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AN INVITATION TO PARTICIPATE IN SRI LANKA'S GROWTH DECADE

His Excellency Gotabaya Rajapaksa

President of Sri Lanka

Sri Lanka is looking to unleash a decade of growth to rapidly increase its GDP, taking advantage of its inherent strengths and global supply chain shifts. Our strategic location combined with our business-friendly policies will be an accelerator for this fast-paced growth.

The Sri Lankan Government is pro development. We proactively support businesses, as is evident from our progressive policies, policy consistency, and fiscal incentives. The upcoming Port City will create an even more conducive environment for Foreign Direct Investments into Sri Lanka.

We are focused on making Sri Lanka a hub for global business activities across diverse sectors, and we are excited to invite global companies to establish their presence in Sri Lanka to make the most of this opportunity.

SRI LANKA: ASIA'S NEXT GROWTH HAVEN

GDP per capita ~$4000 (2-3x of South Asia average) is expected to become 2X in next 10 years, offering attractive investment opportunities in Sri Lanka

- Aggressive investments in public infrastructure and growth enablers
- Rapid increase in consumption-led growth
- Exports set to increase from $20bn in 2019 to $30bn by 2025
- Low interest rate regime

Colombo Stock Exchange is the fastest growing stock market in the region with $15bn in market capitalization

- 70% increase in new investor registrations in 2020
- Zero capital gain tax and zero dividend withholding tax for foreign investors

Sri Lanka to be a knowledge-driven economy with 3X growth in the number of graduates by 2025; Information & Communications Technology (ICT) exports expected to grow by 2.5x by 2025

Government of Sri Lanka offers industry-leading incentives, low tax regime and consistent tax policy for 5 years

Regulatory, legal and state reforms underway to improve "Ease of Doing Business" in Sri Lanka

Established economic hub with >2200 companies that have invested via BOI (~1200 foreign companies) contributing to 85% of industrial exports

New SEZ law proposed for Colombo Port City (an international business and services hub), with attractive fiscal incentives to make it comparable to the likes of Dubai, Hong Kong and Singapore

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STRONG FUNDAMENTALS WILL UNLEASH SRI LANKA'S POTENTIAL

1st

Rank in South Asia for Human Capital Skills

Trainable & Flexible Workforce

2nd

In the region for Starting a Business / Doing Business 2020

BOI and Port City offer a one-stop-shop, further improving ease of doing business

3X

Growth in number of graduates by 2025

Sri Lanka to be a knowledge-driven economy, doubling down on vocational training

28

Countries with which SL has signed Bilateral Investment Protection Agreements (IPA)

2.1bn

Access to neighboring economies, with fast growing population, for exports

1st

In South Asia for Quality of Life Index - 2019

13

Export Processing Zones with **5** more underway

2 Unique deep sea international ports in Colombo and Hambantota - set to revolutionise transhipment in South Asia

1st

Rank for "Travel Destination" by Lonely Planet in 2019

LOWEST

Power cost in South Asia as per JETRO Survey 2019

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PRIORITY SECTORS FOR INVESTMENTS WITH AIM OF DEVELOPING MULTIPLE $1BN+ EXPORT VERTICALS

Manufacturing

- Pharmaceutical
- High value add Apparel
- Electronics and Electricals

Information and Communications Technology (ICT)

- Knowledge Services
- Software Development
- IT training Institutes
- Emerging Technology

Hospitality and Tourism

- Agro/Eco Tourism
- Adventure/Thrill tourism
- Luxury Hotels
- Meetings, incentives, conferences and exhibitions (MICE) tourism

Agriculture and Food processing

- Rubber
- Agri/processed food
- Fisheries

Construction, Infrastructure & Logistics

- Railway systems (Monorails, Light Rail Transit etc)
- Port/Airport development

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Highlights of key sub-sectors:

1. **Pharmaceutical:** Pharma zone with pre-environment clearance, industry leading tax breaks for pharma companies to strengthen supply chain
2. **Apparel:** Dedicated fabric park to achieve supply chain resilience by localizing raw material imports
3. **ICT:** Code for multiple stock exchanges, airlines, theme parks, boardrooms and banks is developed in Sri Lanka. Among the fastest growing ICT hubs in South Asia, Sri Lanka is known as the "Island of ingenuity"
4. **Tourism:** Best Travel Destination in 2019 (Lonely Planet); Government expects to achieve incremental tourism revenue ~$6bn per annum by 2025
5. **Rubber:** Solid tyre capital of the world with further opportunity for large investments

