

COLOMBO INVESTMENT TRUST PLC

(Company No. PQ 85)

Corporate Managers & Secretaries (Pvt) Ltd.
8-5/2 Leyden Bastian Road,
York Arcade Building,
Colombo 1.

Date : 11th July 2025

CIRCULAR TO SHAREHOLDERS – RE: SCRIP DIVIDEND 2024/2025

Dear Shareholder/s,

As at 31.03.2025 your Company has reported a profit of Rs. 231,987,490.93 as reflected in the Audited Financial Statements for the year ended 31st March 2025. Accordingly the Board of Directors have decided to recommend the following to its shareholders:

1. FINAL DIVIDEND FOR THE YEAR ENDED 31ST MARCH 2025 BY WAY OF A SCRIP DIVIDEND

The Board of Directors are pleased to recommend to its shareholders a final dividend of Rs. 1.50 per share for the year ended 31st March 2025 in the form of a Scrip Dividend for due declaration by the Shareholders of the Company as at end of trading on the Record Date/Date of Entitlement being the second market day from and excluding the date of the Annual General Meeting at which the requisite resolution of the shareholders in respect of the final dividend is passed.

The Board of Directors are confident that the Company will immediately upon the issue of shares under the Scrip Dividend, satisfy the Solvency Test as required by Section 57 of the Companies Act No. 07 of 2007. The Company has obtained from its Auditor, KPMG the Certificate of Solvency in relation to the Scrip Dividend.

In the opinion of the Board, the consideration for which the shares are to be issued is fair and reasonable to the Company and to all existing shareholders.

Subject to approval by the shareholders the Board of Directors have decided to issue 52,180 new ordinary shares to its shareholders as at end of trading on 12th August 2025 (Record Date/Date of Entitlement) and the following table reflects the number of shares to be allotted, the proportion and consideration at which shares are to be issued and the amount of the earnings to be set aside for the Scrip Dividend based on the number of existing issued ordinary shares:

Existing Issued Ordinary shares	7,096,600
Scrip Dividend per share (Rs)	Rs. 1.50
Total value of the Scrip Dividend	Rs. 10,644,900.00
Value per share as at 11.06.2025	Rs. 204.00
Number of shares to be issued	52,180
The proportion for which the shares are to be issued	1 for 136.0022997317

The proposed Scrip Dividend will be distributed out of dividends received by the Company and will not be subject to withholding tax.

After the Scrip Dividend the Stated Capital of the Company will increase from Rs. 212,348,176.40 to Rs. 222,993,076.40. Consequently the number of issued ordinary shares will increase from the existing 7,096,600 shares to 7,148,780 shares.

2. ENTITLED SHAREHOLDERS

Shareholders entitled to participate in the said dividend (the 'entitled shareholders') are those who are duly registered in the Company's Share Register and also those shareholders whose names appear on the Central Depository Systems (Pvt.) Ltd. ('CDS') as at the end of trading on the Record Date/Date of Entitlement.

In calculating the number of shares held by a shareholder as at the relevant date for the proposed Scrip Dividend, the shareholding of the shareholder as appearing in the CDS and the Shareholders' Register maintained by the Registrars of the Company will not be aggregated. However if a shareholder holds shares with multiple stock brokers, the shares held with multiple stock brokers will be aggregated for calculation purposes and the shares arising as a result of the proposed Scrip Dividend will be uploaded proportionately to the respective CDS accounts held with each broker.

3. RESIDUAL FRACTIONS OF SHARES

The residual fractions arising from the aforementioned Scrip Dividend will be aggregated and the fractional shares arising consequent thereto will, subject to receiving the approval of the shareholders thereof, be allotted to a Trustee to be nominated by the Board of Directors who will hold the said shares in trust in respect of the shareholders who are entitled thereto until such shares are sold by the Trustee on the trading floor of the CSE and the net sale proceeds arising therefrom are distributed via posting of cheques/ SLIPS to those shareholders entitled to the fraction of such shares. The residual fractional entitlement referred to herein shall mean the fractions arising after applying the following formula.

