from financing activities					
Payment on lease	(86,166)	(86,170)	-	-	-
Interest paid (including interest capitalized)	(4,682,688)	(5,213,789)	(2,173,690)	(2,525,448)	(3,054,139)
Debenture redemption net of issue expenses	(3,521,507)	-	-	-	-
Proceeds from Interest-bearing borrowings	11,600,000	4,000,000	5,800,000	11,200,000	10,500,000
Repayment of Interest-bearing borrowings net of issue costs	(5,900,000)	(5,305,998)	(6,275,000)	(9,150,000)	(7,010,338)
Long term loan facility fee	-	-	-	(3,000)	(2,000)
Debenture issue fee	-	-	-	-	(15,244)
Dividends paid to equity holders of parent	(3,984,600)	(596,105)	(3,132,708)	(225,000)	(375,000)
Net cash outflow from financing activities	(6,574,961)	(7,202,062)	(5,781,398)	(703,448)	43,279
Net increase / (decrease) in cash and cash equivalents	(2,479,521)	(453,691)	(395,260)	3,533,415	104,108
Cash and cash equivalents at beginning of the year	(2,533,348)	(2,079,657)	(1,684,397)	(5,217,812)	(5,321,920)
Cash and cash equivalents at end of the year	(5,012,869)	(2,533,348)	(2,079,657)	(1,684,397)	(5,217,812)



Accountant's Report for the Debenture Issue - Hayleys PLC
Annexure 06
Five Year Summary
Statement of Cash Flow- Company

For the year ended March 31,

	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000	2021 Rs. '000	2020 Rs. '000
A. Cash generated from operations					
Profit before tax	1,614,567	2,098,166	3,506,756	1,406,259	(1,776,225)
Adjustments for:					
Net finance costs	4,619,444	4,667,128	2,030,962	2,555,019	3,060,288
Depreciation on Property, plant & equipment	50,303	48,623	48,585	62,978	70,583
Amortisation of Right-of-use assets	63,832	63,833	63,832	63,832	-
Change in fair value of Investment properties	(3,700)	(5,900)	(9,250)	(3,700)	(5,550)
(Gain)/loss on the disposal of Property, plant & equipment	(275)	306	6,089	(141)	(62)
Gain on disposal of Non-current financial assets	-	-	-	(35,075)	-
Gain on disposal of subsidiary/subsidiary shares	-	-	(13,111)	(117,993)	(15,643)
Amortisation of Intangible assets	12,223	13,160	2,606	-	-
Net loss on translation of foreign currency	(15,870)	22,578	-	-	-
Provision for post employee benefit obligations	349,809	250,533	137,836	138,045	132,416
	6,690,333	7,158,427	5,774,305	4,069,224	1,465,807
(Increase)/decrease in Trade and other receivables and other current assets	(1,154,730)	(394,438)	(1,247,436)	19,432	(534,997)
(Increase)/decrease in Inventories	112	(29,042)	(5,754)	36	(867)
Increase/(decrease) in Trade and other payables	112,581	(172,568)	625,977	4,399	21,523
	5,648,296	6,562,379	5,147,092	4,093,091	951,466
B. Analysis of cash and cash equivalents					
Cash in hand and at bank *	328,528	1,144,208	697,773	85,613	313,293
Short - term deposits	505,529	1,489,160	254,515	241,719	-
	834,057	2,633,368	952,288	327,332	313,293
Short-term interest bearing borrowings	(5,846,926)	(5,166,716)	(3,031,945)	(2,011,729)	(5,531,105)
Cash and cash equivalents	(5,012,869)	(2,533,348)	(2,079,657)	(1,684,397)	(5,217,812)
Effect of exchange rate change Cash and cash equivalents as restated					



9.0 STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named in the Prospectus issued by Hayleys PLC 'The Company' in connection with its Issue of up to 70,000,000 Listed, Rated, Unsecured, Senior, Redeemable Debentures ('The Prospectus'), as Directors of the Company, hereby declare and confirm that we have seen and read the provisions under the Companies Act No. 07 of 2007 and the Listing Rules of CSE relating to the Issue of the Prospectus, and that the relevant provisions have been complied with.

This Prospectus has been seen, read and approved by the Directors of the Entity and they, collectively and individually, accept full responsibility for the accuracy of the information given and confirm that the provisions of the CSE Listing Rules, the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with, and after making all reasonable enquiries, to the best of their 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 Entity have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Entity and making assumptions that are considered to be reasonable at the present point in time, in the best judgement of the Directors.