...and many more such exciting opportunities for other sectors

COLOMBO PORT CITY - INTERNATIONAL BUSINESS HUB WITH A VISION TO BE THE GATEWAY TO SOUTH ASIA

Colombo Port City (CPC) is a business district, with a vision to be a **world-class international business and services hub** in Asia. With specialized **infrastructure and an investor friendly regulatory, and legal framework**, it is geared to promote and facilitate economic activity in the country.

The CPC will be a **self-sufficient city with all amenities**. It will be equipped with an International Hospital, an International School, a Marina district with hotels and a residential complex, an International Financial Centre and a Convention Centre.

Port City has a **diverse sector focus** and will have HQs of companies across international trade and shipping / logistics operations, offshore banking and financial services, information technology and business process outsourcing, tourism, entertainment, and many more.

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WHY SHOULD YOU INVEST IN COLOMBO PORT CITY:

- **Conducive tax environment** with zero corporate taxes proposed
- **Streamlined legal and regulatory framework** - proposed SEZ law & International Dispute Resolution Center
- **Services hub** at par with Qatar, Singapore, Dubai
- **Foreign currency transactions permitted** within the CPC
- **A single window for investor facilitation** through the proposed Colombo Port City Commission

UPWARD POTENTIAL AT THE COLOMBO STOCK EXCHANGE

1 STRONG CURRENT MARKET POSITION

- **$15bn market cap** with 282 companies
- **~21% market cap to GDP**
- **22% foreign equity holding** by value

2 RECORD-BREAKING PROFITABILITY AMIDST A GLOBAL PANDEMIC

- **Highest-ever quarterly consolidated profits in Q4 2020**
- **Widening investor base** backed by wide-scale digitization: 70% increase in new investor registrations in 2020
- **Significant capital raising interest:** Largest IPO since 2011 by a Renewables MNC – oversubscribed 8x; first-ever SME IPO on the newly setup SME Listing Platform "Empower"
- **Higher profitability & lower valuations** compared to frontier markets (Price-to-book ratio 1.12 & 9% RoE as of March 2021)

3 FASTEST GROWING CAPITAL MARKET

- **Attractive index returns:** 11% growth in benchmark ASPI in 2020; ASPI growth of 5% and highest turnover velocity at 45% as of March 2021
- **Ease of entry with low P/E ratio:** 11 Sri Lanka vs 16 China as of 2020
- **Higher dividend yield:** 2.7% compared to emerging markets in South Asia

4 RESILIENT AND INVESTOR FRIENDLY REGULATORY SUPPORT

- **Tax exemption** on capital gains, stamp duty and dividends
- **Investor settlement risk mechanism** through proposed DVP system

5 TARGET INVESTORS

- Foreign institutional investors focused on global equities, established funds from emerging markets, High Net Worth Individuals, non-resident Sri Lankans

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SRI LANKA, ASIA'S NEXT GROWTH HAVEN - FOUNDED ON CONSISTENT INVESTMENT POLICIES AND INCENTIVE FRAMEWORKS

Stable policies
Stable long term policy with clear 5 year policy outlined in the 2021 budget

Reduced Corporate Income Tax
5-10 year tax holiday for select sectors

Customized incentives
For projects considered as "strategic development/ marquee investments"

100% Foreign Ownership
100% repatriation for earnings, dividend, fees, capital & forex

Zero Import Taxes
on capital & construction related items, raw materials and production/process related consumables for exports

Foreign Employment
Permitted for specialized skill categories

Tax Exempted for Expats
Income Tax on select employment exempted for a period of 5 years

Fast track
Cabinet sub-committee appointed to fast track investor facilitation

Special laws
Revamping BOI Act and introducing the new Port City law (SEZ)

... and much more!

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JOIN A VIBRANT ECOSYSTEM OF GLOBAL INVESTORS

SHANGRI-LA HOTELS and RESORTS

Shangri-La's growing investment shows great faith in Sri Lanka. Shangri-La has invested close to $850M in Sri Lanka. This includes a luxury hotel, residential apartments, shopping mall and commercial space at the iconic One Galle Face in the heart of Colombo, and a luxury golf resort and spa in the southern region of Sri Lanka.