Number of shares held by a shareholder as at end of trading on the Record date/Date of Entitlement *
New proportion (1)

Old proportion (136.0022997317)

The sale of such fractional shares will be effected by the Company within a reasonable period of time, from the conclusion of the aforementioned Scrip Dividend.

4. STATUS OF THE NEW SHARES

The new ordinary shares to be so issued, immediately consequent to due allotment thereof to the entitled shareholders, shall rank equal and pari passu in all respects with the existing issued and fully-paid ordinary shares of the Company.

5. LISTING

An application has been made to the CSE for listing the new ordinary shares on the CSE. This application has been approved 'in principle' by the CSE.

6. CONFIRMATION OF COMPLIANCE

The Board of Directors hereby confirm that the allotment and issue of new shares is in compliance with Article 124 of the Articles of Association of the Company, Section 7.1 g of the Listing Rules of the CSE and the provisions of the Companies Act No. 07 of 2007.

7. ALLOTMENT OF NEW SHARES

The Board of Directors emphasize that the aforementioned allotment and issue of new shares is in satisfaction of the final dividend for the year ended 31st March 2025 and shall be dependent on and subject to the shareholders passing the requisite resolution.

8. UPLOADING OF SHARES INTO CDS ACCOUNTS

In the event that the requisite resolution declaring the dividend (including its manner of satisfaction thereof) by way of the issue and allotment of new shares is passed by the shareholders, the accounts of the shareholders whose shares are deposited in the CDS would be directly uploaded with the new shares to the extent that such shareholder has become entitled thereto. The shares would be uploaded within five market days from and excluding the Record Date. If a shareholder holds multiple CDS accounts the total entitlement will be directly deposited to the respective CDS accounts proportionately as detailed under Item No.02 above. Pursuant to a Direction issued by the Securities and Exchange Commission of Sri Lanka ('SEC') pertaining to the de-materialization of listed securities, the shareholders who hold shares in scrip form (i.e. Share Certificates) as per the Share Register maintained by the Registrars to the Company, will not be issued Share Certificates for the new shares allotted and issued in their favour. Such shareholders are accordingly requested to open an account with the CDS and to deposit their Share

Certificates in the CDS prior to the Record date of the Company. This will enable the Company to deposit the new shares directly into the shareholder's CDS Account.

If a shareholder fails to deposit his/her existing ordinary shares in the CDS prior to the date of the Record date/Date of Entitlement, such shareholder's entitlement of new ordinary shares will be deposited by the Company after such shareholder has opened a CDS Account and has informed the Company's Registrars in writing of his/her CDS account number. Until such CDS account is opened by a shareholder as aforementioned, the new ordinary shares that are allotted in his/her favour will be registered in such shareholder's account in the Share Register maintained by the Registrars to Company. Consequent to the opening of the CDS account by such shareholder and upon the requisite request being made by such shareholder, the new shares will be credited to such CDS account.

9. ANNUAL GENERAL MEETING

Attached hereto is the Annual Report comprising the Notice convening the AGM to be held on 07th August 2025, and setting out under Item No. 2 thereof the relevant resolution to be passed by the shareholders in the above regard.

10. FORM OF PROXY

Shareholders who are unable to attend the AGM are entitled to appoint a proxy to attend and speak and also vote on their behalf. If you wish to appoint such a proxy, kindly complete and return the enclosed Form of Proxy (in accordance with instructions specified therein) to the Registered Office of the Company, 8-5/2, Leyden Bastian Road, York Arcade Building, Colombo 01, not less than 48 hours before the time scheduled for the holding of the AGM.

Yours faithfully,

By Order of the Board of

COLOMBO INVESTMENT TRUST PLC

CORPORATE MANAGERS & SECRETARIES (PVT)LTD

Secretaries