An application has been made to the Colombo Stock Exchange for permission to deal in, and for a listing of all securities in a particular class issued by the Entity and those Securities of the same class which are the subject of this Issue. Such permission will be granted when the Securities 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 Entity or of the Securities issued.

Name	Designation	Signature
Mr. A.M. Pandithage	Chairman & Chief Executive	Sgd.
Mr. K.D.D. Perera	Co-Chairman - Non Executive Director	Sgd.
Mr. S. C. Ganegoda	Executive Director	Sgd.
Mr. H.S.R. Kariyawasan	Executive Director	Sgd.
Mr. L.R.V. Waidyaratne	Executive Director	Sgd.
Ms. J. Dharmasena	Executive Director	Sgd.
Mr. R. J. Karunarajah	Executive Director	Sgd.
Dr. H. Cabral PC	Non-Executive Director	Sgd.
Mr. M.Y.A. Perera	Senior Independent Non-Executive Director	Sgd.
Mr. K.D.G. Gunaratne	Non-Executive Director	Sgd.
Mr. T.A.B. Speldewinde	Independent Non-Executive Director	Sgd.
Mr. P.Y.S. Perera	Independent Non-Executive Director	Sgd.
Mr. A.J. Alles	Independent Non-Executive Director	Sgd.

9.2 STATUTORY DECLARATION BY THE JOINT MANAGERS TO THE ISSUE

a). Commercial Bank of Ceylon PLC

We, Commercial Bank of Ceylon PLC, No. 21, Sir Razik Fareed Mawatha, Colombo 01, who are named in the prospectus as the Joint Manager to the Issue, hereby declare and confirm to the best of our knowledge and belief, that the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Hayleys PLC, whose Debentures are being listed.

Signed by authorized signatories of Commercial Bank of Ceylon PLC, being duly authorized thereto, at Colombo on this date of April 25, 2025.

Sgd.

Authorized Signatory

Sgd.

Authorized Signatory

b). Hayleys Group Services (Private) Ltd

We, Hayleys Group Services (Private) Ltd, of 400, Deans Road, Colombo 10, who are named in the prospectus as the Joint Manager to the Issue, hereby declare and confirm to the best of our knowledge and belief, that the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Hayleys PLC, whose Debentures are being listed.

Signed by two directors of Hayleys Group Services (Private) Limited, being duly authorised thereto, in Colombo on this day, April 25 2025.

Sgd.

Director

Sgd.

Director

ANNEXURE I: CREDIT RATING REPORT

3/24/25, 1:42 PM

Fitch Publishes 'AAA(Ika)' Rating for Hayleys' Proposed Debentures



RATING ACTION COMMENTARY

Fitch Publishes 'AAA(Ika)' Rating for Hayleys' Proposed Debentures

Fri 21 Mar, 2025 - 9:13 AM ET

Fitch Ratings - Colombo/Singapore - 21 Mar 2025: Fitch Ratings has published the National Long-Term Rating of 'AAA(Ika)' for Sri Lankan conglomerate Hayleys PLC's (AAA(Ika)/Stable) proposed senior unsecured redeemable debentures of up to LKR7 billion.

The proposed debentures are rated in line with Hayley's National Long-Term Rating and existing unsecured notes because we believe there will be limited subordination risk to debenture holders from secured debt at the holding company and debt at subsidiaries, which will rank ahead of the debentures. The proceeds from the debentures will be used to repay the company's existing short-term debt.

Hayleys' rating reflects its large operating scale and diversification across several prominent businesses. Its significant export earnings drive sustainable operating cash flow, despite temporary challenges in some segments. We forecast the company's financial profile to remain commensurate with its rating over the next two years.

KEY RATING DRIVERS

Revenue to Rise: We expect revenue to rise by about 10% in the financial year ending March 2025 (FY25), following a 12% decline in the previous financial year. This will be supported by the transportation and logistics and consumer and retail segments, which account for 38% of revenue.

Furthermore, a recovering domestic economy is reviving construction, tourism and retail demand, which bodes well for the construction material, leisure, and consumer and retail segments, which comprise 22% of the company's revenue. Cost-reflective energy pricing will continue to drive demand for renewable energy sources, supporting the projects and engineering segment, which contributes 5% of revenue.