> "Shangri-La cannot be more excited to be a part of this exciting journey to transform Sri Lanka into one of the leading tourism and business travel destinations in Asia"
>
> ~Hui Kwong Kuok, Chairperson, Shangri-La

London Stock Exchange Group

The ingenuity powering one of the world's leading stock-exchanges
LSEG is a leading developer and operator of high performance technology solutions, including trading & market surveillance for over 40 organizations and exchanges. They opened a state-of-the-art technology facility in Colombo, Sri Lanka in 2016, to support their global technology operations

VEGA INNOVATIONS

The development powerhouse behind South Asia's first all electric super-car
"Sri Lanka will not only be admired for its vast biodiversity but most importantly be known for our people who continuously push boundaries to drive change with an innate passion to do great things here in Sri Lanka. I am extremely proud to have such an exceptional talent pool, driven and committed to reach this amazing milestone"

-Harsha Subasinghe CEO, CodeGen International Group of Companies, VEGA Innovations

Piramal Glass | Blackstone

World private equity giant Blackstone Group entered Sri Lanka in March 2021, buying controlling stake in Piramal Glass Ceylon PLC, in a transaction on the Colombo Stock Exchange. The 56% stake for USD 32Mn was part of the broader acquisition of the Indian giant business in December 2020. Piramal Glass is the market leader for glass packaging in Sri Lanka and Blackstone sees huge export potential in the product segment

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SRI LANKA INVESTMENT FORUM 2021

3-day virtual event, jointly organized by the Board of Investment (apex investment promotion organisation of Sri Lanka), The Ceylon Chamber of Commerce (Premier business chamber in Sri Lanka) and the Colombo Stock Exchange

The event intends to attract large MNCs and conglomerates, direct and portfolio investors including sovereign wealth funds, private equity funds, development finance institutions, high net worth individuals and other types of investors from across the world

WHY YOU SHOULD ATTEND

1

Why Sri Lanka
Understand what makes Sri Lanka an attractive investment destination

Specific Investment Opportunities
Access information on FDI projects, listed companies and private equity placements

2

3

Regulatory environment
Learn first-hand about the policy framework and legislative landscape for investing in Sri Lanka

Networking opportunity
Interact with government agencies, state-owned enterprises, industry leaders, global investors and peers

4

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WHAT'S IN STORE FOR THE 3 DAYS?

Keynote addresses

Speeches delivered by the Chief Guest, His Excellency Gotabaya Rajapaksa, President of Sri Lanka; the Guest of Honour, Hon. Mahinda Rajapaksa, Prime Minister of Sri Lanka; and Hon. Ajith Nivard Cabraal, State Minister of Money & Capital Market and State Enterprise Reforms

Sector deep-dives

Sector specific sessions on opportunities, policies and regulations; delivered by prominent experts across industries

Interactive discussions on "hot topics"

Panel discussions and plenary sessions on key aspects of Sri Lanka's macro-economic environment

Investor 1-on-1

Private sessions between investors and companies / government authorities (to be booked in advance)

Promotional sessions

Presentations by select participating companies and government bodies, to showcase investment projects

Flash announcements

of current FDI deals and investment projects

Hear from existing global investors in Sri Lanka

HCL, London Stock Exchange Group, Shangri-La & many others

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Eskişehir Şehir Bilgisi

Knowledge Partner

IFC International Finance Corporation WORLD BANK GROUP
Creating Markets, Creating Opportunities

Strategic Partner

BCG BOSTON CONSULTING GROUP

Flagship Project Partner

PORT CITY COLOMBO

Technology Partner

Microsoft

Banking Partner

HSBC

Platinum Sponsor

ASIA SECURITIES
INTEGRITY | INSIGHT | INNOVATION

IT-BPM Sector Partner

SLASSCOM
THE KNOWLEDGE AND INNOVATION CHAMBER

Insurance Partner

fairfirst INSURANCE
A FAIRFAX Company

Communication Partner

Dialog

Gold Sponsor

citi
CAL

Silver Sponsor

NSB Fund Management
CT CLSA

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Softlogic Stockbrokers

2021
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