<https://www.fitchratings.com/research/corporate-finance/fitch-publishes-aaa-ika-rating-for-hayleys-proposed-debentures-21-03-2025>

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Modest Leverage; Improving Coverage: We expect EBITDAR net leverage to increase to 3.5x in FY25 (FY24: 3.3x), driven by capex and a higher dividend payout. We forecast capex of around LKR22 billion during FY25-FY28, with the majority allocated to the logistics and projects divisions. However, we expect EBITDAR net leverage to decrease from FY26-FY28, supported by improving cash flows. Hayleys' financing costs should decline amid falling interest rates, leading to an improvement in EBITDAR fixed charge coverage to approximately 3.0x over the next few years, up from around 2.0x in FY24.

Geographic and Business Diversification: Eight businesses generate 80% of group EBIT. Direct and indirect exports account for 54% of revenue, with only 30% from Europe and the US, indicating low exposure to slower-growth developed markets. Hayleys' manufacturing locations are also diversified beyond Sri Lanka. Only 55% of its purification segment capacity is in Sri Lanka, with the rest in Thailand and Indonesia. The hand protection segment, which produces rubber gloves, also operates in Thailand, the world's largest source of natural rubber.

Strong Market Presence: Hayleys is a leader in Sri Lanka's logistics, consumer-durable retail and tea export industries. It also has a prominent share of the fragmented global hand protection and coconut shell-based activated carbon purification markets. It has strong relationships with customers, but with significant customer concentration in some businesses, although the risk is mitigated by high switching costs and its established relationships. Hayleys' competitive position is strengthened by its vertical integration and strong relationships with suppliers.

High Costs Weigh on Margin: We expect higher charcoal prices in the purification segment, which contributes 14% of EBIT, to weigh on margins. Costs will rise due to climate change's effect on the coconut supply chain, only part of which may be passed on to customers.

The plantation sector's margin will also be squeezed by a proposed daily wage hike. High domestic energy costs will also pressure Hayleys' margin amid the implementation of cost-reflective tariffs. However, the negative factors may be mitigated by a more stable domestic currency and rising adoption of renewable energy at most manufacturing locations.

DERIVATION SUMMARY

Domestic conglomerate Melstacorp PLC (AAA(lka)/Stable) has more defensive cash flow than Hayleys, supported by its market leadership in the protected spirits market.

Meanwhile, Hayleys is exposed to cyclical end-markets in some of its segments with volatile demand, but benefits from greater product and geographic diversification, which boosts its

operating scale in terms of EBITDA, while Melstacorp's operations are largely concentrated in Sri Lanka.

We believe Melstacorp has a stronger business profile, leading to strong positive free cash flow generation. Hayleys' free cash flow is mostly negative, reflecting tighter margins from stiff competition and high capex. Consequently, Hayleys' rating sensitivities are tighter than those of Melstacorp for the 'AAA(Ika)' rating.

Domestic conglomerate Sunshine Holdings PLC (AA+(Ika)/Stable) is rated one notch below Hayleys to reflect its smaller operating scale, limited geographic diversification and the regulatory risk at some of its businesses, which are counterbalanced by its stronger financial profile with lower leverage. Sunshine is more conservative with its expansion strategy than Hayleys, with a focus on expanding only its core businesses without pressuring its balance sheet. In contrast, Hayleys has been opportunistically expanding into cyclical end-markets to improve diversification, with the mostly debt-funded strategy weighing on its balance sheet.

Our rating assessment of Hayleys results in a higher rating than that for large domestic banks, non-bank financial institutions and insurance companies, which are more exposed to sovereign stress due to holdings of large sovereign-issued securities for regulatory reasons. The large financial institutions also have a broader exposure to various economic sectors.

KEY ASSUMPTIONS

Fitch's Key Assumptions Within Our Rating Case for the Issuer:

- Revenue to rise by 10.0% in FY25 and 8.0% in FY26, supported by the stronger domestic economy and recovery in export markets.
- EBITDAR margin of around 12.0% in FY25 (FY24: 12.0%) before stabilising at around 12.5% thereafter.
- Net working-capital cycle to remain stable at 120 days in FY25 and improve to 115 days afterwards on better inventory days.
- Annual capex of around LKR22 billion, or 4% of revenue, from FY25-FY28.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to negative rating action/downgrade:

<https://www.fitchratings.com/research/corporate-finance/fitch-publishes-aaa-ika-rating-for-hayleys-proposed-debentures-21-03-2025>

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- Group EBITDAR net leverage increasing above 4.0x on a sustained basis.
- Group EBITDAR fixed-charge coverage falling below 2.0x on a sustained basis.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- There is no scope for an upgrade, as the company is already at the highest rating on the Sri Lankan National Rating scale.

LIQUIDITY AND DEBT STRUCTURE

Hayleys had LKR51 billion of unrestricted cash as of end-December 2024, against LKR133 billion of debt maturing within the next 12 months. Most of the near-term maturities, around LKR103 billion, consist of short-term working-capital lines, which we expect domestic banks to roll over, as they are backed by around LKR148 billion in net working-capital assets, while the cash conversion cycle is healthy and should moderate to around 115 days.

Hayleys had unused, but uncommitted, credit lines of around LKR56 billion at FYE24, which also support liquidity in the normal course of business. We believe Hayleys will retain strong access to banks, given its diversified sources of cash flow and large scale compared with most other rated corporates with predominantly Sri Lankan exposure.

ISSUER PROFILE

Hayleys is a large listed domestic conglomerate with a leading and/or prominent market positions in transportation, consumer and retail, textiles, rubber gloves and plantations.

SUMMARY OF FINANCIAL ADJUSTMENTS

- We use EBITDAR-based leverage and coverage ratios to assess Hayleys' financial profile due to the presence of large lease obligations, mainly through the retail showroom network of its domestic consumer and retail subsidiary, Singer (Sri Lanka) PLC (AA-(lka)/Stable).
- In assessing Hayleys' financial profile, we remove debt associated with its step-down regulated finance subsidiary Singer Finance (Lanka) PLC (BBB+(lka)/Stable) from its interim subsidiary Singer (Sri Lanka)'s balance sheet, and therefore from Hayleys. This is because corporate cash flow is not used to service finance company debt. However, to factor in potential support from Singer (Sri Lanka) to Singer Finance, we add back debt of LKR29.6 billion onto Singer (Sri Lanka) and Hayleys' balance sheet, which is deemed to fund a

hypothetical equity injection to support a capital structure commensurate with the finance subsidiary's risk profile. This adjustment adds about 0.3x to Hayleys' EBITDAR net leverage.

DATE OF RELEVANT COMMITTEE

21 January 2025

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

[Click here](#) to access Fitch's latest quarterly Global Corporates Macro and Sector Forecasts data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

RATING ACTIONS

ENTITY / DEBT ⇅	RATING ⇅
Hayleys PLC	
senior unsecured	Natl LT AAA(lka) Publish

[VIEW ADDITIONAL RATING DETAILS](#)

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Fitch Ratings Lanka Ltd.

15-02 East Tower, World Trade Center Echelon Square, Colombo 00100

3/24/25, 1:42 PM

Fitch Publishes 'AAA(Ika)' Rating for Hayleys' Proposed Debentures



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Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[National Scale Rating Criteria \(pub. 22 Dec 2020\)](#)

[Corporate Rating Criteria \(pub. 07 Dec 2024\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

<https://www.fitchratings.com/research/corporate-finance/fitch-publishes-aaa-ika-rating-for-hayleys-proposed-debentures-21-03-2025>

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Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.1.0 (1)

ADDITIONAL DISCLOSURES

[Solicitation Status](#)

[Endorsement Policy](#)

[Potential Conflicts Resulting from Revenue Concentrations](#)

ENDORSEMENT STATUS

Hayleys PLC

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.



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ANNEXURE II: COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Issuer Hayleys PLC No. 400, Deans Road, Colombo 10. Tel: +94 11 2696331	Joint Managers to the Issue Hayleys Group Services (Private) Limited No. 400, Deans Road, Colombo 10 T: +94 11 2627650
Joint Managers and Placement Agents to the Issue Commercial Bank of Ceylon PLC “Investment Banking Unit” Ground Floor, Hemas Building, No 36, Sir Razik Fareed Mawatha, Colombo 01. T: 011-2486848	Joint Placement Agents to the Issue HNB Investment Bank (Pvt) Ltd No. 53, Dharmapala Mawatha, Colombo 03 Tel: +94 11 2 206 206
Registrar to the Issue SSP Corporate Services (Pvt) Ltd. 546/7, Galle Road, Colombo 03. T: +94 112 573 485	Bankers to the Issue Commercial Bank of Ceylon PLC “Commercial House” No.21, Sir Razik Fareed Mawatha, P.O. Box 856, Colombo 01, Sri Lanka. Tel: +94(0)11 2 486 494/6

Trading Participants of the CSE

<p>HNB Stockbrokers (Pvt) Ltd. No. 53, Dharmapala Mawatha, Colombo 3. +94 11 2 206 206 +94 11 2 206 298 / 9 sales@hnbstockbrokers.lk http://www.hnbstockbrokers.lk/</p>	<p>Asha Securities Ltd. No.60, 5th Lane, Colombo 03. +94 11 2 429 100 +94 11 2 429 199 apl@ashasecurities.net http://www.ashasecurities.net</p>
<p>Asia Securities (Pvt) Ltd. 4th Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 3. +94 11 7 722 000 +94 11 2 584 864 inquiries@asiasecurities.lk https://www.asiasecurities.lk</p>	<p>ACS Capital (Private) Limited No.44, Guilford Crescent, Colombo 07. Tel: +94 11 789 8302 E-mail: info@acscapial.lk https://www.acscapital.lk</p>
<p>ACAP Stock Brokers (Private) Limited No. 46/46, Greenlanka Building, 6th Floor, Nawam Mawatha, Colombo 02. Tel: +94 117 564 000 Fax: +94 112 331 756 E-mail: info@acapstockbrokers.lk</p>	<p>Almas Equities (Pvt) Ltd. Westin Tower, 5th Level, No 2-4/1, Lake Drive, Colombo 08. +94 707 144 551 +94 11 2 673 908 info@almasequities.com https://www.almasequities.com/</p>
<p>Ambeon Securities (Private) Limited No.100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08. Tel: +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk</p>	<p>Bartleet Religare Securities (Pvt) Ltd Level "G", "Bartleet House", 65, Braybrooke Place, Colombo 2. +94 11 4 221 000 +94 11 2 434 985 info@bartleetstock.com http://www.bartleetreigare.com</p>
<p>Capital Alliance Securities (Pvt) Ltd. Level 5, "Millennium House", 46/58 Nawam Mawatha, Colombo 2. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 info@cal.lk https://cal.lk</p>	<p>Capital Trust Securities (Private) Limited 42, Sir Mohamed Macan Markar Mawatha, Colombo 03. Tel: +94 11 2 174 174/ +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk http://www.capitaltrust.lk</p>
<p>CT CLSA Securities (Pvt) Ltd 4-14, Majestic City, 10, Station Road, Colombo 4. Tel. +94 11 2 552 290 - 4 +94 11 2 552 289 info@ctclsa.lk http://www.ctclsa.lk</p>	<p>Capital Alliance PLC Level 5, "Millenium House" 46/58, Nawam Mawatha, Colombo 02. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-Mail: info@cal.lk</p>
<p>Enterprise Ceylon Capital (Pvt) Ltd. 2nd Floor-4B, Liberty Plaza, 250, R.A.De Mel Mawatha, Colombo 03. +94 11 2 445 644 info@ecc.lk http://www.ecc.lk</p>	<p>First Capital Equities (Pvt) Ltd. Level 12, Vallible Property Building, No. 480, Galle Road, Colombo 03. +94 11 2 123 901 equity@firstcapital.lk http://www.firstcapital.lk/</p>

<p>First Guardian Equities (Pvt) Ltd. 32nd Floor, East Tower, World Trade Centre, Colombo 1. +94 11 446 4400400 (Hunting) +94 11 5 884 401 info@fge.lk www.fge.lk</p>	<p>J B Securities (Pvt) Ltd. 150, St. Joseph Street, Colombo 14. +94 11 2 490 900 +94 11 2 430 070 jbs@jb.lk https://www.jbs.lk</p>
<p>John Keells Stock Brokers (Pvt) Ltd. 186, Vauxhall Street, Colombo 2. +94 11 2 306 250 +94 11 2 342 068 jkstock@keells.com http://www.jksb.com/</p>	<p>Lanka Securities (Pvt) Ltd. 3rd Floor, "M2M Veranda Offices", No 34, W.A.D Ramanayeke Mawatha, Colombo 2. +94 11 4 706 757/ 2 554 942 +94 11 4 706 767 info@lankasec.com http://www.lankasecurities.com</p>
<p>LOLC Securities (Private) Limited No.481, T.B. Jayah Mawatha, Colombo 10. Tel: +94 11 7 582 000 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com</p>	<p>Nestor Stock Brokers (Pvt) Ltd No. 428,2/1, R.A.De Mel Mawatha, Colombo 03. +94 11 4 758 813 + 94 11 2 550 100 info@nestorstockbrokers.lk https://www.nestorstockbrokers.lk</p>
<p>NDB Securities (Private) Ltd. Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 4. +94 11 2 131 000 +94 11 2 314 181 mail@ndbs.lk http://www.ndbs.lk</p>	<p>Richard Pieris Securities (Pvt) Ltd. No.310, High Level Road, Nawinna, Maharagama. +94 11 4 310 500 +94 11 2 802 385 communication@rpsecurities.com http://www.arpico.com/</p>
<p>Seylan Bank PLC Level 3, Seylan Towers 90, Galle Road, Colombo 03 Tel: +94-11 2 456 300 Fax: +94 11 2 452 215 E-mail : info@seylan.lk</p>	<p>Senfin Securities Limited 4 th Floor, No.180, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@senfinsecurities.com</p>
<p>Softlogic Stockbrokers (Pvt) Ltd. Level 16, One Galle Face Tower, Colombo 02. +94 11 7 277 000 +94 11 7 277 099 info@softlogicstockbrokers.lk https://softlogicstockbrokers.lk/</p>	<p>S C Securities (Pvt) Ltd. 5th Floor, 26 B, Alwis Place, Colombo 3. +94 11 4 711 000 / +94 11 47 11 001 +94 11 2 394 405 itdivision@sampathsecurities.lk http://www.sampathsecurities.lk</p>
<p>Somerville Stockbrokers (Pvt) Ltd. 410/95/1, Bauddhaloka Mawatha, Colombo 07. +94 11 2 502 858 /+94 11 2 502 862 +94 11 2 502 852 contact@somerville.lk http://www.somerville.lk</p>	<p>Wealthtrust Securities Limited No. 102/1, Dr. N.M. Perera Mawatha, Colombo 3. Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-Mail: info@wealthtrust.lk</p>

ANNEXURE III – CUSTODIAN BANKS

<p>Bank of Ceylon (Head Office)</p> <p>07th Floor, 04, Bank of Ceylon Mawatha Colombo 01. T: +94 11 2 448 348</p>	<p>Citi Bank, N A</p> <p>65 C, Dharmapala Mawatha Colombo 07. T: +94 11 4 794 733</p>
<p>Commercial Bank of Ceylon PLC</p> <p>Commercial House 21, Sir Razik Fareed Mawatha Colombo 01. T: +94 11 2 486 498</p>	<p>Deutsche Bank AG</p> <p>Level 21, One Galle Face Tower, No. 1A, Centre Road, Galle Face, Colombo 02. T: +94 11 4 791 103</p>
<p>Hatton National Bank PLC</p> <p>HNB Towers 479, T. B. Jayah Mawatha Colombo 10. T: +94 77 7 712 406</p>	<p>The Hong Kong and Shanghai Banking Corporation Limited</p> <p>24, Sir Baron Jayathilake Mawatha Colombo 01. T: +94 11 4 451 275</p>
<p>People’s Bank (Head Office)</p> <p>Treasury, 5th Floor, 75, Sir Chittampalam A Gardiner Mawatha Colombo 02. T: +94 11 2 206 782</p>	<p>Standard Chartered Bank</p> <p>37, York Street Colombo 01. T: +94 11 2 480 450</p>
<p>Sampath Bank PLC</p> <p>110, Sir James Peiris Mawatha Colombo 02. T: +94 11 5 406 939, 77 7 842 415</p>	<p>Seylan Bank PLC</p> <p>Level 7, Seylan Towers 90, Galle Road Colombo 03. T: +94 11 2 456 701, 2 456 764, 77 2 279 545</p>
<p>Union Bank of Colombo PLC</p> <p>64, Galle Road Colombo 03. T: +94 11 2 374 205</p>	<p>Nations Trust Bank PLC</p> <p>256, Sri Ramanathan Mawatha Colombo 15. T: +94 11 4 313 131</p>
<p>Pan Asia Banking Corporation PLC (Head Office)</p> <p>450, Galle Road Colombo 03. T: +94 11 2 565 565</p>	<p>National Development Bank PLC</p> <p>No.40, Navam Mawatha, Colombo 02 T: +94 (0) 11 2 448 448</p>
<p>DFCC Bank PLC</p> <p>No.73/5, Galle Road, Colombo 03. T: +94 11 2 442 031</p>	